CITY OF UHRICHSVILLE
TUSCARAWAS COUNTY, OHIO

REGULAR AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Members of Council
City of Uhrichsville
305 E. Second Street, PO Box 288
Uhrichsville, Ohio 44683

We have reviewed the *Independent Auditor's Report* of the City of Uhrichsville, Tuscarawas County, prepared by Rea & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The Auditor of State is conducting an investigation, which is on-going as of the date of this report. Dependent on the outcome of the investigation, results may be reported on at a later date.

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

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

November 18, 2025

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and pension and other post-employment benefit schedules 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 GAAS, 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 6, 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.

Rea & Associates, Inc.
New Philadelphia, Ohio
June 6, 2025

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

Financial Highlights

Key financial highlights for 2022 are as follows:

- In total, net position decreased $5,183 from 2021. Net position of governmental activities increased $112,117. Net position of business-type activities decreased $117,300.

- Current & other assets of governmental activities decreased $172,306 from 2021.

- Current & other liabilities of governmental activities decreased $280,662 from 2021.

- Liabilities of business-type activities decreased by $238,959 from 2021. The City paid bond anticipation notes of $2,705,000 and issued new bond anticipation notes of $2,440,000 in 2022.

Using this Annual Financial Report

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

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2022 and how they affected the operations of the City as a whole.

Reporting the City of Uhrichsville as a Whole

Statement of Net Position and the Statement of Activities

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

A question typically asked about the City's finances "How did we do financially during 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets and deferred outflows of resources* and *liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental Activities - Most of the City's programs and services are reported here, including general government, security of persons and property, public health, community development, leisure time services and transportation.

- Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water park fund is reported as business-type activities.

Reporting the City of Uhrichsville's Most Significant Funds

Fund Financial Statements

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

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

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

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

The City of Uhrichsville as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2022 compared to 2021:

Table 1
Net Position

	Governmental Activities			Business-Type Activities		
	2022	2021	Change	2022	2021	Change
Assets						
Current & Other Assets	$ 4,453,982	$ 4,626,288	$ (172,306)	$ 100,016	$ 368,655	$ (268,639)
Net OPEB Asset	91,052	38,340	52,712	-	-	-
Capital Assets, Net	9,674,690	9,716,029	(41,339)	3,023,598	3,111,218	(87,620)
Total Assets	14,219,724	14,380,657	(160,933)	3,123,614	3,479,873	(356,259)
Deferred Outflows of Resources						
Pension & OPEB	1,496,117	1,040,757	455,360	-	-	-
Total Deferred Outflows of Resources	1,496,117	1,040,757	455,360	-	-	-
Liabilities						
Current & Other Liabilities	162,237	442,899	(280,662)	46,525	19,383	27,142
Long-Term Liabilities:						
Due Within One Year	315,352	268,410	46,942	245,000	280,082	(35,082)
Due In More Than One Year:						
Net Pension Liability	2,675,385	2,918,464	(243,079)	-	-	-
Net OPEB Liability	427,362	409,102	18,260	-	-	-
Other Amounts	1,665,341	1,608,858	56,483	2,208,981	2,440,000	(231,019)
Total Liabilities	5,245,677	5,647,733	(402,056)	2,500,506	2,739,465	(238,959)
Deferred Inflows of Resources						
Property Taxes	569,364	546,192	23,172	-	-	-
Pension & OPEB	1,360,664	799,470	561,194	-	-	-
Total Deferred Inflows of Resources	1,930,028	1,345,662	584,366	-	-	-
Net Investment in Capital Assets	8,073,099	8,207,375	(134,276)	569,618	391,137	178,481
Restricted	2,377,674	2,102,893	274,781	-	-	-
Unrestricted	(1,910,637)	(1,882,249)	(28,388)	53,490	349,271	(295,781)
Total Net Position	$ 8,540,136	$ 8,428,019	$ 112,117	$ 623,108	$ 740,408	$ (117,300)

Collectively, the net pension liability (NPL), reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* and the net OPEB liability (NOL), pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* are the largest liability reported by the City at December 31, 2022. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net 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.

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.

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

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

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

Decreases in current and other assets, as well as current liabilities, are primarily due to a decrease in unspent state and local fiscal recovery monies received as part of the American Rescue Plan (ARPA).

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2022 and 2021.

Table 2
Changes in Net Position

	Governmental Activities			Business-Type Activities		
	2022	2021	Change	2022	2021	Change
Revenues						
Program Revenues						
Charges for Services	$ 533,564	$ 518,659	$ 14,905	$ 402,623	$ 352,763	$ 49,860
Operating Grants	918,406	437,184	481,222	-	-	-
Capital Grants	119,527	202,108	(82,581)	-	-	-
Total Program Revenues	1,571,497	1,157,951	413,546	402,623	352,763	49,860
General Revenues						
Property Taxes	655,632	607,307	48,325	-	-	-
Income Taxes	2,024,690	2,035,484	(10,794)	-	-	-
Other Local Taxes	38,734	-	38,734	-	-	-
Grants & Entitlements	243,802	258,718	(14,916)	-	-	-
Other	164,082	28,766	135,316	6,322	15,968	(9,646)
Total General Revenues	3,126,940	2,930,275	196,665	6,322	15,968	(9,646)
Total Revenues	4,698,437	4,088,226	610,211	408,945	368,731	40,214
Program Expenses						
General Government	1,164,880	468,510	696,370	-	-	-
Security of Persons and Property	2,318,580	1,827,464	491,116	-	-	-
Public Health	22,212	250,997	(228,785)	-	-	-
Leisure Time Activities	68,391	89,250	(20,859)	-	-	-
Community and Economic Development	-	21,278	(21,278)	-	-	-
Public Works	8,220	-	8,220	-	-	-
Basic Utility Service	91,542	-	91,542	-	-	-
Transportation	884,146	496,923	387,223	-	-	-
Intergovernmental	-	18,500	(18,500)	-	-	-
Interest and Fiscal Charges	28,349	30,404	(2,055)	-	-	-
Enterprise Operations						
Water Park	-	-	-	526,245	450,885	75,360
Total Expenses	4,586,320	3,203,326	1,382,994	526,245	450,885	75,360
Transfers	-	(300,000)	300,000	-	300,000	(300,000)
Change in Net Position	112,117	584,900	(472,783)	(117,300)	217,846	(335,146)
Net Position Beginning of Year	8,428,019	7,843,119	584,900	740,408	522,562	217,846
Net Position End of Year	$ 8,540,136	$ 8,428,019	$ 112,117	$ 623,108	$ 740,408	$ (117,300)

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

Governmental Activities

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

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

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

Operating grants increased primarily due to revenues associated with the receipt of ARPA funds throughout the year.

General government expenses increased primarily as a result of various projects through increased ARPA funding. Transportation expenses increased primarily as a result of increased paving projects throughout the City. Security of persons and property expenses increased primarily from increased equipment purchases resulting from an Assistance to Firefighter Grants (AFG) award. Public health expenses decreased primarily due to more repair and maintenance expenses in 2022 and less capital purchases.

Business-Type Activities

Business-type activities are limited to the water park operations. The revenues are generated primarily from charges for services. Charges for services and total expenses for the water park increased slightly in 2022 as the water park continues to recover from closing in 2020 due to the COVID-19 pandemic.

The City's Funds

Governmental Funds

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

The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2022 and 2021.

Fund	Fund Balance 12/31/2022	Fund Balance 12/31/2021	Increase (Decrease)
General	$ 806,228	$ 949,969	$ (143,741)
Street	279,965	403,883	(123,918)
EMS	578,026	470,092	107,934
Capital Improvement	641,009	340,660	300,349

The general fund is the chief operating fund of the City. The fund balance of the general fund decreased primarily due to expenses outpacing revenues during the current fiscal year.

The fund balance of the street fund decreased during the fiscal year primarily due to increased transportation expenditures for paving projects.

The EMS fund balance increased as receipts continue to outpace expenditures.

The capital improvement fund balance increased primarily from reduced transfers to other funds in the current fiscal year.

Proprietary Fund

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

The City's only proprietary fund is the water park fund. Unrestricted net position of the water park fund at the end of the year decreased from 2021. Activity in this fund can fluctuate from year to year due to various factors, including the weather and transfers in for debt payments and capital projects.

General Fund Budgeting Highlights

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

Original Budget Compared to Final Budget During the year there was no need for changes to original budgeted revenues. Original budgeted appropriations for general government and security of persons and property were increased as expenditures were higher than anticipated.

Final Budget Compared to Actual Results The most significant difference between estimated revenues and actual revenues was an increase in income taxes as receipts were lower than anticipated. Expenditures for general government were the most significant variance between budgeted appropriations and actual expenditures as they were lower than anticipated.

Capital Assets and Debt Administration

Capital Assets

The decrease in capital assets of governmental activities was primarily attributable to depreciation exceeding additions in the current year. The decrease in capital assets of business-type activities is due to current year depreciation. See Note 8 for additional information about the capital assets of the City.

Debt

The City acquired a new police cruiser, bobcat equipment, and a dump truck which increased debt of governmental activities in 2022.

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

Contacting the City's Finance Department

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

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	$ 2,359,669	$ 100,016	$ 2,459,685
Cash in Segregated Accounts	90,030	-	90,030
Accounts Receivable	92,586	-	92,586
Intergovernmental Receivable	384,099	-	384,099
Property Taxes Receivable	620,209	-	620,209
Income Taxes Receivable	774,963	-	774,963
Special Assessments Receivable	49,559	-	49,559
Prepaid Items	63,896	-	63,896
Materials and Supplies Inventory	18,971	-	18,971
Net OPEB Asset	91,052	-	91,052
Non-Depreciable Capital Assets	1,151,026	-	1,151,026
Depreciable Capital Assets, net	8,523,664	3,023,598	11,547,262
Total Assets	14,219,724	3,123,614	17,343,338
Deferred Outflows of Resources			
Pension	1,186,570	-	1,186,570
OPEB	309,547	-	309,547
Total Deferred Outflows of Resources	1,496,117	-	1,496,117
Liabilities			
Accounts Payable	25,028	1,418	26,446
Accrued Wages	25,280	-	25,280
Intergovernmental Payable	32,795	4,046	36,841
Accrued Interest Payable	-	41,061	41,061
Unearned Revenue	79,134	-	79,134
Long-Term Liabilities:			
Due Within One Year	315,352	245,000	560,352
Due In More Than One Year:			
Net Pension Liability	2,675,385	-	2,675,385
Net OPEB Liability	427,362	-	427,362
Other Amounts Due in More Than One Year	1,665,341	2,208,981	3,874,322
Total Liabilities	5,245,677	2,500,506	7,746,183
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	569,364	-	569,364
Pension	1,095,538	-	1,095,538
OPEB	265,126	-	265,126
Total Deferred Inflows of Resources	1,930,028	-	1,930,028
Net Position			
Net Investment in Capital Assets	8,073,099	569,618	8,642,717
Restricted for:			
Capital Outlay	1,110,520	-	1,110,520
Other Purposes	1,267,154	-	1,267,154
Unrestricted	(1,910,637)	53,490	(1,857,147)
Total Net Position	$ 8,540,136	$ 623,108	$ 9,163,244

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	$ 1,164,880	$ 63,728	$ 457,635	$ -	$ (643,517)	$ -	$ (643,517)
Security of Persons and Property	2,318,580	342,931	78,543	119,527	(1,777,579)	-	(1,777,579)
Public Health	22,212	-	-	-	(22,212)	-	(22,212)
Leisure Time Services	68,391	1,575	3,075	-	(63,741)	-	(63,741)
Public Works	8,220	-	-	-	(8,220)	-	(8,220)
Basic Utility Service	91,542	125,330	27,263	-	61,051	-	61,051
Transportation	884,146	-	351,890	-	(532,256)	-	(532,256)
Interest and Fiscal Charges	28,349	-	-	-	(28,349)	-	(28,349)
Total Governmental Activities	4,586,320	533,564	918,406	119,527	(3,014,823)	-	(3,014,823)
Business-Type Activities							
Water Park	526,245	402,623	-	-	-	(123,622)	(123,622)
Total Business-Type Activities	526,245	402,623	-	-	-	(123,622)	(123,622)
Total	$ 5,112,565	$ 936,187	$ 918,406	$ 119,527	(3,014,823)	(123,622)	(3,138,445)

	Governmental Activities	Business-Type Activities	Total
General Revenues			
Property Taxes Levied for:			
General Purposes	370,609	-	370,609
Fire Truck	101,154	-	101,154
Parks and Recreation	25,298	-	25,298
Ambulance	123,483	-	123,483
Police and Fire Pension	35,088	-	35,088
Income Taxes Levied for:			
General Purposes	1,369,401	-	1,369,401
Capital Projects	393,174	-	393,174
Streets	262,115	-	262,115
Other Local Taxes	38,734	-	38,734
Grants and Entitlements not Restricted to Specific Programs	243,802	-	243,802
Proceeds of Sale of Capital Assets	41,809	-	41,809
Investment Earnings	46,919	-	46,919
Miscellaneous	75,354	6,322	81,676
Total General Revenues	3,126,940	6,322	3,133,262
Change in Net Position	112,117	(117,300)	(5,183)
Net Position Beginning of Year	8,428,019	740,408	9,168,427
Net Position End of Year	$ 8,540,136	$ 623,108	$ 9,163,244

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Balance Sheet
Governmental Funds
December 31, 2022

	General	Street Fund	EMS Fund
Assets			
Equity in Pooled Cash and Investments	$ 400,533	$ 204,465	$ 498,315
Cash in Segregated Accounts	-	-	-
Accounts Receivable	12,875	-	79,711
Intergovernmental Receivable	117,583	146,085	7,184
Property Taxes Receivable	320,592	-	129,608
Income Taxes Receivable	532,787	96,870	-
Special Assessments Receivable	-	-	-
Interfund Receivable	109,000	-	-
Prepaid Items	63,896	-	-
Materials and Supplies Inventory	18,971	-	-
Total Assets	$ 1,576,237	$ 447,420	$ 714,818
Liabilities			
Accounts Payable	$ 9,022	$ 10,944	$ -
Accrued Wages	22,104	3,176	-
Intergovernmental Payable	29,763	3,032	-
Interfund Payable	-	-	-
Unearned Revenue	-	-	-
Total Liabilities	60,889	17,152	-
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	293,471	-	120,022
Unavailable Revenue	415,649	150,303	16,770
Total Deferred Inflows of Resources	709,120	150,303	136,792
Fund Balances			
Nonspendable	82,867	-	-
Restricted	-	279,965	578,026
Committed	-	-	-
Assigned	286,526	-	-
Unassigned	436,835	-	-
Total Fund Balance	806,228	279,965	578,026
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,576,237	$ 447,420	$ 714,818

See accompanying notes to the basic financial statements.

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 575,074	$ 681,282	$ 2,359,669
-	90,030	90,030
-	-	92,586
-	113,247	384,099
-	170,009	620,209
145,306	-	774,963
-	49,559	49,559
-	-	109,000
-	-	63,896
-	-	18,971
$ 720,380	$ 1,104,127	$ 4,562,982
$ -	$ 5,062	$ 25,028
-	-	25,280
-	-	32,795
-	109,000	109,000
-	79,134	79,134
-	193,196	271,237
-	155,871	569,364
79,371	115,866	777,959
79,371	271,737	1,347,323
-	-	82,867
641,009	575,919	2,074,919
-	66,948	66,948
-	-	286,526
-	(3,673)	433,162
641,009	639,194	2,944,422
$ 720,380	$ 1,104,127	$ 4,562,982

City of Uhrichsville
Tuscarawas County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2022

Total Governmental Fund Balances		$ 2,944,422
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.		9,674,690
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	$ 50,845	
Income Tax	423,310	
Intergovernmental	241,370	
Fire Contracts	12,875	
Special Assessments	49,559	777,959
The net pension liability and net OPEB liability/asset are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	91,052	
Deferred Outflows - Pension	1,186,570	
Deferred Outflows - OPEB	309,547	
Net Pension Liability	(2,675,385)	
Net OPEB Liability	(427,362)	
Deferred Inflows - Pension	(1,095,538)	
Deferred Inflows - OPEB	(265,126)	(2,876,242)
Long-term liabilities are not due and payable in the current period and therefore are not reported reported in rhe funds:		
OPWC Loans	(254,040)	
OWDA Loans	(804,585)	
EMS Loan	(30,255)	
Police Cruiser Loan	(38,762)	
Pumper Tanker Loan	(235,417)	
Bobcat Equipment	(75,513)	
Ford Explorer	(53,784)	
Dump Truck	(100,015)	
Police and Fire Pension	(183,998)	
Leases Purchases	(9,220)	
Compensated Absences	(195,104)	(1,980,693)
Net Position of Governmental Activities		$ 8,540,136

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	General	Street Fund	EMS Fund
Revenues			
Property Taxes	$ 369,842	$ -	$ 124,239
Income Taxes	1,399,186	267,531	-
Other Local Taxes	38,734	-	-
Special Assessments	-	-	-
Charges for Services	-	-	313,652
Licenses and Permits	56,754	-	-
Fines and Forfeitures	7,353	-	-
Intergovernmental	243,539	312,773	16,985
Interest	46,919	1,609	-
Contributions and Donations	250	-	-
Miscellaneous	40,086	22,969	797
Total Revenues	2,202,663	604,882	455,673
Expenditures			
Current:			
General Government	824,407	1,861	-
Security of Persons and Property	1,474,234	-	354,439
Public Health	1,633	-	-
Leisure Time Services	-	-	-
Public Works	600	-	-
Basic Utility Service	7,208	-	-
Transportation	19,214	756,679	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	11,008	-	-
Interest and Fiscal Charges	8,172	-	-
Total Expenditures	2,346,476	758,540	354,439
Excess of Revenues Over (Under) Expenditures	(143,813)	(153,658)	101,234
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	72	29,740	6,700
Proceeds of Loans	-	-	-
Proceeds of OWDA Loans	-	-	-
Total Other Financing Sources (Uses)	72	29,740	6,700
Net Change in Fund Balances	(143,741)	(123,918)	107,934
Fund Balances Beginning of Year	949,969	403,883	470,092
Fund Balances End of Year	$ 806,228	$ 279,965	$ 578,026

See accompanying notes to the basic financial statements.

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 162,177	$ 656,258
401,297	-	2,068,014
-	-	38,734
-	131,234	131,234
-	24,201	337,853
-	-	56,754
-	6,653	14,006
-	627,787	1,201,084
-	286	48,814
-	54,436	54,686
-	11,502	75,354
401,297	1,018,276	4,682,791
16,334	460,219	1,302,821
-	256,446	2,085,119
-	-	1,633
6,500	58,453	64,953
-	7,620	8,220
-	55,060	62,268
-	56,439	832,332
279,280	30,207	309,487
25,587	167,217	203,812
2,559	17,618	28,349
330,260	1,109,279	4,898,994
71,037	(91,003)	(216,203)
-	5,297	41,809
229,312	-	229,312
-	56,429	56,429
229,312	61,726	327,550
300,349	(29,277)	111,347
340,660	668,471	2,833,075
$ 641,009	$ 639,194	$ 2,944,422

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City of Uhrichsville
Tuscarawas County, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022

Net Change in Fund Balances - Total Governmental Funds		$ 111,347
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 activites, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	$ 375,087	
Current Year Depreciation	(416,426)	(41,339)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(626)	
Income Tax	(43,324)	
Intergovernmental	24,070	
Charges for Services	(379)	
Special Assessments	(5,904)	(26,163)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
OPWC Loans	26,050	
OWDA Loans	28,803	
EMS Loan	29,230	
Police Cruiser Loan	12,226	
Pumper Tanker Loan	74,256	
Police and Fire Pension	11,008	
Lease Purchases	22,239	203,812
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
OWDA Loans	(56,429)	
Bobcat Equipment	(75,513)	
Ford Explorer	(53,784)	
Dump Truck	(100,015)	(285,741)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	324,718	
OPEB	5,885	330,603
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB asset/liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(213,430)	
OPEB	54,524	(158,906)
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		(21,496)
Change in Net Position of Governmental Activities		$ 112,117

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas 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, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property Taxes	$ 319,000	$ 319,000	$ 369,842	$ 50,842
Income Taxes	1,492,398	1,492,398	1,348,832	(143,566)
Other Local Taxes	31,000	31,000	38,734	7,734
Charges for Services	15,300	15,300	-	(15,300)
Licenses and Permits	55,000	55,000	56,754	1,754
Fines and Forfeitures	3,600	3,600	7,353	3,753
Intergovernmental	211,600	211,600	243,125	31,525
Investment Income	3,000	3,000	46,919	43,919
Contributions and Donations	-	-	250	250
Miscellaneous	7,000	7,000	40,086	33,086
Total Revenues	2,137,898	2,137,898	2,151,895	13,997
Expenditures				
Current:				
General Government	684,193	1,004,921	831,294	173,627
Security of Persons and Property	1,381,731	1,493,104	1,467,437	25,667
Public Health	20,061	1,800	1,633	167
Public Works	-	33,861	600	33,261
Basic Utility Service	-	7,000	6,497	503
Transportation	45,000	21,833	21,833	-
Debt Service:				
Principal Retirement	-	5,562	11,008	(5,446)
Interest and Fiscal Charges	-	4,028	8,172	(4,144)
Total Expenditures	2,130,985	2,572,109	2,348,474	223,635
Excess of Revenues Over (Under) Expenditures	6,913	(434,211)	(196,579)	237,632
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	-	72	72
Advances Out	-	(109,000)	(109,000)	-
Total Other Financing Sources (Uses)	-	(109,000)	(108,928)	72
Net Change in Fund Balance	6,913	(543,211)	(305,507)	237,704
Fund Balance Beginning of Year	660,390	660,390	660,390	-
Prior Year Encumbrances Appropriated	45,650	45,650	45,650	-
Fund Balance End of Year	$ 712,953	$ 162,829	$ 400,533	$ 237,704

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Income Taxes	$ 205,199	$ 261,000	$ 258,376	$ (2,624)
Intergovernmental	196,251	245,000	312,827	67,827
Investment Income	-	-	1,609	1,609
Miscellaneous	-	-	22,969	22,969
Total Revenues	401,450	506,000	595,781	89,781
Expenditures				
Current:				
General Government	-	2,500	1,861	639
Transportation	886,031	897,042	800,493	96,549
Total Expenditures	886,031	899,542	802,354	97,188
Excess of Revenues Over (Under) Expenditures	(484,581)	(393,542)	(206,573)	186,969
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	-	29,740	29,740
Total Other Financing Sources (Uses)	-	-	29,740	29,740
Net Change in Fund Balance	(484,581)	(393,542)	(176,833)	216,709
Fund Balance Beginning of Year	381,298	381,298	381,298	-
Fund Balance End of Year	$ (103,283)	$ (12,244)	$ 204,465	$ 216,709

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
EMS Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property Taxes	$ 132,000	$ 132,000	$ 124,239	$ (7,761)
Charges for Services	147,500	147,500	365,966	218,466
Intergovernmental	-	-	16,985	16,985
Miscellaneous	-	-	797	797
Total Revenues	279,500	279,500	507,987	228,487
Expenditures				
Current:				
Security of Persons and Property	424,010	450,091	360,219	89,872
Total Expenditures	424,010	450,091	360,219	89,872
Excess of Revenues Over (Under) Expenditures	(144,510)	(170,591)	147,768	318,359
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	-	6,700	6,700
Total Other Financing Sources (Uses)	-	-	6,700	6,700
Net Change in Fund Balance	(144,510)	(170,591)	154,468	325,059
Fund Balance Beginning of Year	343,447	343,447	343,447	-
Prior Year Encumbrances Appropriated	400	400	400	-
Fund Balance End of Year	$ 199,337	$ 173,256	$ 498,315	$ 325,059

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Fund Net Position
Proprietary Fund
December 31, 2022

	Enterprise Fund
	Water Park
Assets	
Current Assets:	
Equity in Pooled Cash and Investments	$ 100,016
Total Current Assets	100,016
Non-Current Assets:	
Depreciable Capital Assets, Net	3,023,598
Total Non-Current Assets	3,023,598
Total Assets	3,123,614
Liabilities	
Current Liabilities:	
Accounts Payable	1,418
Intergovernmental Payable	4,046
Accrued Interest Payable	41,061
Notes Payable	245,000
Total Current Liabilities	291,525
Long-Term Liabilities:	
Notes Payable - Net of Current Portion	2,208,981
Total Long-Term Liabilities	2,208,981
Total Liabilities	2,500,506
Net Position	
Net Investment in Capital Assets	569,618
Unrestricted	53,490
Total Net Position	$ 623,108

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2022

	Enterprise Fund
	Water Park
Operating Revenues	
Charges for Services	$ 402,623
Other	6,322
Total Operating Revenues	408,945
Operating Expenses	
Personal Services	247,694
Fringe Benefits	1,523
Contractual Services	31,273
Materials and Supplies	103,177
Depreciation	87,620
Total Operating Expenses	471,287
Operating Income (Loss)	(62,342)
Non-Operating Revenues (Expenses)	
Interest	(54,958)
Total Non-Operating Revenues (Expenses)	(54,958)
Change in Net Position	(117,300)
Net Position Beginning of Year	740,408
Net Position End of Year	$ 623,108

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2022

	Enterprise Fund
	Water Park
Cash Flows from Operating Activities	
Cash Received from Customers	$ 402,623
Cash Received from Other Operating Receipts	6,322
Cash Payments to Suppliers for Goods and Services	(103,177)
Cash Payments to Employees for Services and Benefits	(247,694)
Cash Payments for Contractual Services	(29,855)
Net Cash Provided by (Used for) Operating Activities	28,219
Cash Flows from Capital and Related Financing Activities	
Proceeds of Bond Anticipation Notes	2,440,000
Premium on Debt Issuance	27,962
Principal Payments on Debt	(2,705,000)
Interest Payments on Debt	(59,820)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(296,858)
Net Increase (Decrease) in Cash and Investments	(268,639)
Cash and Investments Beginning of Year	368,655
Cash and Investments End of Year	$ 100,016
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	$ (62,342)
Adjustments:	
Depreciation	87,620
Increase (Decrease) in Liabilities:	
Accounts Payable	1,418
Intergovernmental Payable	1,523
Net Cash Provided by (Used For) Operating Activities	$ 28,219

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2022

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

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2022

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

See accompanying notes to the basic financial statements.

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

Reporting Entity

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

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

Jointly Governed Organizations

Community Improvement Corporation of Tuscarawas County (Corporation)

The sole purpose of the Corporation is to advance, encourage and promote the industrial, economic, commercial and civic development of the area. The Corporation is operated by Tuscarawas County, New Philadelphia, Dover, Uhrichsville, Dennison, Strasburg, Sugar Creek and Gnadenhutten. It is controlled by 25 trustees consisting of the three County Commissioners, the mayor of each participating city and fifteen elected trustees. The board exercises total control over the operations of the Corporation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board.

Uhrichsville-Dennison-Mill Union Cemetery (Cemetery)

The Cemetery is a jointly governed organization organized under Ohio Revised Code Section 759.27, and is directed by an appointed three-member board. Uhrichsville, Dennison and Union Township each appoint one member to the board. The continued existence of the Cemetery is not dependent on the City's participation. The Cemetery provides burial services and the upkeep of the grounds at the cemetery.

Tuscarawas County Tax Incentive Review Council (TCTIRC)

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

The City does not retain an on-going financial interest or an ongoing financial responsibility with this organization.

Joint Economic Development District (JEDD)

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

Joint Venture

Twin City Water and Sewer District (District)

The District is a joint venture organized under Ohio Revised Code Section 6119.01, and is established to supply water and to provide for the collection, treatment and disposal of waste water within the Uhrichsville-Dennison district, or beyond with additional fees. The City of Uhrichsville and the Village of Dennison each appoint two of the five District's board members. The fifth board member is appointed by the other four board members. Continued existence of the District is dependent on the City's continued participation; however, the City does not have an equity interest in the District. The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City.

Public Entity Risk Pools

Risk Sharing Pool

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

Insurance Purchasing Pool

The City is a participant in the Ohio Municipal League (OML) Group Rating Program (Program), an insurance purchasing pool for workers' compensation. The OML's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance officers, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as coordinator of the Program.

Each year, the participants pay an enrollment fee to the Program to cover the costs of administering the Program.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

> ***General Fund*** The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Street Fund*** The street fund is used to account for grants and income taxes used to maintain and improve roadways within the city.
>
> ***EMS Fund*** The EMS fund is used to account for financial resources to be used for operations of the emergency medical services department.
>
> ***Capital Improvement Fund*** The capital improvement capital projects fund is used to account for financial resources to be used for various capital improvements.

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

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

> ***Enterprise Funds*** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City has one enterprise fund.
>
> > ***Water Park Fund*** This fund accounts for the operations and maintenance of the City’s water park.

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

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

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

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

Basis of Accounting

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

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants and rentals.

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 assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue may include delinquent property taxes, income taxes, special assessments, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12).

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

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

Cash and Investments

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

Investments are reported at fair value, with the exception of nonparticipating investment contracts, such as certificates of deposit and repurchase agreements, which are reported at cost. During 2022, investments were limited to non-negotiable certificates of deposit.

Under existing Ohio statutes, the City has, by resolution, identified the general fund to receive an allocation of interest. Interest revenue credited to the general fund during 2022 amounted to $46,919, which includes $36,484 assigned from other City funds.

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

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

Inventory

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

Capital Assets

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

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

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

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

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

Compensated Absences

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

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

Accrued Liabilities and Long-term Obligations

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

Pension/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net positon 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.

Net Position

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

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

Fund Balance

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

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

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) 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, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is 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 the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by policies of City Council or a City official delegated by that authority by resolution or by State Statute. State statute authorizes the City Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for the water park. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

Internal Activity

Transfers between governmental activities are eliminated on the government wide financial statements. Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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

Extraordinary and Special Items

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

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.

Unearned Revenue

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

Budgetary Process

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

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

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

Implementation of New Accounting Principles

For the year ended December 31, 2022, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, certain provisions of GASB Statement No. 97*, Component Unit Criteria and Deferred Compensation Plans,* and certain provisions of GASB Statement No. 99*, Omnibus 2022.*

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in the City's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the City.

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

GASB Statement No. 97 results in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The implementation of certain provisions of GASB Statement No. 97 (all except paragraphs 4 and 5) did not have an effect on the financial statements of the City.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the City.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

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

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

2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

3. Encumbrances are treated as expenditures (budget) rather than as a restricted, committed, or assigned fund balance (GAAP).

4. Some funds are included in the general fund, (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	General	Street	EMS
GAAP Basis	$ (143,741)	$ (123,918)	$ 107,934
Net Adjustment for Revenue Accruals	(50,768)	(9,101)	52,314
Net Adjustment for Expenditure Accruals	(110,998)	(43,814)	(5,780)
Budget Basis	$ (305,507)	$ (176,833)	$ 154,468

NOTE 4 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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

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

4. Bonds and any other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and

7. Bankers' acceptances and commercial paper for a period not to exceed one hundred eighty days and two hundred and seventy days, respectively, in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

Cash on Hand **-** At December 31, 2022 the City had $165 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Investments."

Segregated Cash **-** The CHIP grant fund is maintained separately from the City's deposits. The carrying amount of the deposits is reported as "Cash in Segregated Accounts."

Deposits **–** At year-end, $2,087,379 of the City's bank balance was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

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

- Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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

NOTE 5 – RECEIVABLES

Receivables at December 31, 2022, consisted primarily of taxes, interfund, accounts (billings for user charged services), special assessments, and intergovernmental receivables arising from grants, entitlements and shared revenues. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables, except property taxes, special assessments, and loans, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

NOTE 6 – PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2022 for real and public utility property taxes represents collections of the 2021 taxes.

2022 real property taxes were levied after October 1, 2022 on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2022, was $11.75 per $1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	$ 60,894,230
Public Utilities - Real	44,410
Public Utilities - Personal	4,069,250
Total Assessed Value	$ 65,007,890

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2022, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2022 operations is offset to deferred inflows of resources – property taxes levied for the next year. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

NOTE 7 – INCOME TAX

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

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

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

NOTE 8 – CAPITAL ASSETS

A summary of changes in capital assets during 2022 follows:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 1,151,026	$ -	$ -	$ 1,151,026
Construction in Progress	147,485	132,125	(279,610)	-
Total Capital Assets, Not Being Depreciated	1,298,511	132,125	(279,610)	1,151,026
Capital Assets, Being Depreciated:				
Buildings and Improvements	843,866	-	-	843,866
Equipment and Machinery	830,923	89,163	-	920,086
Vehicles	2,323,804	153,799	-	2,477,603
Infrastructure:				
Storm Sewers	4,312,066	279,610	-	4,591,676
Roads	3,660,929	-	-	3,660,929
Total Capital Assets, Being Depreciated	11,971,588	522,572	-	12,494,160
Less Accumulated Depreciation:				
Buildings and Improvements	(266,572)	(22,185)	-	(288,757)
Equipment and Machinery	(587,641)	(43,698)	-	(631,339)
Vehicles	(690,875)	(151,041)	-	(841,916)
Infrastructure:				
Storm Sewers	(867,286)	(111,296)	-	(978,582)
Roads	(1,141,696)	(88,206)	-	(1,229,902)
Total Accumulated Depreciation	(3,554,070)	(416,426)	-	(3,970,496)
Total Capital Assets Being Depreciated, Net	8,417,518	106,146	-	8,523,664
Total Governmental Activity Capital Assets, Net	$ 9,716,029	$ 238,271	$ (279,610)	$ 9,674,690

Depreciation expense was charged to governmental functions as follows:

General Government	$ 15,593
Security of Persons and Property	154,593
Transportation	131,459
Public Health Services	111,296
Leisure Time Services	3,485
Total Depreciation Expense	$ 416,426

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Buildings and Improvements	$4,276,981	$ -	$ -	$4,276,981
Equipment and Machinery	38,961	-	-	38,961
Total Capital Assets, Being Depreciated	4,315,942	-	-	4,315,942
Less Accumulated Depreciation:				
Buildings and Improvements	(1,168,113)	(86,680)	-	(1,254,793)
Equipment and Machinery	(36,611)	(940)	-	(37,551)
Total Accumulated Depreciation	(1,204,724)	(87,620)	-	(1,292,344)
Total Business-Type Capital Assets, Net	$3,111,218	$(87,620)	$ -	$3,023,598

NOTE 9 – LONG-TERM OBLIGATIONS

Changes in long-term obligations of the City during the year ended December 31, 2022, were as follows:

	Balance 12/31/2021	Additions	(Reductions)	Balance 12/31/2022	Due in One Year
Governmental Activities:					
Direct Borrowings:					
OPWC Loans:					
Newport Area Storm Sewer OPWC Loan	$ 147,673	$ -	$ (14,768)	$ 132,905	$ 14,767
East 2nd Street Storm Sewer OPWC Loan	47,500	-	(4,750)	42,750	4,750
West Side Storm Sewer OPWC Loan	84,917	-	(6,532)	78,385	6,532
Total OPWC Loans	280,090	-	(26,050)	254,040	26,049
OWDA Loans:					
Newport Area Storm Sewer OWDA Loan	104,069	-	(8,437)	95,632	17,000
East 2nd Street Storm Sewer OWDA Loan	67,060	-	(3,789)	63,271	7,635
West Side Storm Sewer OWDA Loan	243,833	-	(10,513)	233,320	21,183
Eastport Avenue Storm Sewer OWDA Loan	216,524	-	(6,064)	210,460	12,342
East 1st Street Storm Sewer OWDA Loan	145,473	56,429	-	201,902	9,007
Total OWDA Loans	776,959	56,429	(28,803)	804,585	67,167
EMS Loan	59,485	-	(29,230)	30,255	30,255
Police Cruiser '21 Tahoe	50,988	-	(12,226)	38,762	12,568
Pumper Tanker	309,673	-	(74,256)	235,417	76,332
Bobcat Equipment	-	75,513	-	75,513	12,868
2022 Ford Explorer	-	53,784	-	53,784	9,653
Dump Truck	-	100,015	-	100,015	18,904
Total Direct Borrowings	1,477,195	285,741	(170,565)	1,592,371	253,796
Other Long-Term Obligations:					
Police and Fire Pension	195,006	-	(11,008)	183,998	11,480
Net Pension Liability	2,918,464	-	(243,079)	2,675,385	-
Net OPEB Liability	409,102	18,260	-	427,362	-
Compensated Absences	173,608	57,110	(35,614)	195,104	40,856
Lease Purchases	31,459	-	(22,239)	9,220	9,220
Total Other Long-Term Obligations	3,727,639	75,370	(311,940)	3,491,069	61,556
Total Governmental Activities	$5,204,834	$ 361,111	$ (482,505)	$5,083,440	$ 315,352

	Balance 12/31/2021	Additions	(Reductions)	Balance 12/31/2022	Due in One Year
Business-Type Activities:					
Direct Financing:					
Recreational Facilities Improvement					
Bond Anticipation Note	$2,705,000	$2,440,000	$ (2,705,000)	$2,440,000	$ 245,000
Unamortized Premium on Note	15,082	27,962	(29,063)	13,981	-
Total Direct Financing	$2,720,082	$2,467,962	$ (2,734,063)	$2,453,981	$ 245,000

Governmental Activities

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

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

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

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

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

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

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

In 2021, the City was awarded a loan from OWDA in the amount of $201,902 for the East 1st Street storm sewer improvement project. The loan has an interest rate of 1.18 percent. This loan will be paid from the storm sewer assessment fund.

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

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

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

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

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

In 2022, the City entered into a loan agreement for the acquisition of a Bobcat Excavator in the amount of $75,513. The loan carries an interest rate of 2.81 percent and a maturity date of December 1, 2027. This loan will be paid from the capital improvement fund. In the event of default, the lender may declare the entire indebtedness immediately due and payable, without notice and/or may take possession of the asset.

In 2022, the City entered into a loan agreement for the acquisition of a 2022 Ford Explorer police cruiser in the amount of $53,784. The loan carries an interest rate of 5.35 percent and a maturity date of December 15, 2027. This loan will be paid from the capital improvement fund. In the event of default, the lender may declare the entire indebtedness immediately due and payable, without notice and/or may take possession of the asset.

In 2022, the City entered into a loan agreement for the acquisition of a dump truck in the amount of $100,015. The loan carries an interest rate of 2.79 percent and a maturity date of March 30, 2027. This loan will be paid from the capital improvement fund. In the event of default, the lender may declare the entire indebtedness immediately due and payable, without notice and/or may take possession of the asset.

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

Compensated absences will be paid from the general and street funds. There are no repayment schedules for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are primarily made from the general fund. For additional information related to the net pension liability and net OPEB liability see Notes 11 and 12.

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2022, are as follows:

	Governmental Activities								
	OWDA Loans		OPWC Loans	EMS Loan		Police Tahoe			
	Principal	Interest	Principal	Principal	Interest	Principal	Interest		
2023	$ 67,167	$ 11,031	$ 26,049	$ 30,255	$ 1,268	$ 12,568	$ 1,084		
2024	68,023	10,174	26,049	-	-	12,919	732		
2025	68,893	9,152	26,049	-	-	13,275	377		
2026	69,775	8,267	26,049	-	-	-	-		
2027	70,673	7,667	26,049	-	-	-	-		
2028-2032	268,414	25,465	110,731	-	-	-	-		
2033-2037	136,623	12,022	13,064	-	-	-	-		
2038-2042	55,017	1,805	-	-	-	-	-		
Total	$ 804,585	$ 85,583	$ 254,040	$ 30,255	$ 1,268	$ 38,762	$ 2,193		

	Governmental Activities							
	Tanker		Dump Truck		Ford Explorer		Bobcat Equipment	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 76,332	$ 6,580	$ 18,904	$ 2,829	$ 9,653	$ 2,917	$ 12,868	$ 2,151
2024	78,465	4,447	19,433	2,301	10,170	2,400	13,230	1,790
2025	80,620	2,253	19,989	1,745	10,728	1,842	13,611	1,408
2026	-	-	20,554	1,179	11,310	1,260	13,999	1,020
2027	-	-	21,135	598	11,923	647	14,398	621
2028-2032	-	-	-	-	-	-	7,407	106
Total	$235,417	$13,280	$ 100,015	$ 8,652	$ 53,784	$ 9,066	$ 75,513	$ 7,096

	Governmental Activities	
	Police and Fire Pension	
	Principal	Interest
2023	$ 11,480	$ 7,699
2024	11,974	7,206
2025	12,488	6,692
2026	13,024	6,156
2027	13,584	5,597
2028-2032	77,187	18,713
2033-2037	44,261	2,825
	$183,998	$54,888

Business-Type Activities

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

On June 14, 2022, the City issued a Recreational Facilities Improvement Note in the amount of $2,440,000 to refund the improvement note previously used to finance the water park construction. The note matured in June 2023 with an interest rate of 3.375 percent and was paid from the water park enterprise fund with user charges to the extent monies are available. Additional monies will be transferred in from the capital improvement fund as needed.

Lease-purchases

In 2019, the City entered into lease-purchase agreements for the acquisition of a Chevrolet Silverado and a Chevrolet Tahoe, in the amounts of $34,879 and $51,515, respectively. The agreements carry interest rates of 8.5 percent and 3.85 percent, respectively. The Chevrolet Tahoe was paid off in 2022 and was paid from the capital improvement fund. The Chevrolet Silverado will be paid from the street fund with a maturity date of February 8, 2023.

Principal and interest requirements to retire the lease purchase outstanding at December 31, 2022, is as follows:

	Silverado Lease-Purchase	
	Principal	Interest
2023	$ 9,220	$ 1,268

NOTE 10 – RISK MANAGEMENT

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

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

The City is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the City’s policy.

The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2022:

		2022
Cash and Investments	$	42,310,794
Actuarial Liabilities	$	15,724,479

There has not been a significant reduction in commercial coverage from the prior year and settled claims have not exceeded coverage in any of the last three years.

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

NOTE 11 – DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

The remainder of this note includes the pension disclosures. See Note 12 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, the Combined Plan is no longer available for member selection. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members. 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 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):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $71,568 for 2022. Of this amount, $4,127 is reported as an intergovernmental payable.

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

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

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

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

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

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was $253,150 for 2022. Of this amount, $23,112 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and fire fighter in 1967. As of December 31, 2022, the specific liability of the City was $183,998 payable in semi-annual payments through the year 2035.

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

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

	OPERS	OP&F	Total
Proportion of the Net Pension Liability:			
Current Measurement Period	0.002753%	0.038990%	
Prior Measurement Period	0.001933%	0.038612%	
Change in Proportion	0.000820%	0.000378%	
Proportionate Share of the Net Pension Liability	$ 239,522	$ 2,435,863	$ 2,675,385
Pension Expense	$ (49,377)	$ 262,807	$ 213,430

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 12,211	$ 70,239	$ 82,450
Changes of Assumptions	29,952	445,172	475,124
Changes in Proportionate Share and Differences in Contributions	101,468	202,810	304,278
City Contributions Subsequent to the Measurement Date	71,568	253,150	324,718
Total Deferred Outflows of Resources	$ 215,199	$ 971,371	$ 1,186,570
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 5,254	$ 126,632	$ 131,886
Net Difference between Projected and Actual Earnings on Pension Plan Investments	284,904	638,646	923,550
Changes in Proportionate Share and Differences in Contributions	40,102	-	40,102
Total Deferred Inflows of Resources	$ 330,260	$ 765,278	$ 1,095,538

$324,718 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2023	$ (5,422)	$ 76,194	$ 70,772
2024	(68,893)	(118,257)	(187,150)
2025	(66,991)	(26,622)	(93,613)
2026	(45,323)	(29,761)	(75,084)
2027	-	51,389	51,389
Total	$ (186,629)	$ (47,057)	$ (233,686)

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	3.00 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.90 percent
Actuarial Cost Method	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

	OPERS Traditional Plan
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	0.50 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.20 percent
Actuarial Cost Method	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board’s investment consultant. For each major class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2021, these best estimates are summarized below:

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

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability (Asset)	$ 631,511	$ 239,522	$ (86,664)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, are presented below.

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 percent
Projected Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.50 percent
Cost of Living Adjustments	2.20 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	125.00 %	

Note: Assumptions are geometric.
* levered 2x

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 of 7.50 percent. 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	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability	$ 3,612,361	$ 2,435,863	$ 1,456,143

NOTE 12 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

See Note 11 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The heath care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City had no contractually required contribution for 2022.

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

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

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was $5,885 for 2022. Of this amount, $536 is reported as an intergovernmental payable.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Period	0.002907%	0.0389899%	
Prior Measurement Period	0.002152%	0.0386122%	
Change in Proportion	0.000755%	0.0003777%	
Proportionate Share of the Net OPEB Liability (Asset)	$ (91,052)	$ 427,362	
OPEB Expense	$ (112,702)	$ 58,178	$ (54,524)

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ -	$ 19,441	$ 19,441
Changes of Assumptions	-	189,163	189,163
Changes in Proportionate Share and Differences in Contributions	12,702	82,356	95,058
City Contributions Subsequent to the Measurement Date	-	5,885	5,885
Total Deferred Outflows of Resources	$ 12,702	$ 296,845	$ 309,547
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 13,810	$ 56,483	$ 70,293
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	43,407	38,605	82,012
Changes of Assumptions	36,856	49,635	86,491
Changes in Proportionate Share and Differences in Contributions	26,330	-	26,330
Total Deferred Inflows of Resources	$ 120,403	$ 144,723	$ 265,126

$5,885 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction/addition of the net OPEB liability (asset) in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2023	$ (76,177)	$ 40,678	$ (35,499)
2024	(15,805)	34,943	19,138
2025	(9,485)	36,687	27,202
2026	(6,234)	8,894	2,660
2027	-	12,876	12,876
Thereafter	-	12,159	12,159
Total	$ (107,701)	$ 146,237	$ 38,536

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.50 percent, initial 3.50 percent, ultimate in 2034	8.50 percent, initial 3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above-described tables.

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

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

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, 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	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00%	3.45%

Discount Rate A single discount rate of 6.0 percent was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) 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 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB (asset) calculated using the single discount rate of 6.00 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 (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB (Asset)	$ (53,547)	$ (91,052)	$ (122,181)

Sensitivity of the City's Proportionate Share of the Net OPEB (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB (asset). The following table presents the net OPEB (asset) calculated using the assumed trend rates, and the expected net OPEB (asset) if it were calculated using a health care cost trend rate that is 1.0 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 2022 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 the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
City's Proportionate Share of the Net OPEB (Asset)	$ (92,036)	$ (91,052)	$ (89,884)

Actuarial Assumptions – OP&F

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

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

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

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

Valuation Date	January 1, 2021, with Actuarial Liabilities Rolled Forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 Percent
Projected Salary Increases	3.75 Percent to 10.50 Percent
Payroll Growth	3.25 Percent
Blended Discount Rate:	
Current Measurement Date	2.84 Percent
Prior Measurement Date	2.96 Percent
Cost of Living Adjustments	2.20 Percent Simple per Year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	- %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	125.00 %	

Note: Assumptions are geometric.
* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05 percent at December 31, 2021, and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.5 percent for 2021 and 8 percent for 2020, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	$ 537,205	$ 427,362	$ 337,073

NOTE 13 – OTHER EMPLOYEE BENEFITS

Compensated Absences

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

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

Health Insurance

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

Life and Accidental Death and Dismemberment Insurance

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

NOTE 14 – CONTINGENCIES

Grants

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

Litigation

The City is a party to several legal proceedings. City management is of the opinion that ultimate disposition of these proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 15 – INTERFUND TRANSACTIONS

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

	Interfund Payable
Interfund Receivable	Non Major Governmental Funds
General Fund	$ 109,000

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

NOTE 16 – FUND BALANCE

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds.

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

	General Fund	Street Fund	EMS Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total
Nonspendable for:						
Materials and Supplies Inventory	$ 18,971	$ -	$ -	$ -	$ -	$ 18,971
Prepaid Items	63,896	-	-	-	-	63,896
Total Nonspendable	82,867	-	-	-	-	82,867
Restricted for:						
Capital Outlay	-	-	-	641,009	301,274	942,283
Street	-	279,965	-	-	41,861	321,826
Community Development	-	-	-	-	96,517	96,517
Parks and Recreation	-	-	-	-	41,974	41,974
EMS	-	-	578,026	-	-	578,026
Police and Fire Pension	-	-	-	-	9,278	9,278
Other Purposes	-	-	-	-	85,015	85,015
Total Restricted	-	279,965	578,026	641,009	575,919	2,074,919
Committed for:						
Police and Fire						
Uniforms and Equipment	-	-	-	-	66,948	66,948
Assigned for:						
Subsequent Year Appropriations	286,526	-	-	-	-	286,526
Unassigned	436,835	-	-	-	(3,673) *	433,162
Total Fund Balance	$ 806,228	$ 279,965	$ 578,026	$ 641,009	$ 639,194	$ 2,944,422

* Fund balances at December 31, 2022 included a deficit of $3,673 in the AFG Grant fund.

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

NOTE 17 – SUBSEQUENT EVENT

Historically, the City annually refinances the Water Park debt into a recreational facilities improvement note in June each year. The City issued a recreational facilities improvement bond anticipation note on June 7, 2023 to refinance $2,195,000 of Water Park debt. The note was issued with an interest rate of 5.25 percent and matured on June 6, 2024. The City issued a recreational facilities improvement bond anticipation note on June 5, 2024 to refinance $1,950,000 of Water Park debt. The note was issued with an interest rate of 6.38 percent and matured on February 27, 2025. On February 20, 2025, the City issued long-term Recreational Facilities Improvement Bonds in the amount of $2,075,000 to refinance the recreational facilities improvement bond anticipation note. The 2025 bonds were issued with an interest rate of 4.55% and principal and interest payments are due annually until fully retired in 2032.

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

	2022	2021	2020	2019
Ohio Public Employees' Retirement System (OPERS)				
City's Proportion of the Net Pension Liability	0.002753%	0.001933%	0.002798%	0.002853%
City's Proportionate Share of the Net Pension Liability	$ 239,522	$ 286,235	$ 553,044	$ 781,379
City's Covered Payroll	$ 399,564	$ 147,136	$ 393,607	$ 385,357
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.95%	194.54%	140.51%	202.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%
Ohio Police and Fire Pension Fund (OPF)				
City's Proportion of the Net Pension Liability	0.038990%	0.038612%	0.035921%	0.035091%
City's Proportionate Share of the Net Pension Liability	$ 2,435,863	$ 2,632,229	$ 2,419,797	$ 2,864,353
City's Covered Payroll	$ 1,023,678	$ 882,909	$ 863,628	$ 778,858
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	237.95%	298.13%	280.19%	367.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%	70.65%	69.89%	63.07%

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

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.002821%	0.002920%	0.002583%	0.002590%	0.002590%
$ 442,553	$ 663,019	$ 447,408	$ 312,383	$ 305,327
$ 372,793	$ 377,433	$ 340,300	$ 317,450	$ 241,531
118.71%	175.67%	131.47%	98.40%	126.41%
84.66%	77.25%	81.08%	86.45%	86.36%
0.032692%	0.032297%	0.032226%	0.033533%	0.033533%
$ 2,006,469	$ 2,045,682	$ 2,073,121	$ 1,737,134	$ 1,633,148
$ 712,042	$ 693,250	$ 650,321	$ 667,957	$ 745,448
281.79%	295.09%	318.78%	260.07%	219.08%
70.91%	68.36%	66.77%	72.20%	73.00%

See accompanying notes to the required supplementary information.

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

	2022	2021	2020	2019	2018
Ohio Public Employees' Retirement System (OPERS)					
Contractually Required Contribution	$ 71,568	$ 55,939	$ 20,599	$ 55,105	$ 53,950
Contributions in Relation to the Contractually Required Contribution	(71,568)	(55,939)	(20,599)	(55,105)	(53,950)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 511,200	$ 399,564	$ 147,136	$ 393,607	$ 385,357
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%
Ohio Police and Fire Pension Fund (OPF)					
Contractually Required Contribution	$ 253,150	$ 220,183	$ 188,367	$ 182,949	$ 165,669
Contributions in Relation to the Contractually Required Contribution	(253,150)	(220,183)	(188,367)	(182,949)	(165,669)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 1,177,024	$ 1,023,678	$ 882,909	$ 863,628	$ 778,858
Contributions as a Percentage of Covered Payroll	21.51%	21.51%	21.33%	21.18%	21.27%

See accompanying notes to the required supplementary information.

2017	2016	2015	2014	2013
$ 48,463	$ 45,292	$ 40,836	$ 38,094	$ 31,399
(48,463)	(45,292)	(40,836)	(38,094)	(31,399)
$ -	$ -	$ -	$ -	$ -
$ 372,793	$ 377,433	$ 340,300	$ 317,450	$ 241,531
13.00%	12.00%	12.00%	12.00%	13.00%
$ 151,161	$ 146,992	$ 138,254	$ 140,332	$ 133,078
(151,161)	(146,992)	(138,254)	(140,332)	(133,078)
$ -	$ -	$ -	$ -	$ -
$ 712,042	$ 693,250	$ 650,321	$ 667,957	$ 745,448
21.23%	21.20%	21.26%	21.01%	17.85%

See accompanying notes to the required supplementary information.

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

	2022	2021	2020	2019
Ohio Public Employees' Retirement System (OPERS)				
City's Proportion of the Net OPEB Liability (Asset)	0.002907%	0.002152%	0.002956%	0.003008%
City's Proportionate Share of the Net OPEB Liability (Asset)	$ (91,052)	$ (38,340)	$ 408,300	$ 392,172
City's Covered Payroll	$ 399,564	$ 147,136	$ 393,607	$ 385,357
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-22.79%	-26.06%	103.73%	101.77%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%
Ohio Police and Fire Pension Fund (OPF)				
City's Proportion of the Net OPEB Liability (Asset)	0.038990%	0.038612%	0.035921%	0.035091%
City's Proportionate Share of the Net OPEB Liability (Asset)	$ 427,362	$ 409,102	$ 354,813	$ 319,558
City's Covered Payroll	$ 1,023,678	$ 882,909	$ 863,628	$ 778,858
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	41.75%	46.34%	41.08%	41.03%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.86%	45.42%	47.08%	46.57%

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

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

2018	2017
0.002976%	0.003081%
$ 323,117	$ 311,191
$ 372,793	$ 377,433
86.67%	82.45%
54.14%	54.04%
0.032692%	0.032297%
$ 1,852,294	$ 1,533,066
$ 712,042	$ 693,250
260.14%	221.14%
14.13%	15.96%

See accompanying notes to the required supplementary information.

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

	2022	2021	2020	2019	2018
Ohio Public Employees' Retirement System (OPERS)					
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll (1)	$ 511,200	$ 399,564	$ 147,136	$ 393,607	$ 385,357
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio Police and Fire Pension Fund (OPF)					
Contractually Required Contribution	$ 5,885	$ 5,118	$ 4,415	$ 4,318	$ 3,894
Contributions in Relation to the Contractually Required Contribution	(5,885)	(5,118)	(4,415)	(4,318)	(4,318)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 1,177,024	$ 1,023,678	$ 882,909	$ 863,628	$ 778,858
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.60%

(n/a) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.
(1) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

2017	2016	2015	2014	2013
$ 3,728	$ 7,549	n/a	n/a	n/a
(3,728)	(7,549)	n/a	n/a	n/a
$ -	$ -	n/a	n/a	n/a
$ 372,793	$ 377,433	n/a	n/a	n/a
1.00%	2.00%	n/a	n/a	n/a
$ 3,560	$ 3,466	$ 3,252	$ 3,760	$ 19,293
(3,560)	(3,466)	(3,252)	(3,760)	(19,293)
$ -	$ -	$ -	$ -	$ -
$ 712,042	$ 693,250	$ 650,321	$ 667,957	$ 745,448
0.50%	0.50%	0.50%	0.60%	2.59%

See accompanying notes to the required supplementary information.

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

Amounts reported incorporate changes in discount rate used in calculating the total pension liability as follows:

	2022	2021	2020	2019	2018
Discount Rate	6.90%	7.20%	7.20%	7.50%	8.00%

Calendar year 2017 reflects an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. Wage inflation rate was also reduced from 3.25 percent to 2.75 percent.

Changes in Benefit Terms – OPERS

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.40 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 3.00 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

Changes in Assumptions – OP&F

For 2021, the single discount rate changed from 8.00 percent to 7.50 percent.

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

Changes in Benefit Terms – OP&F

No significant changes in benefit terms.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Assumption	2022	2021	2020	2019	2018	2017
Discount Rate	6.00%	6.00%	3.16%	3.96%	3.85%	4.23%
Municipal Bond Rate	1.84%	2.00%	2.75%	3.71%	3.31%	n/a
Health Care Cost Trend Rate	5.50%	8.50%	10.50%	10.00%	7.50%	n/a

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

For calendar year 2022, the cost of living adjustments decreased from 2.20 percent simple to 2.05 percent simple.

For calendar year 2021, the cost of living adjustments decreased from 3.00 percent simple to 2.20 percent simple.

Changes in Assumptions – OP&F

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Assumption	2022	2021	2020	2019	2018	2017
Discount Rate	2.84%	2.96%	3.56%	4.66%	3.24%	3.79%
Municipal Bond Rate	2.05%	2.12%	2.75%	4.13%	3.16%	n/a

Changes in Benefit Terms – OP&F

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

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*

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

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 (*Government Auditing Standards*), the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Uhrichsville, Tuscarawas County, Ohio (the "City") as of and for the year ended December 31, 2022, 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 6, 2025.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity' s financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2022-004 and 2022-005 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2022-006 and 2022-007 to be significant deficiencies.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2022-001, 2022-002 and 2022-003.

City's Response to Findings

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

Purpose of this Report

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

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
June 6, 2025

City of Uhrichsville
Tuscarawas County, Ohio
Schedule of Findings and Responses
December 31, 2022

Finding 2022-001

Material Noncompliance – Coronavirus State and Local Fiscal Recovery Fund Reporting

Federal Program: COVID-19: Coronavirus State and Local Fiscal Recovery Fund
Assistance Listing Number: 21.027
Federal Awarding Agency: United States Department of Treasury

Criteria: 31 CFR 35.4(c) requires reporting be submitted to the United States Department of Treasury during the period of performance for certain pandemic related funding. As noted in the final rules for the Coronavirus State and Local Fiscal Recovery Funds, metropolitan cities and counties with a population below 250,000 residents that are allocated less than $10 million in State and Local Fiscal Recovery Funds are required to submit annual Project and Expenditure Reports.

Condition: The City did not submit annual reporting required for the Coronavirus State and Fiscal Recovery funds for 2022.

Cause: The City had no process in place to ensure reports were submitted when required.

Effect: Noncompliance with reporting requirements for the Coronavirus State and Local Fiscal Recovery Funds.

Recommendation: The required annual Project and Expenditures Reports should be submitted as soon as possible.

Management's Response: Management submitted required reports in 2025 to correct issue.

Finding Number: 2022-002

Material Noncompliance – Ohio Revised Code Section 149.39

Criteria: Ohio Revised Code Section 149.39 establishes that each municipal corporation will create a records commission composed of the chief executive officer or the chief executive officer's appointed representative, as chairperson, and the chief fiscal officer, the chief legal officer, and a citizen appointed by the chief executive. The functions of the commission shall to be to provide rules for retention and disposal of records of the municipal corporation, and to review applications for one-time disposal of obsolete records and schedules of records retention and disposition submitted by municipal offices. The commission may dispose of records pursuant to the procedures outlined in Ohio Rev. Code section 149.381.

Condition: During audit procedures it was noted that records from the Mayor and Service Director's offices were disposed of without the approval of the City's records commission.

Cause: During the transition of power to newly elected officials it was identified that there were records missing from the respective offices. Records, including computer records, were disposed of without proper authorization.

Effect: Noncompliance with Ohio Revised Code and City record retention policies.

Finding Number: 2022 – 002 (continued)

Recommendation: The City should obtain approval from the City's records commission prior to the disposal of any records. The City should also consult with the Ohio History Connection regarding any disposal of records should there be any confusion on whether or not a record can be disposed of.

Management's Response: Necessary approvals will be obtained moving forward prior to the disposal of any City records.

Finding Number: 2022-003

Material Noncompliance – Ohio Revised Code Section 5705.10(I)

Criteria: Ohio Revised Code Section 5705.10(I) provides that money paid into a fund must be used only for the purposes for which such fund has been established.

Condition: In 2022, the City paid for certain house demolition expenses from the City's Capital Improvement Fund. The City's Capital Improvement Fund was established to account for income tax revenues that are to be used for maintenance of equipment, new equipment, extension, enlargement and improvements of municipal services and facilities and capital improvements of the City. In testing, we identified $10,000 in house demolition costs paid from the Capital Improvement Fund that were paid for properties not owned by the City at the time of demolition. Since these properties were not owned by the City, the expenses do not meet the requirements to be an allowable expense for the Capital Improvement Fund.

Cause: It appears there may have been confusion as to whether properties were currently owned by the City or whether the City was in the process of taking possession of the properties.

Effect: Noncompliance with Ohio Revised Code Section 5705.10(I) regarding use of funds for intended purpose. The City's cash basis ledgers and financial statements have been adjusted to reflect these expenses in the City's General Fund rather than the Capital Improvement Fund.

Recommendation: The City should implement procedures to ensure only allowable expenditures are made from the City's Capital Improvement Fund.

Management's Response: The City will implement procedures to ensure all expenses are allowable moving forward.

Finding Number: 2022-004

Material Weakness – Internal Controls over Financial Reporting

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

Finding Number: 2022 – 004 (continued)

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

- Miscellaneous revenues and capital outlay were overstated in the Capital Improvement Fund by $53,769 due to an error in recording a financed purchase.
- Capital outlay expense was understated and basic utility service expense was overstated in the Capital Improvement Fund by $42,924 due to an error in expense classification.

Cause: There were mistakes identified in the classification of revenues and expenses. The internal controls over the final review of the financial statements did not identify potential misstatements.

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

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

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

Finding Number: 2022 – 005

Material Weakness – Purchasing Procedures

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

Condition: In audit testing we noted the procedures were not consistently followed by all departments. We identified multiple payments made without the required evidence that goods or services were received and no authorization of the invoice for payment was documented. We also noted instances in which payments were processed without approved requisitions or purchase orders. There were also two disbursements identified for which no supporting documentation was maintained. We were able to work with the City to determine the purchases were for a proper public purpose, however no support was maintained with the voucher packets.

Cause: There were times when payments were made without following the formal purchase requisition/purchase order process due to time constraints, or documentation was misplaced to support the approval process. It appears there were issues with City's filing system and several voucher packets could not be located.

Finding Number: 2022 – 005 (continued)

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

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

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

Finding Number: 2022 – 006

Significant Deficiency – Payroll

Criteria: Payroll is the largest expense incurred by the City. The City's management is responsible for designing, implementing and maintaining sound internal controls over the payroll process to ensure that payroll is for actual time worked.

Condition: During our review of internal controls over the payroll process and payroll testing we noted inconsistent supervisory approval of timecards and leave requests.

Cause: In testing we noted several timecards and leave forms that were not approved by a supervisor.

Effect: This could cause inaccurate reporting of time to go undetected which could lead to errors in the payroll process.

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

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

Finding Number: 2022 – 007

Significant Deficiency – Water Park Admissions

Criteria: The City's water park is a major source of revenue for the City. The City's management is responsible for designing, implementing and maintaining sound internal controls over water park admissions to ensure all customers are charged the appropriate rate for entry and use of the park.

Finding Number: 2022 – 007 (continued)

Condition: During our review of internal controls over water park admission revenues, it was noted that the City does not have adequate internal controls in place to ensure all individuals that enter the park are properly accounted for in the City's point of sale system.

Cause: The City has internal controls in place to reconcile the point of sale system to bank deposits and to the City's revenue ledger, however there are no controls in place to ensure all sales are properly entered into the point of sale system.

Effect: Without proper controls over the admissions to the water park there is an increased risk that cash collections could be unaccounted for or that individuals may be allowed access to the park without paying the required fee.

Recommendation: We recommend the City implement procedures to ensure all entrants to the water park are appropriately accounted for in the point of sale system. We recommend issuing tickets or wristbands upon entrance and implementing daily procedures to reconcile issued tickets/wristbands to the point of sale system. Implementation of these procedures will enhance the City's internal controls to prevent and/or detect theft of cash collections at the water park.

Management's Response: The City is currently developing internal control procedures to mitigate risk.

CITY OF UHRICHSVILLE
TUSCARAWAS COUNTY, OHIO

REGULAR AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of Uhrichsville
Tuscarawas County, Ohio
Table of Contents
December 31, 2023

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in cash-basis financial position and the respective budgetary comparisons for the General, Street and EMS Funds for the year then ended in accordance with the cash-basis of accounting described in Note 2.

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* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

Emphasis of Matter – Accounting Basis

Ohio Administrative Code § 117-2-03(B) requires the City to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Emphasis of Matter – Change in Accounting Basis

As discussed in Note 15 to the financial statements, during 2023, the City has elected to change its financial presentation to a cash basis of accounting comparable to the requirements of *Governmental Accounting Standards*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 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.

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
June 6, 2025

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Net Position - Cash Basis
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	$ 2,768,272	$ 113,419	$ 2,881,691
Net Position			
Restricted for:			
Capital Outlay	$ 836,919	$ -	$ 836,919
Other Purposes	1,153,341	-	1,153,341
Unrestricted	778,012	113,419	891,431
Total Net Position	$ 2,768,272	$ 113,419	$ 2,881,691

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2023

		Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	$ 934,587	$ 61,557	$ 105,719	$ -	$ (767,311)	$ -	$ (767,311)
Security of Persons and Property	2,084,410	340,095	138,113	6,024	(1,600,178)	-	(1,600,178)
Public Health	1,700	-	-	-	(1,700)	-	(1,700)
Leisure Time Services	38,149	1,825	3,004	113,229	79,909	-	79,909
Public Works	89,460	-	5,309	-	(84,151)	-	(84,151)
Basic Utility Service	57,953	-	10,158	-	(47,795)	-	(47,795)
Transportation	718,386	-	396,805	-	(321,581)	-	(321,581)
Capital Outlay	233,329	135,599	-	-	(97,730)	-	(97,730)
Principal Retirement	277,351	-	-	-	(277,351)	-	(277,351)
Interest and Fiscal Charges	32,988	-	-	-	(32,988)	-	(32,988)
Total Governmental Activities	4,468,313	539,076	659,108	119,253	(3,150,876)	-	(3,150,876)
Business-Type Activities							
Water Park	2,929,731	403,702	-	-	-	(2,526,029)	(2,526,029)
Total Business-Type Activities	2,929,731	403,702	-	-	-	(2,526,029)	(2,526,029)
Total	$ 7,398,044	$ 942,778	$ 659,108	$ 119,253	(3,150,876)	(2,526,029)	(5,676,905)

	Governmental Activities	Business-Type Activities	Total
General Receipts			
Property Taxes Levied for:			
General Purposes	332,665	-	332,665
Fire Truck	103,856	-	103,856
Parks and Recreation	25,973	-	25,973
Ambulance	126,663	-	126,663
Police and Fire Pension	41,422	-	41,422
Income Taxes Levied for:			
General Purposes	1,599,193	-	1,599,193
Capital Projects	436,129	-	436,129
Streets	290,752	-	290,752
Other Local Taxes	37,343	-	37,343
Grants and Entitlements not Restricted to Specific Programs	251,424	-	251,424
Proceeds of Sale of Assets	2,741	-	2,741
Proceeds of Bond Anticipation Notes	-	2,195,000	2,195,000
Premium on Debt Issuance	-	28,645	28,645
Proceeds of OPWC Loans	171,226	-	171,226
Investment Earnings	135,389	-	135,389
Miscellaneous	214,673	15,787	230,460
Total General Receipts	3,769,449	2,239,432	6,008,881
Transfers	(300,000)	300,000	-
Total General Receipts and Transfers	3,469,449	2,539,432	6,008,881
Change in Net Position	318,573	13,403	331,976
Net Position Beginning of Year (Restated, See Note 15)	2,449,699	100,016	2,549,715
Net Position End of Year	$ 2,768,272	$ 113,419	$ 2,881,691

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Assets and Fund Balance - Cash Basis
Governmental Funds
December 31, 2023

	General	Street Fund	EMS Fund
Assets			
Equity in Pooled Cash and Cash Equivalents	$ 624,438	$ 221,773	$ 505,523
Fund Balances			
Restricted	$ 55,946	$ 221,773	$ 505,523
Committed	-	-	-
Assigned	28,157	-	-
Unassigned	540,335	-	-
Total Fund Balances	$ 624,438	$ 221,773	$ 505,523

See accompanying notes to the basic financial statements.

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 557,043	$ 859,495	$ 2,768,272
$ 557,043	$ 716,615	$ 2,056,900
-	142,880	142,880
-	-	28,157
-	-	540,335
$ 557,043	$ 859,495	$ 2,768,272

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2023

	General	Street Fund	EMS Fund
Receipts			
Property Taxes	$ 332,665	$ -	$ 126,663
Income Taxes	1,599,193	290,752	-
Other Local Taxes	37,343	-	-
Special Assessments	-	-	-
Charges for Services	-	-	337,471
Licenses and Permits	56,171	-	-
Fines and Forfeitures	5,386	-	-
Intergovernmental	251,424	308,559	23,035
Interest	135,389	17,205	-
Contributions and Donations	125	-	-
Miscellaneous	102,475	75,398	-
Total Receipts	2,520,171	691,914	487,169
Disbursements			
Current:			
General Government	813,680	10,271	-
Security of Persons and Property	1,529,163	-	438,934
Public Health	1,700	-	-
Leisure Time Services	-	-	-
Public Works	25,697	-	-
Basic Utility Service	12,897	-	-
Transportation	-	664,335	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	11,480	-	39,475
Interest and Fiscal Charges	7,699	-	1,552
Total Disbursements	2,402,316	674,606	479,961
Excess of Receipts Over (Under) Disbursements	117,855	17,308	7,208
Other Financing Sources (Uses)			
Proceeds from Sale of Assets	-	-	-
Proceeds of OPWC Loans	-	-	-
Advances In	109,000	-	-
Advances Out	-	-	-
Transfers In	2,500	-	-
Transfers Out	(5,450)	-	-
Total Other Financing Sources (Uses)	106,050	-	-
Net Change in Fund Balances	223,905	17,308	7,208
Fund Balances Beginning of Year (Restated, See Note 15)	400,533	204,465	498,315
Fund Balances End of Year	$ 624,438	$ 221,773	$ 505,523

See accompanying notes to the basic financial statements.

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 171,251	$ 630,579
436,129	-	2,326,074
-	-	37,343
-	135,599	135,599
-	1,930	339,401
-	-	56,171
-	2,519	7,905
-	319,494	902,512
-	3,375	155,969
-	106,568	106,693
17,865	18,935	214,673
453,994	759,671	4,912,919
46,947	63,689	934,587
-	116,313	2,084,410
-	-	1,700
-	38,149	38,149
-	63,763	89,460
-	45,056	57,953
-	54,051	718,386
62,103	171,226	233,329
53,993	172,403	277,351
8,982	14,755	32,988
172,025	739,405	4,468,313
281,969	20,266	444,606
-	2,741	2,741
-	171,226	171,226
-	-	109,000
-	(109,000)	(109,000)
-	5,450	7,950
(300,000)	(2,500)	(307,950)
(300,000)	67,917	(126,033)
(18,031)	88,183	318,573
575,074	771,312	2,449,699
$ 557,043	$ 859,495	$ 2,768,272

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Receipts				
Property Taxes	$ 323,000	$ 323,000	$ 332,665	$ 9,665
Income Taxes	1,386,979	1,605,136	1,599,193	(5,943)
Other Local Taxes	32,025	32,959	37,343	4,384
Charges for Services	-	15,759	-	(15,759)
Licenses and Permits	48,171	58,511	56,171	(2,340)
Fines and Forfeitures	4,619	3,934	5,386	1,452
Intergovernmental	229,904	204,249	251,424	47,175
Investment Income	116,107	65,690	135,389	69,699
Contributions and Donations	107	5	125	120
Miscellaneous	39,902	9,165	46,529	37,364
Total Receipts	2,180,814	2,318,408	2,464,225	145,817
Disbursements				
Current:				
General Government	851,750	856,926	829,757	27,169
Security of Persons and Property	1,639,321	1,650,734	1,541,119	109,615
Public Health	1,800	1,800	1,700	100
Public Works	37,390	37,390	25,718	11,672
Basic Utility Service	13,000	13,000	13,000	-
Debt Service:				
Principal Retirement	11,500	11,500	11,480	20
Interest and Fiscal Charges	8,200	8,200	7,699	501
Total Disbursements	2,562,961	2,579,550	2,430,473	149,077
Excess of Receipts Over (Under) Disbursements	(382,147)	(261,142)	33,752	294,894
Other Financing Sources (Uses)				
Advances In	93,476	4,581	109,000	104,419
Transfers In	2,144	105	2,500	2,395
Transfers Out	-	(5,450)	(5,450)	-
Total Other Financing Sources (Uses)	95,620	(764)	106,050	106,814
Net Change in Fund Balance	(286,527)	(261,906)	139,802	401,708
Fund Balance Beginning of Year	400,533	400,533	400,533	-
Fund Balance End of Year	$ 114,006	$ 138,627	$ 540,335	$ 401,708

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Street Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Receipts				
Income Taxes	$ 217,287	$ 210,000	$ 290,752	$ 80,752
Intergovernmental	208,534	208,534	308,559	100,025
Investment Income	12,714	12,714	17,205	4,491
Miscellaneous	55,716	63,002	75,398	12,396
Total Revenues	494,251	494,250	691,914	197,664
Disbursements				
Current:				
General Government	7,300	7,300	10,271	(2,971)
Transportation	652,600	652,600	673,966	(21,366)
Total Disbursements	659,900	659,900	684,237	(24,337)
Net Change in Fund Balance	(165,649)	(165,650)	7,677	173,327
Fund Balance Beginning of Year	204,465	204,465	204,465	-
Fund Balance End of Year	$ 38,816	$ 38,815	$ 212,142	$ 173,327

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual (Budget Basis)
EMS Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Receipts				
Property Taxes	$ 134,000	$ 134,000	$ 126,663	$ (7,337)
Charges for Services	273,445	293,090	337,471	44,381
Intergovernmental	34,065	14,420	23,035	8,615
Total Receipts	441,510	441,510	487,169	45,659
Disbursements				
Current:				
Security of Persons and Property	512,800	553,696	441,132	112,564
Debt Service:				
Principal Retirement	29,190	39,690	39,503	187
Interest and Fiscal Charges	2,600	2,960	1,524	1,436
Total Disbursements	544,590	596,346	482,159	114,187
Net Change in Fund Balance	(103,080)	(154,836)	5,010	159,846
Fund Balance Beginning of Year	498,315	498,315	498,315	-
Fund Balance End of Year	$ 395,235	$ 343,479	$ 503,325	$ 159,846

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Fund Net Position - Cash Basis
Proprietary Fund
December 31, 2023

	Enterprise Fund
	Water Park
Assets	
Equity in Pooled Cash and Cash Equivalents	$ 113,419
Net Position	
Unrestricted	$ 113,419

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Fund
For the Year Ended December 31, 2023

	Enterprise Fund
	Water Park
Operating Receipts	
Charges for Services	$ 403,702
Other	15,787
Total Operating Receipts	419,489
Operating Disbursements	
Personal Services	211,546
Contractual Services	68,438
Materials and Supplies	98,981
Total Operating Disbursements	378,965
Operating Income (Loss)	40,524
Non-Operating Receipts (Disbursements)	
Notes Issued	2,195,000
Premium on Debt Issued	28,645
Principal Retirement	(2,440,000)
Interest and Fiscal Charges	(110,766)
Total Non-Operating Receipts (Disbursements)	(327,121)
Income (Loss) Before Transfers	(286,597)
Transfers In	300,000
Change in Net Position	13,403
Net Position Beginning of Year (Restated, See Note 15)	100,016
Net Position End of Year	$ 113,419

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Fiduciary Net Position - Cash Basis
Fiduciary Fund
December 31, 2023

	Custodial
Assets	
Equity in Pooled Cash and Cash Equivalents	$ 1,072
Net Position	
Restricted for Individuals, Organizations, and Other Governments	$ 1,072

See accompanying notes to the basic financial statements.

City of Uhrichsville
Tuscarawas County, Ohio
Statement of Changes in Fiduciary Net Position - Cash Basis
Fiduciary Fund
For the Year Ended December 31, 2023

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

See accompanying notes to the basic financial statements.

NOTE 1 – DESCRIPTION OF THE ENTITY AND REPORTING ENTITY

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

Reporting Entity

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

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

Jointly Governed Organizations

Community Improvement Corporation of Tuscarawas County (Corporation)

The sole purpose of the Corporation is to advance, encourage and promote the industrial, economic, commercial and civic development of the area. The Corporation is operated by Tuscarawas County, New Philadelphia, Dover, Uhrichsville, Dennison, Strasburg, Sugar Creek and Gnadenhutten. It is controlled by 25 trustees consisting of the three County Commissioners, the mayor of each participating city and fifteen elected trustees. The board exercises total control over the operations of the Corporation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board.

Uhrichsville-Dennison-Mill Union Cemetery (Cemetery)

The Cemetery is a jointly governed organization organized under Ohio Revised Code Section 759.27, and is directed by an appointed three-member board. Uhrichsville, Dennison and Union Township each appoint one member to the board. The continued existence of the Cemetery is not dependent on the City's participation. The Cemetery provides burial services and the upkeep of the grounds at the cemetery.

Tuscarawas County Tax Incentive Review Council (TCTIRC)

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

The City does not retain an on-going financial interest or an ongoing financial responsibility with this organization.

Joint Economic Development District (JEDD)

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

Joint Venture

Twin City Water and Sewer District (District)

The District is a joint venture organized under Ohio Revised Code Section 6119.01, and is established to supply water and to provide for the collection, treatment and disposal of waste water within the Uhrichsville-Dennison district, or beyond with additional fees. The City of Uhrichsville and the Village of Dennison each appoint two of the five District's board members. The fifth board member is appointed by the other four board members. Continued existence of the District is dependent on the City's continued participation; however, the City does not have an equity interest in the District. The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City.

Public Entity Risk Pools

Risk Sharing Pool

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

Insurance Purchasing Pool

The City is a participant in the Ohio Municipal League (OML) Group Rating Program (Program), an insurance purchasing pool for workers' compensation. The OML's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance officers, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as coordinator of the Program.

Each year, the participants pay an enrollment fee to the Program to cover the costs of administering the Program.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the City's accounting policies.

Basis of Presentation

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

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance of the governmental and business-type activities of the City at year end. The statement of activities compares disbursements and program receipts for each program or function of the City's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the City is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the City, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the City.

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

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the fund's principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions of the City are financed. The following are the City's major governmental funds:

> ***General Fund*** The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Street Fund*** The street fund is used to account for grants and income taxes used to maintain and improve roadways within the city.
>
> ***EMS Fund*** The EMS fund is used to account for financial resources to be used for operations of the emergency medical services department.
>
> ***Capital Improvement Fund*** The capital improvement capital projects fund is used to account for financial resources to be used for various capital improvements.

The other governmental funds of the City account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Proprietary Funds The City classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds. The City has no internal service funds.

> ***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 following are the City's major enterprise funds:
>
> > ***Water Park Fund*** This fund accounts for the operations and maintenance of the City's water park.

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

Basis of Accounting

The City's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the City's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the City are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount City Council may appropriate.

The appropriations ordinance is City Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council at the fund, department, and object level for all funds.

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

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

Cash and Investments

To improve cash management, cash received by the City is pooled and invested. Individual fund integrity is maintained through City records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2023, the City invested in nonnegotiable certificates of deposit. Investments are reported at cost.

Interest earnings are allocated to City funds according to State statutes, the Charter and Codified Ordinances of the City, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2023 was $135,389 which includes $105,065 assigned from other City funds.

Inventory and Prepaid Items

The City reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Interfund Loans

The City reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the City's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The City recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Pensions

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

Long-Term Obligations

The City's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset (including the intangible right to use) when entering into a lease, SBITA or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments, SBITA payments, and financed purchase payments are reported when paid.

Leases and SBITAs

For 2023, GASB Statement No. 96, *Subscription-Based Technology Arrangements*, was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The City is the lessee (as defined by GASB 87) in various leases related to vehicles and other equipment under noncancelable leases. Intangible right to use asset/lease payable are not reflected under the City's cash basis of accounting. Lease revenue/disbursements are recognized when they are received/paid

The City entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription assets/liabilities are not reflected under the City's cash basis of accounting. Subscription disbursements are recognized when they are paid.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of $925 are reflected as fines and forfeitures revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

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

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for street maintenance and repair and EMS services.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) 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, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is 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 the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State Statute authorizes the City Finance Direcor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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.

Internal Activity

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies 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 nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

NOTE 3 – COMPLIANCE

Ohio Administrative Code, Section 117-2-03 (B), requires the City to prepare its annual financial report in accordance with generally accepted accounting principles. However, the City prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The City can be fined and various other administrative remedies may be taken against the City.

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund and any major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

2. Outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis).

3. Unreported interest is reported on the statement of receipts, disbursements, and changes in fund balances (cash basis), but not on the budgetary basis.

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

	General Fund		Street Fund		EMS Fund	
Cash Basis	$	223,905	$	17,308	$	7,208
Funds Budgeted Elsewhere		(55,946)		-		-
Encumbrances		(28,157)		(9,631)		(2,198)
Budget Basis	$	139,802	$	7,677	$	5,010

NOTE 5 – DEPOSITS AND INVESTMENTS

Monies held by the City are classified by State statute into three categories.

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

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

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

Interim monies held by the City can 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 obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

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

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

6. The State Treasurer's investment pool (STAR Ohio);

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

8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the City and must be purchased with the expectation that it will be held to maturity.

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

Cash on Hand

At year end, the City had $165 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

At year-end, $2,404,374 of the City's bank balance of $2,958,566 was uninsured but collateralized. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

Custodial Credit Risk

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

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

- Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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

NOTE 6 –TAXES

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

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

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2023, was $11.75 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	$ 73,589,400
Public Utilities	4,660,300
Total Assessed Value	$ 78,249,700

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected.

Income Taxes

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

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

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

NOTE 7 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, addressed these risk per below:

Risk Pool Membership

The City is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the City's policy.

The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2023
Cash and Investments	$ 43,996,442
Actuarial Liabilities	$ 19,743,401

There has not been a significant reduction in commercial coverage from the prior year and settled claims have not exceeded coverage in any of the last three years.

Workers' Compensation

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

NOTE 8 – DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability

Pensions and OPEB are 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 net pension/OPEB liability represents the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability 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 the liability to annually required payments. The City cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

The net pension/net OPEB liability are not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the cash basis framework.

The remainder of this note includes the pension disclosures. See Note 9 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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 and Service Requirements:**	**Age and Service Requirements:**
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula:	**Traditional Plan Formula:**	**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	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

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

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

	State and Local
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2023 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $111,256 for 2023.

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

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

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

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

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

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

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

	Police	Firefighters
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2023 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was $260,252 for 2023.

Pension Liability

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

	OPERS	OP&F	Total
Proportion of the Net Pension Liability:			
Current Measurement Period	0.003298%	0.0473422%	
Prior Measurement Period	0.002753%	0.0389899%	
Change in Proportion	0.000545%	0.0083523%	
Proportionate Share of the Net Pension Liability	$ 974,231	$ 4,497,050	$ 5,471,281

Actuarial Assumptions – OPERS

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

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

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	3.00 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.90 percent
Actuarial Cost Method	Individual Entry Age

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.10 percent for 2022.

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 geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future 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 to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability (Asset)	$ 1,459,365	$ 974,231	$ 570,686

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2022, are presented below.

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 percent
Projected Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.50 percent
Cost of Living Adjustments	2.20 percent simple per year

For 2022, the mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted to 96.20 percent for males and 98.70 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, 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 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, 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 2021, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For 2021, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: Assumptions are geometric.
* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on 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 of 7.50 percent. 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	Current Discount Rate	1% Increase
City's Proportionate Share of the Net Pension Liability	$ 5,932,477	$ 4,497,050	$ 3,303,780

NOTE 9 – POSTEMPLOYMENT BENEFITS

Net OPEB Liability

See Note 8 for a description of the net OPEB liability.

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. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care. Medicare-enrolled retirees may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

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

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

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

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

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

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

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

Group C 32 years of qualifying service credit and minimum age 55; or,
A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

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

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

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

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City had no contractually required contribution for 2023.

Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was $6,028 for 2023.

Net OPEB Liability

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

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability:			
Current Measurement Period	0.003443%	0.0473422%	
Prior Measurement Period	0.002907%	0.0389899%	
Change in Proportion	0.000536%	0.0083523%	
Proportionate Share of the Net OPEB Liability	$ 21,709	$ 337,063	$ 358,772

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	December 31, 2022	December 31, 2021
Wage Inflation	2.75 percent	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate	5.22 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	4.05 percent	1.84 percent
Health Care Cost Trend Rate	5.50 percent, initial 3.50 percent, ultimate in 2036	5.50 percent, initial 3.50 percent, ultimate in 2034
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other Investments	6.00	1.84
Total	100.00%	

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. 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 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability (Asset)	$ 73,887	$ 21,709	$ (21,347)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 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 the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability (Asset)	$ 20,348	$ 21,709	$ 23,240

Actuarial Assumptions – OP&F

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

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

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

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

Valuation Date	January 1, 2022, with Actuarial Liabilities Rolled Forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.50 Percent
Projected Salary Increases	3.75 Percent to 10.50 Percent
Payroll Growth	3.25 Percent
Blended Discount Rate:	
Current Measurement Date	4.27 Percent
Prior Measurement Date	2.84 Percent
Cost of Living Adjustments	2.20 Percent Simple per Year
Projected Depletion Year of OPEB Assets	2036

For 2022, 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 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, 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 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, 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 2021, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For 2021, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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

The most recent experience study was completed for the five-year period ended December 31, 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, 2022, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: Assumptions are geometric.
* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 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, for 2022, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent. For 2021, a municipal bond rate of 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.5 which resulted in a blended discount rate of 2.84. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27 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 (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	$ 415,061	$ 337,063	$ 271,212

NOTE 10 – OTHER EMPLOYEE BENEFITS

Health Insurance

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

Life and Accidental Death and Dismemberment Insurance

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

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NOTE 11 – DEBT

The City's debt activity for the current year activity was as follows:

	Restated Balance 12/31/2022	Additions	(Reductions)	Balance 12/31/2023	Due in One Year
Governmental Activities:					
Direct Borrowings:					
OPWC Loans:					
Newport Area Storm Sewer OPWC Loan	$ 132,905	$ -	$ (14,767)	$ 118,138	$ 14,767
East 2nd Street Storm Sewer OPWC Loan	42,750	-	(4,750)	38,000	4,750
West Side Storm Sewer OPWC Loan	78,385	-	(6,532)	71,853	6,532
Eastport Avenue Storm Sewer OPWC Loan	-	171,226	(2,853)	168,373	5,708
Total OPWC Loans	254,040	171,226	(28,902)	396,364	31,757
OWDA Loans:					
Newport Area Storm Sewer OWDA Loan	95,632	-	(16,999)	78,633	17,170
East 2nd Street Storm Sewer OWDA Loan	63,271	-	(7,637)	55,634	7,712
West Side Storm Sewer OWDA Loan	233,320	-	(21,184)	212,136	21,395
Eastport Avenue Storm Sewer OWDA Loan	210,460	-	(12,342)	198,118	12,633
East 1st Street Storm Sewer OWDA Loan	201,902	-	(9,007)	192,895	9,113
Total OWDA Loans	804,585	-	(67,169)	737,416	68,023
EMS Loan	30,255	-	(30,255)	-	-
Police Cruiser '21 Tahoe	38,762	-	(12,568)	26,194	12,919
Pumper Tanker	235,417	-	(76,332)	159,085	78,465
Bobcat Equipment	75,513	-	(12,868)	62,645	13,230
2022 Ford Explorer	53,784	-	(9,653)	44,131	10,170
Dump Truck	100,015	-	(18,904)	81,111	19,433
Total Direct Borrowings	1,592,371	171,226	(256,651)	1,506,946	233,997
Other Long-Term Obligations:					
Police and Fire Pension	183,998	-	(11,480)	172,518	11,974
Lease Puchase	9,220	-	(9,220)	-	-
Total Other Long-Term Obligations	193,218	-	(20,700)	172,518	11,974
Total Governmental Activities	$ 1,785,589	$ 171,226	$ (277,351)	$ 1,679,464	$ 245,971

Governmental Activities

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

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

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

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

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

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

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

In 2021, the City was awarded a loan from OWDA in the amount of $201,902 for the East 1st Street storm sewer improvement project. The loan has an interest rate of 1.18 percent. This loan will be paid from the storm sewer assessment fund.

In 2023, the City was awarded a loan from OPWC in the amount of $171,226 for the Eastport Avenue storm sewer improvement project phase 2. The loan is interest free and will be fully repaid in 2053. This loan will be paid from the storm sewer assessment fund.

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

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

In 2019, the City entered into a loan agreement with the First Federal Community Bank for the purchase of a new ambulance in the amount of $114,467. The loan carries an interest rate of 4.19 percent and a maturity date of July 10, 2023. The loan was paid from the EMS/fire levy funds. This loan was fully repaid in 2023.

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

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

In 2022, the City entered into a loan agreement for the acquisition of a Bobcat Excavator in the amount of $75,513. The loan carries an interest rate of 2.81 percent and a maturity date of December 1, 2027. This loan will be paid from the capital improvement fund. In the event of default, the lender may declare the entire indebtedness immediately due and payable, without notice and/or may take possession of the asset.

In 2022, the City entered into a loan agreement for the acquisition of a 2022 Ford Explorer police cruiser in the amount of $53,784. The loan carries an interest rate of 5.35 percent and a maturity date of December 15, 2027. This loan will be paid from the capital improvement fund. In the event of default, the lender may declare the entire indebtedness immediately due and payable, without notice and/or may take possession of the asset.

In 2022, the City entered into a loan agreement for the acquisition of a dump truck in the amount of $100,015. The loan carries an interest rate of 2.79 percent and a maturity date of March 30, 2027. This loan will be paid from the capital improvement fund. In the event of default, the lender may declare the entire indebtedness immediately due and payable, without notice and/or may take possession of the asset.

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

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2023, are as follows:

	Governmental Activities						
	OWDA Loans		OPWC Loans	Police Tahoe		Tanker	
	Principal	Interest	Principal	Principal	Interest	Principal	Interest
2024	$ 68,023	$ 10,174	$ 31,757	$ 12,919	$ 732	$ 78,465	$ 4,447
2025	68,893	9,152	31,757	13,275	377	80,620	2,253
2026	69,775	8,267	31,757	-	-	-	377
2027	70,673	7,667	31,757	-	-	-	-
2028	62,624	6,617	31,757	-	-	-	-
2029-2033	243,179	21,762	119,750	-	-	-	-
2034-2038	109,981	9,726	35,070	-	-	-	-
2039-2043	44,268	1,187	28,537	-	-	-	-
2044-2048	-	-	28,537	-	-	-	-
2049-2053	-	-	25,685	-	-	-	-
Total	$ 737,416	$ 74,552	$ 396,364	$ 26,194	$ 1,109	$ 159,085	$ 7,077

	Governmental Activities							
	Dump Truck		Ford Explorer		Bobcat Equipment		Police and Fire Pension	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 19,433	$ 2,301	$ 10,170	$ 2,400	$ 13,230	$ 1,790	$ 11,974	$ 7,699
2025	19,989	1,745	10,728	1,842	13,611	1,408	12,488	7,206
2026	20,554	1,179	11,310	1,260	13,999	1,020	13,024	6,692
2027	21,135	598	11,923	647	14,398	621	13,584	6,156
2028	-	-	-	-	7,407	106	14,167	5,597
2029-2033	-	-	-	-	-	-	80,503	18,713
2034-2038	-	-	-	-	-	-	26,778	2,825
Total	$ 81,111	$ 5,823	$ 44,131	$ 6,149	$ 62,645	$ 4,945	$ 172,518	$ 54,888

Business-Type Activities

On June 14, 2022, the City issued a Recreational Facilities Improvement Note in the amount of $2,440,000 to refund the improvement note previously used to finance the water park construction. The note matured in June 2023 with an interest rate of 3.375 percent and was paid from the water park enterprise fund with user charges to the extent monies were available. Additional monies were transferred in from the capital improvement fund as needed.

On June 7, 2023, the City issued a Recreational Facilities Improvement Note in the amount of $2,195,000 to refund the improvement note previously used to finance the water park construction. The note matures on June 6, 2024 with an interest rate of 5.25 percent and will be paid from the water park enterprise fund with user charges to the extent monies are available. Additional monies will be transferred in from the capital improvement fund as needed.

Lease Purchase

In 2019, the City entered into a lease for the acquisition of a Chevrolet Silverado in the amount of $34,879. The agreement carried an interest rate of 8.5 percent. The Chevrolet Silverado was paid from the street fund and matured on February 8, 2023.

NOTE 12 – CONTINGENT LIABILITIES

Federal and State Grants

The City participates in several federally 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.

Litigation

The City is a party to several legal proceedings. City management is of the opinion that ultimate disposition of these proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 13 – 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 fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Street	EMS	Capital Improvement	Other Governmental Funds	Total
Restricted for:						
Capital Outlay	$ -	$ -	$ -	$ 557,043	$ 312,794	$ 869,837
Street	-	221,773	-	-	90,563	312,336
Community Development	-	-	-	-	52,498	52,498
Parks and Recreation	-	-	-	-	39,128	39,128
EMS	-	-	505,523	-	-	505,523
Police and Fire Pension	-	-	-	-	19,304	19,304
Other Purposes	55,946	-	-	-	202,328	258,274
Total Restricted	55,946	221,773	505,523	557,043	716,615	2,056,900
Committed for:						
Police and Fire Uniforms and Equipment	-	-	-	-	142,880	142,880
Assigned for:						
General Government	16,077	-	-	-	-	16,077
Public Safety - Coroner	11,956	-	-	-	-	11,956
Community & Economic Development	21	-	-	-	-	21
Basic Utility Services	103	-	-	-	-	103
Total Assigned	28,157	-	-	-	-	28,157
Unassigned	540,335	-	-	-	-	540,335
Total Fund Balance	$ 624,438	$ 221,773	$ 505,523	$ 557,043	$ 859,495	$ 2,768,272

NOTE 14 – INTERFUND TRANSACTIONS

Interfund Transfers

Following is a summary of transfers in and out for all funds for 2023:

Fund	Transfer In	Transfer Out
Governmental Activities:		
General Fund	$ 2,500	$ 5,450
Capital Improvement	-	300,000
Nonmajor Governmental Funds	5,450	2,500
Business-Type Activities:		
Water Park	300,000	-
Total	$ 307,950	$ 307,950

The transfer from the General fund to the non-major AFG Grant fund was to pay the City's 5 percent match on the current AFG grant. The non-major DARE Grant fund transferred funds for current salaries to the General fund. The Capital improvement fund transfer to the Water Park was to provide additional resources for debt payments.

Interfund Advances

The non-major AFG grant fund repaid a $109,000 advance made in the previous year by the general fund to cover disbursements until the grant money was received.

NOTE 15 – CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF NET POSITION/FUND BALANCE

During 2023, the City converted to the cash basis of accounting described in Note 2.

The implementation had the following effects on fund balances:

	General Fund	Street Fund	EMS Fund	Improvement Fund	Governmental Funds	Total
Fund Balance, December 31,2022	$ 806,228	$ 279,965	$ 578,026	$ 641,009	$ 639,194	$ 2,944,422
Change in Accounting Basis	(405,695)	(75,500)	(79,711)	(65,935)	132,118	(494,723)
Adjusted Fund Balance, January 1, 2023	$ 400,533	$ 204,465	$ 498,315	$ 575,074	$ 771,312	$ 2,449,699

The implementation had the following effects on net position:

	Governmental Activities	Business-Type Activities
Net Position, December 31, 2022	$ 8,540,136	$ 623,108
Change in Accounting Basis	(6,090,437)	(523,092)
Adjusted Net Position, January 1, 2023	$ 2,449,699	$ 100,016

	Enterprise Fund Water Park Fund
Net Position, December 31, 2022	$ 623,108
Change in Accounting Basis	(523,092)
Adjusted Net Position, January 1, 2023	$ 100,016

NOTE 16 – SUBSEQUENT EVENT

Historically, the City annually refinances the Water Park debt into a recreational facilities improvement note in June each year. The City issued a recreational facilities improvement bond anticipation note on June 5, 2024 to refinance $1,950,000 of Water Park debt. The note was issued with an interest rate of 6.38 percent and matured on February 27, 2025. On February 20, 2025, the City issued long-term Recreational Facilities Improvement Bonds in the amount of $2,075,000 to refinance the recreational facilities improvement bond anticipation note. The 2025 bonds were issued with an interest rate of 4.55% and principal and interest payments are due annually until fully retired in 2032.

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*

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

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 (*Government Auditing Standards*), the cash basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Uhrichsville, Tuscarawas County, Ohio (the "City") as of and for the year ended December 31, 2023, 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 6, 2025, wherein we noted the City elected to change its financial presentation to a comprehensive basis of accounting other than generally accepted accounting principles.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity' s financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2023-005, 2023-006 and 2023-007 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2023-008 and 2023-009 to be significant deficiencies.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2023-001, 2023-002, 2023-003 and 2023-004.

City’s Response to Findings

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

Purpose of this Report

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

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
June 6, 2025

City of Uhrichsville
Tuscarawas County, Ohio
Schedule of Findings and Responses
December 31, 2023

Finding Number: 2023-001

Material Noncompliance – Financial Reporting

Criteria: Ohio Administrative Code Section 117-2-03(B) requires the City to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP).

Condition: For 2023, the City prepared its financial statements and notes on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Cause: The City has elected not to prepare its financial statements in accordance with GAAP as a cost saving measure.

Effect: The accompanying basic financial statements omit assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time. Failure to prepare GAAP financial statements may result in the City being fined or other administrative remedies.

Recommendations: The City should implement procedures to prepare its annual financial report in accordance with GAAP to comply with Ohio Admin. Code Section 117-2-03(B).

Management's Response: The City plans to continue preparing financial statements on a cash basis for cost saving purposes.

Finding 2023-002

Material Noncompliance – Coronavirus State and Local Fiscal Recovery Fund Reporting

Federal Program: Coronavirus State and Local Fiscal Recovery Fund
Assistance Listing Number: 21.027
Federal Awarding Agency: United States Department of Treasury

Criteria: 31 CFR 35.4(c) requires reporting be submitted to the United States Department of Treasury during the period of performance for certain pandemic related funding. As noted in the final rules for the Coronavirus State and Local Fiscal Recovery Funds, metropolitan cities and counties with a population below 250,000 residents that are allocated less than $10 million in State and Local Fiscal Recovery Funds are required to submit annual Project and Expenditure Reports.

Condition: The City did not submit annual reporting required for the Coronavirus State and Fiscal Recovery funds for 2023.

Cause: The City had no process in place to ensure reports were submitted when required.

Effect: Noncompliance with reporting requirements for the Coronavirus State and Local Fiscal Recovery Funds.

Recommendation: The required annual Project and Expenditures Reports should be submitted as soon as possible.

Management's Response: Management submitted required reports in 2025 to correct issue.

Finding Number: 2023-003

Material Noncompliance – Ohio Revised Code Section 149.39

Criteria: Ohio Revised Code Section 149.39 establishes that each municipal corporation will create a records commission composed of the chief executive officer or the chief executive officer's appointed representative, as chairperson, and the chief fiscal officer, the chief legal officer, and a citizen appointed by the chief executive. The functions of the commission shall to be to provide rules for retention and disposal of records of the municipal corporation, and to review applications for one-time disposal of obsolete records and schedules of records retention and disposition submitted by municipal offices. The commission may dispose of records pursuant to the procedures outlined in Ohio Rev. Code section 149.381.

Condition: During audit procedures it was noted that records from the Mayor and Service Director's offices were disposed of without the approval of the City's records commission.

Cause: During the transition of power to newly elected officials it was identified that there were records missing from the respective offices. Records, including computer records, were disposed of without proper authorization.

Effect: Noncompliance with Ohio Revised Code and City record retention policies.

Recommendation: The City should obtain approval from the City's records commission prior to the disposal of any records. The City should also consult with the Ohio History Connection regarding any disposal of records should there be any confusion on whether or not a record can be disposed of.

Management's Response: Necessary approvals will be obtained moving forward prior to the disposal of any City records.

Finding Number: 2023-004

Material Noncompliance – Ohio Revised Code Section 5705.10(I)

Criteria: Ohio Revised Code Section 5705.10(I) provides that money paid into a fund must be used only for the purposes for which such fund has been established.

Condition: In 2023, the City paid for certain house demolition expenses from the City's Capital Improvement Fund. The City's Capital Improvement Fund was established to account for income tax revenues that are to be used for maintenance of equipment, new equipment, extension, enlargement and improvements of municipal services and facilities and capital improvements of the City. In testing, we identified $27,860 in house demolition costs paid from the Capital Improvement Fund that were paid for properties not owned by the City at the time of demolition. Since these properties were not owned by the City, the expenses do not meet the requirements to be an allowable expense for the Capital Improvement Fund.

Cause: It appears there may have been confusion as to whether properties were currently owned by the City or whether the City was in the process of taking possession of the properties.

Effect: Noncompliance with Ohio Revised Code Section 5705.10(I) regarding use of funds for intended purpose. The City's cash basis ledgers and financial statements have been adjusted to reflect these expenses in the City's General Fund rather than the Capital Improvement Fund.

Finding Number: 2023-004 (continued)

Recommendation: The City should implement procedures to ensure only allowable expenditures are made from the City's Capital Improvement Fund.

Management's Response: The City will implement procedures to ensure all expenses are allowable moving forward.

Finding Number: 2023-005

Material Weakness – Internal Controls over Financial Reporting

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

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

- Intergovernmental revenue was overstated in the General Fund by $16,660 and EMS Fund by $25,641. Intergovernmental revenue was understated in the Street Fund by $26,357, Assistance to Firefighters Grant Fund by $25,641, the Police Pension Fund by $1,263, the Fire Pension Fund by $1,263, EMS Fund by $6,635, Fire Equipment Fund by $6,000 and the Park Fund by $1,499.
- Income tax revenue was overstated in the General Fund by $18,120, the Street Fund by $3,295 and Capital Improvement Fund by $4,942.
- Cash and Cash equivalents in the CDBG Grant Fund in the amount of $45,511 were improperly classified as cash and cash equivalents in segregated accounts.
- Capital outlay and proceeds of OPWC loans in the amount of $171,226 in the Storm Sewer Fund were omitted from the financial statements.
- Interest expense was overstated and principal retirement expense was understated by $2,853 in the Storm Sewer Fund.
- Security of Persons and Property Expense was overstated in the EMS Fund and understated in the Assistance to Firefighters Grant by $25,641.
- Cash and Cash Equivalents were overstated in the General Fund by $34,780 and in the Capital Improvement Fund by $4,492. Cash and Cash Equivalents were understated in Street Fund by $23,062, the Police Pension Fund by $1,263, the Fire Pension Fund by $1,263, EMS Fund by $6,635, Fire Equipment Fund by $6,000 and the Park Fund by $1,499.

Cause: There were mistakes identified in the classification of revenues, expenses as well as allocations to respective funds. The internal controls over the final review of the financial statements did not identify potential misstatements.

Finding Number: 2023-005 (continued)

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

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

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

Finding Number: 2023 – 006

Material Weakness – Purchasing Procedures

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

Condition: In audit testing we noted the procedures were not consistently followed by all departments. We identified multiple payments made without the required evidence that goods or services were received and no authorization of the invoice for payment was documented. We also noted instances in which payments were processed without approved requisitions or purchase orders. There were also four disbursements identified for which no supporting documentation was maintained. We were able to work with the City to determine the purchases were for a proper public purpose, however no support was maintained with the voucher packets.

Cause: There were times when payments were made without following the formal purchase requisition/purchase order process due to time constraints, or documentation was misplaced to support the approval process. It appears there were issues with City's filing system and several voucher packets could not be located.

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

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

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

Finding Number: 2023 – 007

Material Weakness – Bank Reconciliations

Criteria: Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records. The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

Condition: Monthly bank to book reconciliations were not accurately prepared for each month of 2023. There were adjustments required in 2024 to correct errors identified in the 2023 reconciliations. These errors were not identified by the City until a new City Auditor was appointed in 2024.

Cause: It appears the previous City Auditor did not sufficient understanding of the bank reconciliation process to accurately complete it. There were no additional supervisory reviews in place to detect the issue in a timely manner.

Effect: Failure to reconcile monthly increases the possibility that the City will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

Recommendation: The City should prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances, on a timely basis. Variances should be investigated, documented and corrected. In addition, the City Council should review the monthly cash reconciliations including the related support (such as reconciling items) and monthly financial reports and document the reviews.

Management's Response: The City made necessary corrections in 2024 to correct 2023 errors and verified updated bank reconciliations were accurate. Procedures have been implemented to ensure accurate bank reconciliations are now being performed in a timely manner.

Finding Number: 2023 – 008

Significant Deficiency – Payroll

Criteria: Payroll is the largest expense incurred by the City. The City's management is responsible for designing, implementing and maintaining sound internal controls over the payroll process to ensure that payroll is for actual time worked.

Condition: During our review of internal controls over the payroll process and payroll testing we noted inconsistent supervisory approval of timecards and leave requests.

Cause: In testing we noted several timecards and leave forms that were not approved by a supervisor.

Effect: This could cause inaccurate reporting of time to go undetected which could lead to errors in the payroll process.

Finding Number: 2023 – 008 (continued)

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

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

Finding Number: 2023 – 009

Significant Deficiency – Water Park Admissions

Criteria: The City's water park is a major source of revenue for the City. The City's management is responsible for designing, implementing and maintaining sound internal controls over water park admissions to ensure all customers are charged the appropriate rate for entry and use of the park.

Condition: During our review of internal controls over water park admission revenues, it was noted that the City does not have adequate internal controls in place to ensure all individuals that enter the park are properly accounted for in the City's point of sale system.

Cause: The City has internal controls in place to reconcile the point of sale system to bank deposits and to the City's revenue ledger, however there are no controls in place to ensure all sales are properly entered into the point of sale system.

Effect: Without proper controls over the admissions to the water park there is an increased risk that cash collections could be unaccounted for or that individuals may be allowed access to the park without paying the required fee.

Recommendation: We recommend the City implement procedures to ensure all entrants to the water park are appropriately accounted for in the point of sale system. We recommend issuing tickets or wristbands upon entrance and implementing daily procedures to reconcile issued tickets/wristbands to the point of sale system. Implementation of these procedures will enhance the City's internal controls to prevent and/or detect theft of cash collections at the water park.

Management's Response: The City is currently developing internal control procedures to mitigate risk.

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OHIO AUDITOR OF STATE
KEITH FABER

CITY OF UHRICHSVILLE

TUSCARAWAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 12/2/2025

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