

CITY OF GREENVILLE

DARKE COUNTY, OHIO

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Members of Council and Mayor
City of Greenville
100 Public Square
Greenville, Ohio 45331

We have reviewed the *Independent Auditor's Report* of the City of Greenville, Darke County, prepared by Julian & Grube, Inc., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 08, 2022

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CITY OF GREENVILLE, OHIO

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Independent Auditor's Report

City of Greenville
Darke County
100 Public Square
Greenville, Ohio 45331

To the Members of the City Council and Mayor:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, Darke County, Ohio, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Greenville's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the American Rescue Plan Relief Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

As described in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City of Greenville. Additionally, as described in Note 3 to the financial statements, the beginning fund balance of nonmajor governmental funds and net position of the governmental activities have been restated to properly record the permissive tax monies held by Darke County. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022 on our consideration of the City of Greenville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Greenville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Greenville's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 28, 2022

CITY OF GREENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

The management discussion and analysis of the City of Greenville's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance. As stated in Note 2 to the basic financial statements, the financial information contained in this report is presented in conformity with accounting principles generally accepted in the United States of America (GAAP). GAAP-basis financial information will differ from cash basis information as maintained by the City during the year.

Financial Highlights

Key financial highlights for 2021 are as follows:

- The total net position of the City increased \$4,228,966. Net position of the governmental activities increased \$2,955,504 or 21.44% from 2020 restated balance, and net position of the business-type activities increased \$1,273,462 or 3.79% from 2020.
- General revenues accounted for \$10,850,805 of total governmental activities revenue or 81.59% of total governmental activities revenue. Program specific revenues accounted for \$2,447,872 or 18.41% of total governmental activities revenue.
- The City had \$10,343,173 in expenses related to governmental activities; program specific charges for services, grants and contributions offset \$2,447,872 of these expenses. The remaining expenses of the governmental activities were funded by general revenues of \$10,850,805, which primarily consist of property taxes, income taxes, permissive motor vehicle license taxes, and unrestricted grants and entitlements.
- The general fund had revenues and other financing sources of \$10,669,138 in 2021. This represents an increase of \$705,617 from 2020. The expenditures and other financing uses of the general fund, which totaled \$11,924,936 in 2021, an increase of \$4,294,631 from 2020. The net decrease in fund balance for the general fund was \$1,255,798 or 16.17%.
- The American rescue plan relief fund, a major fund, had no revenues or expenditures in 2021. The American rescue plan relief fund was established during 2021 to account for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.
- The capital improvement plan fund, a major fund, had other financing sources of \$3,299,341 in 2021. The expenditures of the capital improvement fund totaled \$2,023,228 in 2021. The net increase in fund balance for the capital improvement plan fund was \$1,276,113 or 922.91%. This large increase was due to the City entering into a new debt issuance during 2021 for the construction of a new salt barn.
- Net position for the business-type activities, which are composed of the water, sewer, special park, swimming pool, storm water, and parking meter enterprise funds, increased in 2021 by \$1,273,462.
- In the general fund, original budgeted revenue of \$8,954,800 were increased by \$11,280 for the final budgeted revenues of \$8,966,080. Actual budgetary-basis revenues and other financing sources of \$11,637,013 were \$2,670,933 higher than final budgeted revenues. Original budgeted expenditures and other financing uses of \$9,821,620 were increased by \$3,888,263 for the final budgeted expenditures and other financing uses of \$13,709,883. Actual expenditures and other financing uses of \$12,521,569 were \$1,188,314 lower than the final budget expenditures and other financing uses.

CITY OF GREENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2021?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses of the City using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting includes all of the current year's revenues and expenses, regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here, including police, fire and rescue, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-Type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of goods or services provided. The City's water, sewer, special park, swimming pool, storm water, and parking operations are reported here.

The government-wide statement of net position and statement of activities can be found on pages 19-21 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

CITY OF GREENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 12.

Governmental Funds

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are provided of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to the net position of the governmental activities and the change in net position of the governmental activities, respectively, for comparative purposes.

The City maintains a variety of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, the American rescue plan relief fund and the capital improvement plan fund. Information for these major funds are presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements, including a budgetary statement for the general fund, are located on pages 22-27 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, special park, swimming pool, storm water, and parking functions. The City's major enterprise funds are the water, sewer, and storm water funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 28-35 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 37-84 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension and net OPEB liabilities/assets. The required supplementary information can be found on pages 86-103 of this report.

CITY OF GREENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2021 and December 31, 2020. The net position at December 31, 2020 has been restated as described in Note 3.B in the notes to the basic financial statements.

	Net Position					
	(Restated)					
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	2021 Total	(Restated) 2020 Total
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>	<u>Total</u>	<u>Total</u>
<u>Assets</u>						
Current and other assets	\$ 15,321,003	\$ 13,617,312	\$ 13,197,736	\$ 14,159,733	\$ 28,938,315	\$ 27,357,469
Capital assets, net	<u>20,066,575</u>	<u>23,920,373</u>	<u>19,349,646</u>	<u>23,530,169</u>	<u>43,986,948</u>	<u>42,879,815</u>
Total assets	<u>35,387,578</u>	<u>37,537,685</u>	<u>32,547,382</u>	<u>37,689,902</u>	<u>72,925,263</u>	<u>70,237,284</u>
<u>Deferred outflows of resources</u>						
Pension	1,693,019	353,362	1,980,901	318,583	2,046,381	2,299,484
OPEB	<u>1,077,867</u>	<u>153,289</u>	<u>1,354,304</u>	<u>203,868</u>	<u>1,231,156</u>	<u>1,558,172</u>
Total deferred outflows of resources	<u>2,770,886</u>	<u>506,651</u>	<u>3,335,205</u>	<u>522,451</u>	<u>3,277,537</u>	<u>3,857,656</u>
<u>Liabilities</u>						
Current liabilities	1,639,221	479,619	812,595	928,790	2,118,840	1,741,385
Net pension liability	9,882,829	1,380,617	10,717,106	1,664,480	11,263,446	12,381,586
Net OPEB liability	1,240,895	-	2,916,610	1,134,612	1,240,895	4,051,222
Other long-term liabilities	<u>3,962,661</u>	<u>234,042</u>	<u>3,528,213</u>	<u>259,640</u>	<u>4,196,703</u>	<u>3,787,853</u>
Total liabilities	<u>16,725,606</u>	<u>2,094,278</u>	<u>17,974,524</u>	<u>3,987,522</u>	<u>18,819,884</u>	<u>21,962,046</u>
<u>Deferred inflows of resources</u>						
Property taxes	1,244,194	-	1,235,406	-	1,244,194	1,235,406
Pension	2,079,161	614,437	1,923,216	457,245	2,693,598	2,380,461
OPEB	<u>1,371,167</u>	<u>500,942</u>	<u>966,609</u>	<u>206,369</u>	<u>1,872,109</u>	<u>1,172,978</u>
Total deferred inflows of resources	<u>4,694,522</u>	<u>1,115,379</u>	<u>4,125,231</u>	<u>663,614</u>	<u>5,809,901</u>	<u>4,788,845</u>
<u>Net position</u>						
Net investment in capital assets	17,588,899	23,653,996	16,518,399	22,866,558	41,242,895	39,384,957
Restricted	1,138,483	-	402,067	-	1,138,483	402,067
Unrestricted (deficit)	<u>(1,989,046)</u>	<u>11,180,683</u>	<u>(3,137,634)</u>	<u>10,694,659</u>	<u>9,191,637</u>	<u>7,557,025</u>
Total net position (restated)	<u>\$ 16,738,336</u>	<u>\$ 34,834,679</u>	<u>\$ 13,782,832</u>	<u>\$ 33,561,217</u>	<u>\$ 51,573,015</u>	<u>\$ 47,344,049</u>

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

CITY OF GREENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2021, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$51,573,015. At year-end, net position was \$16,738,336 and \$34,834,679 for the governmental activities and the business-type activities, respectively.

CITY OF GREENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 60.32% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, software, vehicles and infrastructure. The City's net investment in capital assets at December 31, 2021, was \$17,588,899 and \$23,653,996 in the governmental activities and the business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's net investment in capital assets has been reduced by the related debt to acquire the assets, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$1,138,483, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is a deficit of \$1,989,046.

The table below and on the following page shows the changes in net position for 2021 and 2020. The net position at December 31, 2020 has been restated as described in Note 3.B in the notes to the basic financial statements.

	Change in Net Position					
			(Restated)			
	Governmental	Business-type	Governmental	Business-type		(Restated)
	Activities	Activities	Activities	Activities	2021	2020
2021	2021	2020	2020	Total	Total	
<u>Revenues:</u>						
Program revenues:						
Charges for services	\$ 561,159	\$ 5,396,599	\$ 747,929	\$ 4,725,680	\$ 5,957,758	\$ 5,473,609
Operating grants and contributions	1,537,944	-	2,900,633	-	1,537,944	2,900,633
Capital grants and contributions	348,769	-	447,676	70,892	348,769	518,568
Total program revenues	<u>2,447,872</u>	<u>5,396,599</u>	<u>4,096,238</u>	<u>4,796,572</u>	<u>7,844,471</u>	<u>8,892,810</u>
General revenues:						
Property taxes	1,341,743	-	1,243,638	-	1,341,743	1,243,638
Income taxes	8,765,002	-	7,258,644	-	8,765,002	7,258,644
Permissive motor vehicle license tax	130,778	-	108,707	-	130,778	108,707
Unrestricted grants and entitlements	502,608	-	467,968	-	502,608	467,968
Investment earnings	39,673	86,580	38,123	121,424	126,253	159,547
Change in fair value of investments	(96,744)	(141,648)	92,759	137,281	(238,392)	230,040
Miscellaneous	167,745	3,260	418,000	126,951	171,005	544,951
Total general revenues	<u>10,850,805</u>	<u>(51,808)</u>	<u>9,627,839</u>	<u>385,656</u>	<u>10,798,997</u>	<u>10,013,495</u>
Total revenues	<u>13,298,677</u>	<u>5,344,791</u>	<u>13,724,077</u>	<u>5,182,228</u>	<u>18,643,468</u>	<u>18,906,305</u>

(Continued)

CITY OF GREENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Change in Net Position (Continued)

	(Restated)					
	Governmental	Business-type	Governmental	Business-type	(Restated)	
	Activities	Activities	Activities	Activities	2021	2020
	2021	2021	2020	2020	Total	Total
Expenses:						
General government	\$ 1,617,356	\$ -	\$ 2,709,809	\$ -	\$ 1,617,356	\$ 2,709,809
Security of persons and property	5,573,283	-	6,381,424	-	5,573,283	6,381,424
Public health and welfare	5,069	-	36,710	-	5,069	36,710
Transportation	2,718,634	-	3,419,290	-	2,718,634	3,419,290
Community environment	15,138	-	1,049	-	15,138	1,049
Leisure time activity	198,723	-	301,591	-	198,723	301,591
Utility services	171,562	-	165,052	-	171,562	165,052
Interest and fiscal charges	43,408	-	32,192	-	43,408	32,192
Water	-	1,884,470	-	2,454,790	1,884,470	2,454,790
Sewer	-	1,640,298	-	1,908,601	1,640,298	1,908,601
Storm water	-	503,945	-	537,802	503,945	537,802
Parking meter	-	3,167	-	3,166	3,167	3,166
Special park	-	8,643	-	2,434	8,643	2,434
Swimming pool	-	30,806	-	42,768	30,806	42,768
Total expenses	<u>10,343,173</u>	<u>4,071,329</u>	<u>13,047,117</u>	<u>4,949,561</u>	<u>14,414,502</u>	<u>17,996,678</u>
Change in net position before transfers	<u>2,955,504</u>	<u>1,273,462</u>	<u>676,960</u>	<u>232,667</u>	<u>4,228,966</u>	<u>909,627</u>
Transfers	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
Change in net position	<u>2,955,504</u>	<u>1,273,462</u>	<u>661,960</u>	<u>247,667</u>	<u>4,228,966</u>	<u>909,627</u>
Net position at beginning of year (restated)	<u>13,782,832</u>	<u>33,561,217</u>	<u>13,120,872</u>	<u>33,313,550</u>	<u>47,344,049</u>	<u>46,434,422</u>
Net position at end of year	<u>\$ 16,738,336</u>	<u>\$ 34,834,679</u>	<u>\$ 13,782,832</u>	<u>\$ 33,561,217</u>	<u>\$ 51,573,015</u>	<u>\$ 47,344,049</u>

Governmental Activities

The net position of the governmental activities increased \$2,955,504 in 2021 from 2020 restated balance.

Expenses of the governmental activities decreased \$2,703,944 or 20.72%. This decrease is primarily the result of the decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS). On an accrual basis, the City had OPEB expense of (\$1,318,891) in 2021 compared to \$234,689 in 2020. On January 15, 2020, OPERS approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City at December 31, 2021. These changes along with changes in assumptions related to an increase in discount rate from 3.16% to 6.00% significantly decreased the total OPEB liability for the measurement date December 31, 2020.

CITY OF GREENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

Security of persons and property, which primarily supports the operations of the police and fire departments, accounted for \$5,573,283 of the total expenses of the City. These expenses were partially funded by \$102,259 in direct charges to recipients of City services and \$67 in operating grants and contributions.

Transportation expenses totaled \$2,718,634 and were partially funded by \$147,307 in direct charges to recipients of the City's services and \$1,514,728 in operating grants and contributions. General government expenses totaled \$1,617,356 and were partially funded by \$265,603 in direct charges to recipients of City services.

The State and federal governments contributed to the City a total of \$1,537,944 in operating grants and contributions and \$348,769 capital grants and contributions. Wayne HealthCare Hospital also donated \$75,000 in contributions to the City for a Southpark Splashpad in 2020 and 2021. These revenues are restricted to a particular program or purpose. Operating grants and contributions decreased \$1,362,689 in 2021. This was due to the additional funding of received from the CARES Act in response to the COVID-19 pandemic during 2020.

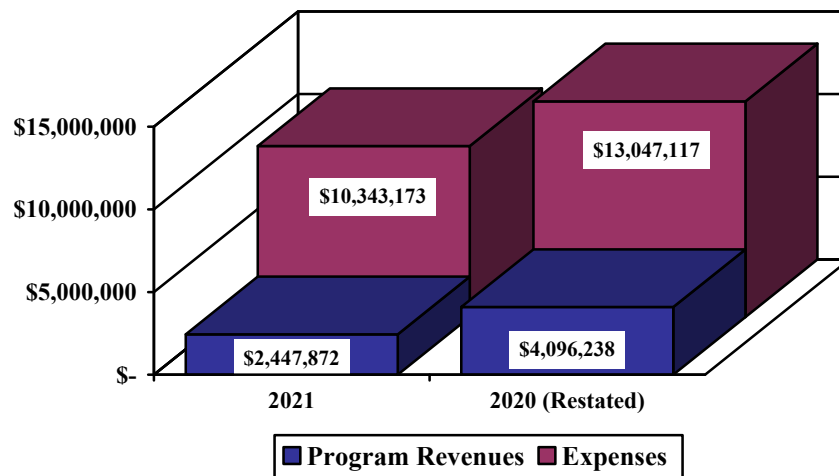
Of the total operating grants and contributions of the governmental activities, \$1,514,728 subsidized for transportation programs, \$67 subsidized for security of persons and property programs, \$18,479 subsidized for leisure time activity programs and \$4,670 subsidized for community environment programs during 2021. Capital grants and contributions funded the acquisition or construction of governmental activities assets to serve the operations of leisure time activity programs in the amounts of \$348,769.

Miscellaneous general revenues decreased \$250,255 in 2021 due to large increases in BWC dividends received by the City during 2020.

General revenues of the governmental activities totaled \$10,850,805 and amounted to 81.59% of total governmental activities revenues. These revenues primarily consist of property, income tax and permissive motor vehicle license tax revenues of \$10,237,523. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including the City's local government fund allocation, totaling \$502,608.

The statement of activities demonstrates how charges for services and grants to the City offset the costs of program services. The following figures show, for the governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. The City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

Governmental Activities – Program Revenues vs. Total Expenses



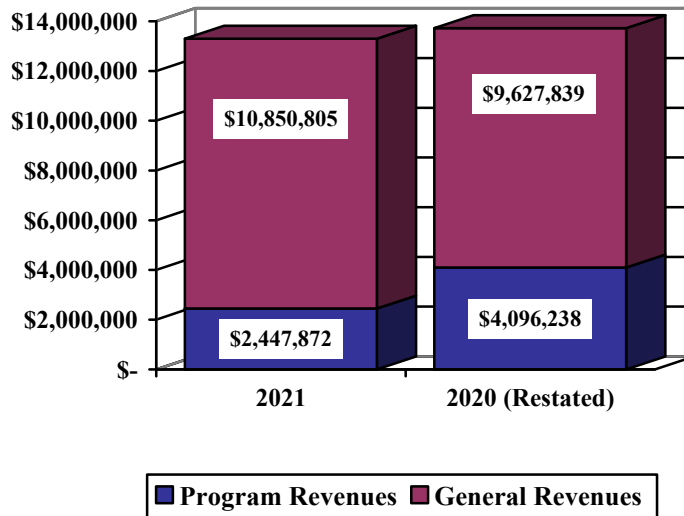
CITY OF GREENVILLE, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Governmental Activities			
	2021		2020	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Program expenses:				
General government	\$ 1,617,356	\$ 1,351,753	\$ 2,709,809	\$ 2,513,878
Security of persons and property	5,573,283	5,470,957	6,381,424	5,008,899
Public health and welfare	5,069	5,069	36,710	6,672
Transportation	2,718,634	1,056,599	3,419,290	1,112,872
Community environment	15,138	(11,925)	1,049	(18,556)
Leisure time activity	198,723	(192,122)	301,591	191,068
Utility services	171,562	171,562	165,052	165,052
Interest and fiscal charges	<u>43,408</u>	<u>43,408</u>	<u>32,192</u>	<u>32,192</u>
Total	<u>\$ 10,343,173</u>	<u>\$ 7,895,301</u>	<u>\$ 13,047,117</u>	<u>\$ 9,012,077</u>

The dependence upon general revenues for governmental activities is apparent, as 76.33% of expenses are supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues



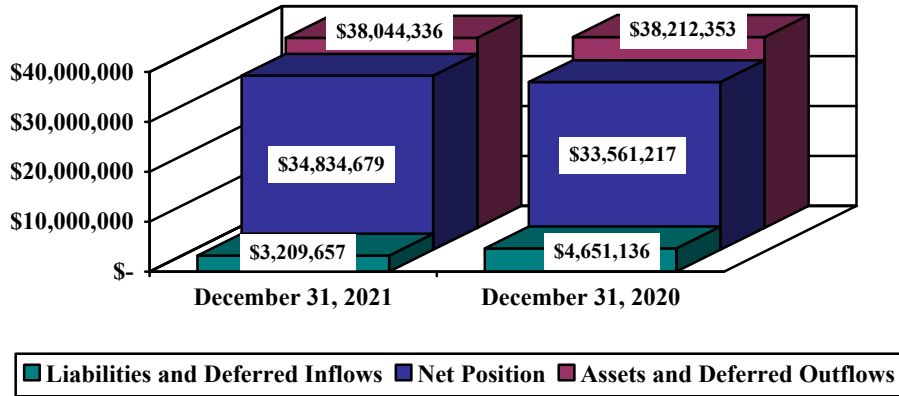
Business-Type Activities

Business-type activities include the water, sewer, storm water, special park, swimming pool and parking meter enterprise funds. These programs had program revenues of \$5,396,599 and general revenues of (\$51,808) and recognized expenses of \$4,071,329 during 2021. The graph below illustrates the assets and deferred outflows, liabilities and deferred inflows, and net position of the City’s business-type activities at December 31, 2021 and December 31, 2020.

CITY OF GREENVILLE, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Net Position in Business – Type Activities



Financial Analysis of the Government’s Funds

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

Governmental Funds

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

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2021 for all major and nonmajor governmental funds. The fund balance at December 31, 2020 has been restated as described in Note 3.B in the notes to the basic financial statements.

	Fund Balances <u>12/31/21</u>	(Restated) Fund Balances <u>12/31/20</u>	Increase (Decrease) <u></u>
Major fund:			
General	\$ 6,512,773	\$ 7,768,571	\$ (1,255,798)
Capital improvement plan fund	1,414,384	138,271	1,276,113
Nonmajor governmental funds	<u>1,785,710</u>	<u>1,650,994</u>	<u>134,716</u>
Total	<u>\$ 9,712,867</u>	<u>\$ 9,557,836</u>	<u>\$ 155,031</u>

General Fund

The City’s general fund balance decreased \$1,255,798 during 2021. The table that follows assists in illustrating the revenues of the general fund.

CITY OF GREENVILLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Revenues</u>	2021 Amount	2020 Amount	Percentage Change
Municipal income taxes	\$ 8,363,895	\$ 7,304,234	14.51 %
Property and other taxes	1,195,560	1,112,018	7.51 %
Charges for services	100,365	85,583	17.27 %
Licenses and permits	177,217	142,464	24.39 %
Fines and forfeitures	100,859	75,990	32.73 %
Intergovernmental	484,351	449,750	7.69 %
Special assessments	3,852	10,550	(63.49) %
Investment income & change in fair value of investments	(36,160)	140,630	(125.71) %
Donations	111,765	99,299	12.55 %
Other	<u>149,253</u>	<u>515,503</u>	<u>(71.05) %</u>
Total	<u>\$ 10,650,957</u>	<u>\$ 9,936,021</u>	<u>7.20 %</u>

During 2021, the City's general fund revenues increased \$714,936 or 7.20%. Charges for services, licenses and permits and fines and forfeitures all increased due to the City performing more services in 2021 due to the status of the COVID-19 pandemic improving. Other revenue decreased \$366,250 or 71.05% during 2021. This was primarily due to the City receiving BWC dividends awarded as a response to the pandemic during 2020. Investment income and change in fair value of investments decreased during 2021 due to the changing interest rates due to the COVID-19 pandemic. Municipal income taxes increased during 2021 primarily due to the COVID-19 pandemic. In response to the pandemic the income tax deadlines were extended and as a result revenues that would have been received in prior years were received in 2021. All other revenue line items remained consistent with the prior year.

The table that follows assists in illustrating the expenditures of the general fund.

<u>Expenditures</u>	2021 Amount	2020 Amount	Percentage Change
General government	\$ 2,200,052	\$ 2,252,206	(2.32) %
Security of persons and property	4,982,056	3,478,083	43.24 %
Public health and welfare	5,069	7,809	(35.09) %
Transportation	74,662	96,105	(22.31) %
Community environment	1,529	1,049	45.76 %
Leisure time activity	227,443	218,754	3.97 %
Utility services	166,321	158,185	5.14 %
Capital outlay	764,325	112,525	579.25 %
Debt service	<u>136,037</u>	<u>68,634</u>	<u>98.21 %</u>
Total	<u>\$ 8,557,494</u>	<u>\$ 6,393,350</u>	<u>33.85 %</u>

Total government expenses increased during 2021 by \$2,164,144 or 33.85% compared to 2020. This increase was primarily due to the increase of security of persons and property expenditures of \$1,503,973 or 43.24%. This was due to CARES Act funding received in 2020 as a response to the COVID-19 pandemic. The City used the majority of the funding in 2020 to offset police, firefighter and first responder payroll expenditures usually expended out of the general fund. Capital outlay expenditures increased primarily due to the City expending more monies for the splash pad construction project during 2021 than in 2020. All other expenditures remained consistent with prior year.

CITY OF GREENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

Budgeting Highlights - General Fund

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

Budgetary information is presented for the general fund. In the general fund, original budgeted revenue of \$8,954,800 were increased by \$11,280 for the final budgeted revenues of \$8,966,080. Actual budgetary-basis revenues and other financing sources of \$11,637,013 were \$2,670,933 higher than final budgeted revenues. Original budgeted expenditures and other financing uses of \$9,821,620 were increased by \$3,888,263 for the final budgeted expenditures and other financing uses of \$13,709,883. Actual expenditures and other financing uses of \$12,521,569 were \$1,188,314 lower than the final budget expenditures and other financing uses.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers), whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements. Activity within the City's major enterprise funds is described below:

Water Fund

The water fund, a major proprietary fund, had operating revenues of \$2,394,645, operating expenses of \$1,909,640, and net operating income of \$485,005 in 2021. During 2012, the City was awarded a legal settlement resulting from a geological study of raw water availability that provided inaccurate information on which the City relied. These proceeds will be paid to the City in annual installments through 2034. The water fund also had nonoperating revenues of \$9,389 in 2021. The net position of the water fund increased \$494,394 or 3.71% from a balance of \$13,317,138 to \$13,811,532.

Sewer Fund

The sewer fund, a major proprietary fund, had operating revenues of \$2,336,777, operating expenses of \$1,572,557, and net operating income of \$764,220 in 2021. The sewer fund also had nonoperating revenues of \$33,119 and nonoperating expenses of \$180,693 in 2021. The net position of the sewer fund increased \$616,646 or 3.98% from a balance of \$15,489,053 to \$16,105,699.

Storm Water Fund

The storm water fund, a major proprietary fund, had operating revenues of \$604,624, operating expenses of \$510,027, and net operating income of \$94,597 in 2021. The net position of the storm water fund increased \$94,597 or 2.05% from a balance of \$4,619,471 to \$4,714,068.

CITY OF GREENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Capital Assets and Debt Administration

Capital Assets

At the end of 2021, the City had \$43,986,948 net of accumulated depreciation, invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, software, vehicles, and infrastructure. Of this total, \$20,066,575 is reported in the governmental activities and \$23,920,373 is reported in business-type activities. The following table shows balances at December 31, 2021 compared to 2020.

Capital Assets at December 31, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,041,619	\$ 1,041,619	\$ 510,065	\$ 510,065	\$ 1,551,684	\$ 1,551,684
Construction in progress	43,582	199,347	1,262,454	1,252,440	1,306,036	1,451,787
Land improvements	671,637	71,855	15,475	16,420	687,112	88,275
Buildings and improvements	2,658,307	2,580,430	5,145,548	4,290,976	7,803,855	6,871,406
Furniture and equipment	1,360,384	1,257,033	2,107,015	2,176,442	3,467,399	3,433,475
Software	121,811	144,457	38,672	44,421	160,483	188,878
Vehicles	1,381,241	1,462,599	392,477	478,714	1,773,718	1,941,313
Infrastructure	<u>12,787,994</u>	<u>12,592,306</u>	<u>14,448,667</u>	<u>14,760,691</u>	<u>27,236,661</u>	<u>27,352,997</u>
Totals	<u>\$ 20,066,575</u>	<u>\$ 19,349,646</u>	<u>\$ 23,920,373</u>	<u>\$ 23,530,169</u>	<u>\$ 43,986,948</u>	<u>\$ 42,879,815</u>

The City's largest capital asset category is infrastructure which includes streets, bridges, storm sewer lines and water and sewer lines. These items are immovable and of value to the area; however, the annual cost of purchasing or constructing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 63.73% and 60.40% of the City's total governmental and business-type capital assets, respectively.

See Note 9 to the basic financial statements for more detail on the City's capital assets.

Debt Administration

The City had the following long-term debt obligations outstanding at December 31, 2021 and 2020:

	Governmental Activities	
	2021	2020
General obligation bonds	\$ 1,240,000	\$ 609,250
OPWC loan	1,762,607	1,848,558
Lease purchase agreement - fire station	29,500	57,700
Lease purchase agreements - fire truck 2013	<u>213,487</u>	<u>315,739</u>
Total long-term obligations	<u>\$ 3,245,594</u>	<u>\$ 2,831,247</u>

See Note 11 to the basic financial statements for more detail on the City's long-term debt obligations.

CITY OF GREENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

Economic Conditions and Outlook

The City, a statutory government, operates under the Council-Mayor form of government. The City of Greenville is uniquely located in the center of Darke County and is 30 miles northwest of the I-70/I-75 interchange. Four state highways and two US highways transect the community, thus making Greenville easily accessible. We continually work to lower our crime rates and moved up on the list of Ohio's Safest Cities that are over 10,000 people. Greenville ranks 25th out of 3,381 cities reporting, or out of 9,251 overall.

Wayne HealthCare, the county's only hospital, continues to expand and grow their facilities. As part of their goal to bring quality health care close to home, they have added a cancer center onto their dialysis treatment and rehabilitation services facility. In 2019, Wayne HealthCare then began their largest expansion ever in order to provide residents with the ability to see their physicians and receive specialty care in the local area. Opened February 2021, this \$60 million expansion, included state-of-the-art Special Birthing Units, an expanded Lifestyle Enhancement & Wellness Center, and a 32-bed acuity adjustable Nursing Unit.

As a further benefit to Darke County residents in being able to obtain quality health care without the burden of travel outside of the city, Reid Hospital of Richmond, IN also has a campus on Meeker Road in Greenville which compliments the Family Health Center next door. Family Health operates a large state-of-the-art campus providing medical, dental, behavior health, a pharmacy, eye care, after-hours urgent care, and also offers patient assistance, which all fit into their mission of "Building Healthy Lives Together."

The City's primary industrial park, Greenville Industrial Park, has shovel ready sites available for new construction as well as the expansion of existing companies. It is located on the east side of the community and offers access to rail via R. J. Corman Rail Road Group, and truck traffic via the state and federal routes. The park is currently home to The Anderson's Marathon Ethanol, Continental Carbonic, Spartech, Ramco Electric Motors, Greenville Technology, Inc., Beauty Systems Group, Monsanto and Classic Carriers/King Command.

Greenville is home to the KitchenAid division of Whirlpool Corporation, which produces the iconic KitchenAid stand mixer as well as other small appliances, including the hand mixer and blender. The most recent expansion by Whirlpool included a modern, highly robotic distribution center, which nearly doubled the size of its facility to 650,000 square feet. This reinforces the Greenville Plant as the global hub of Whirlpool's small appliance business. The city is also home to the FRAM Group, which produces a variety of filters for the world's auto industry with the widely known FRAM logo. BASF, the world's leading chemical company, also has a Greenville plant which produces a number of resins, including acrylics, polyesters, and polyurethanes, as well as several types of coatings for the automotive industry.

Workforce Development continues to be an important issue for the sustained growth of the manufacturing base and remains focused on job quality, employee retention and education. Great strides have been made with the continued advancement of the Darke County Workforce Development at the Greenville Career Technology Center, which is on the same campus as the revitalized Greenville Senior High School. Construction Technology along with the robotics lab are the newer programs in our Advanced Manufacturing Center. The focus of the AMC is to form long-term partnerships with local businesses by creating projects that enlighten students on their pursuit of high quality, technical careers in our local area. The community has also continuously shown strong support of education with a new K-8 school building and campus (in 2017) as well as the Edison State College Agricultural Center.

Over the past few years, the City, as with many other local governments, has seen varied fluctuations on the revenue side. Now, as the COVID-19 pandemic subsides, revenues for our area businesses and the City are slowly increasing and trending in a more positive direction. Greenville is fortunate to have a diversified manufacturing base and agricultural base which has allowed more stabilization of revenue dollars as this year of 2022 begins.

Greenville has a very vibrant and unique downtown area that has a high business occupancy rate. Fortunately, we are now beginning to see a positive trend in growth again with new store fronts looking to open in 2022. This will afford both the visitors and residents of Greenville more choices as a destination to shop and dine.

CITY OF GREENVILLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

The City supports many organizations, including Main Street Greenville, Darke County Visitor's Bureau, and the Garst Museum. Ohio Magazine's editors named Greenville as one of the "Best Hometowns" in Ohio; and Garst Museum and the downtown have also been recognized by Ohio magazine by being named "The Best of Ohio" Historical Museum and "The Best of Ohio" Main Street. The annual Hometown Holiday Horse Parade was named "Best Parade" and brought over 9,000 spectators to the Downtown Historic District in past years. Other popular destinations around the City include the Historic Bear's Mill and Tony Stewart's Eldora Speedway.

The community is also very fortunate to have access to 1,000 acres of beautiful parks and preserves with plans to add even more in 2022. Families and friends have the opportunity to relax, appreciate nature, and enjoy various recreational activities such as hiking, fishing, kayaking, or canoeing along banks of the historic Greenville Creek. The City is also in the final phase of a 10-year project that has involved building and connecting an 18-mile paved biking/walking trail dubbed as "The Darke to Miami County Connector." At completion, the city will then be connected to an extensive system of bike trails covering a large portion of the State of Ohio.

My overview of our community during this post-pandemic year, and as I look at what might be in our near future, I see a very positive attitude among all businesses throughout our city. As our downtown storefronts fill in and walk-in traffic increases, we look forward to a robust spring in sales revenue. I believe we will continue have a great need for qualified employees throughout every business in both our city and county, which will certainly last for many more months and even into next year.

We wish all of our residents and businesses the very best as we move forward into 2022, we believe that we will finally see the continuance of recovery... giving us the hopes of returning to the thriving community and expanding economy we once enjoyed. Undoubtedly, we will!

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Roxanne Willman, Auditor, City of Greenville, 100 Public Square, Greenville, Ohio 45331.

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**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 10,619,954	\$ 10,360,969	\$ 20,980,923
Receivables (net of allowance for uncollectibles):			
Municipal income taxes	1,614,115	-	1,614,115
Property and other taxes	1,283,689	-	1,283,689
Accounts	29,673	935,925	965,598
Accrued interest	15,798	19,855	35,653
Due from other governments	985,402	-	985,402
Special assessments	19,689	-	19,689
Legal settlement	-	1,685,271	1,685,271
Internal balance	(57,290)	57,290	-
Prepayments	245,785	72,320	318,105
Materials and supplies inventory	64,280	310,937	375,217
Net pension asset	19,957	14,511	34,468
Net OPEB asset	220,365	160,234	380,599
Real estate held for resale	12,000	-	12,000
Restricted assets:			
Cash with fiscal agent	247,586	-	247,586
Capital assets:			
Land and construction in progress	1,085,201	1,772,519	2,857,720
Depreciable capital assets, net	18,981,374	22,147,854	41,129,228
Total capital assets, net	<u>20,066,575</u>	<u>23,920,373</u>	<u>43,986,948</u>
Total assets	<u>35,387,578</u>	<u>37,537,685</u>	<u>72,925,263</u>
Deferred outflows of resources:			
Pension	1,693,019	353,362	2,046,381
OPEB	<u>1,077,867</u>	<u>153,289</u>	<u>1,231,156</u>
Total deferred outflows of resources	<u>2,770,886</u>	<u>506,651</u>	<u>3,277,537</u>
Liabilities:			
Accounts payable	365,122	111,466	476,588
Contracts payable	20,468	185,777	206,245
Retainage payable	-	80,600	80,600
Accrued wages and benefits payable	287,221	70,822	358,043
Due to other governments	26,566	5,995	32,561
Pension obligation payable	130,769	24,959	155,728
Accrued interest payable	3,933	-	3,933
Claims payable	144,425	-	144,425
Unearned revenue	660,717	-	660,717
Long-term liabilities:			
Due within one year	784,095	96,341	880,436
Due in more than one year:			
Net pension liability	9,882,829	1,380,617	11,263,446
Net OPEB liability	1,240,895	-	1,240,895
Other amounts due in more than one year	<u>3,178,566</u>	<u>137,701</u>	<u>3,316,267</u>
Total liabilities	<u>16,725,606</u>	<u>2,094,278</u>	<u>18,819,884</u>
Deferred inflows of resources:			
Property taxes levied for the subsequent year	1,244,194	-	1,244,194
Pension	2,079,161	614,437	2,693,598
OPEB	<u>1,371,167</u>	<u>500,942</u>	<u>1,872,109</u>
Total deferred inflows of resources	<u>4,694,522</u>	<u>1,115,379</u>	<u>5,809,901</u>
Net position:			
Net investment in capital assets	17,588,899	23,653,996	41,242,895
Restricted for:			
Transportation projects	1,078,512	-	1,078,512
Other purposes	59,971	-	59,971
Unrestricted (deficit)	<u>(1,989,046)</u>	<u>11,180,683</u>	<u>9,191,637</u>
Total net position	<u>\$ 16,738,336</u>	<u>\$ 34,834,679</u>	<u>\$ 51,573,015</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,617,356	\$ 265,603	\$ -	\$ -
Security of persons and property.	5,573,283	102,259	67	-
Public health and welfare	5,069	-	-	-
Transportation.	2,718,634	147,307	1,514,728	-
Community environment	15,138	22,393	4,670	-
Leisure time activity.	198,723	23,597	18,479	348,769
Utility services	171,562	-	-	-
Interest and fiscal charges.	43,408	-	-	-
Total governmental activities	10,343,173	561,159	1,537,944	348,769
Business-type activities:				
Water.	1,884,470	2,392,144	-	-
Sewer.	1,640,298	2,336,356	-	-
Storm water.	503,945	604,536	-	-
Other enterprise activities:				
Parking meter.	3,167	650	-	-
Special park	8,643	12,625	-	-
Swimming pool.	30,806	50,288	-	-
Total business-type activities	4,071,329	5,396,599	-	-
Total primary government.	\$ 14,414,502	\$ 5,957,758	\$ 1,537,944	\$ 348,769

General revenues:

- Property taxes levied for:
 - General purposes.
 - Police and fire pension.
- Municipal income taxes levied for:
 - General purposes.
- Grants and entitlements not restricted
 - to specific programs
- Permissive motor vehicle license tax
- Investment earnings
- Change in fair value of investments
- Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year (restated).

Net position at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (1,351,753)	\$ -	\$ (1,351,753)
(5,470,957)	-	(5,470,957)
(5,069)	-	(5,069)
(1,056,599)	-	(1,056,599)
11,925	-	11,925
192,122	-	192,122
(171,562)	-	(171,562)
(43,408)	-	(43,408)
<u>(7,895,301)</u>	<u>-</u>	<u>(7,895,301)</u>
-	507,674	507,674
-	696,058	696,058
-	100,591	100,591
-	(2,517)	(2,517)
-	3,982	3,982
-	19,482	19,482
<u>-</u>	<u>1,325,270</u>	<u>1,325,270</u>
<u>(7,895,301)</u>	<u>1,325,270</u>	<u>(6,570,031)</u>
1,191,409	-	1,191,409
150,334	-	150,334
8,765,002	-	8,765,002
502,608	-	502,608
130,778	-	130,778
39,673	86,580	126,253
(96,744)	(141,648)	(238,392)
167,745	3,260	171,005
<u>10,850,805</u>	<u>(51,808)</u>	<u>10,798,997</u>
2,955,504	1,273,462	4,228,966
<u>13,782,832</u>	<u>33,561,217</u>	<u>47,344,049</u>
<u>\$ 16,738,336</u>	<u>\$ 34,834,679</u>	<u>\$ 51,573,015</u>

**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	American Rescue Plan Relief Fund	Capital Improvement Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 5,969,927	\$ 660,717	\$ 1,430,400	\$ 1,440,142	\$ 9,501,186
Receivables (net of allowance for uncollectibles):					
Municipal income taxes	1,614,115	-	-	-	1,614,115
Property and other taxes	1,120,112	-	-	163,577	1,283,689
Accounts	26,746	-	-	2,927	29,673
Due from other governments	549,273	-	-	436,129	985,402
Special assessments	19,689	-	-	-	19,689
Accrued interest	13,933	-	-	1,726	15,659
Prepayments	223,314	-	-	22,471	245,785
Materials and supplies inventory	8,796	-	-	55,484	64,280
Real estate held for resale	12,000	-	-	-	12,000
Restricted assets:					
Cash with fiscal agent	-	-	-	247,586	247,586
Total assets	<u>\$ 9,557,905</u>	<u>660,717</u>	<u>\$ 1,430,400</u>	<u>\$ 2,370,042</u>	<u>\$ 14,019,064</u>
Liabilities:					
Accounts payable	\$ 319,832	\$ -	\$ -	\$ 45,290	\$ 365,122
Contracts payable	3,377	-	16,016	1,075	20,468
Accrued wages and benefits payable	241,720	-	-	45,501	287,221
Due to other governments	23,379	-	-	3,187	26,566
Unearned revenue	-	660,717	-	-	660,717
Pension obligation payable	65,229	-	-	65,540	130,769
Total liabilities	<u>653,537</u>	<u>660,717</u>	<u>16,016</u>	<u>160,593</u>	<u>1,490,863</u>
Deferred inflows of resources:					
Property taxes levied for the subsequent year	1,093,426	-	-	150,768	1,244,194
Income tax revenue not available	768,176	-	-	-	768,176
Delinquent property tax revenue not available	20,615	-	-	3,124	23,739
Intergovernmental revenue not available	410,573	-	-	268,597	679,170
Special assessments revenue not available	19,689	-	-	-	19,689
Accrued interest not available	3,443	-	-	425	3,868
Miscellaneous revenue not available	75,673	-	-	825	76,498
Total deferred inflows of resources	<u>2,391,595</u>	<u>-</u>	<u>-</u>	<u>423,739</u>	<u>2,815,334</u>
Fund balances:					
Nonspendable	232,110	-	-	77,955	310,065
Restricted	-	-	788,386	1,707,737	2,496,123
Committed	112,206	-	-	-	112,206
Assigned	635,027	-	625,998	18	1,261,043
Unassigned	5,533,430	-	-	-	5,533,430
Total fund balances	<u>6,512,773</u>	<u>-</u>	<u>1,414,384</u>	<u>1,785,710</u>	<u>9,712,867</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,557,905</u>	<u>\$ 660,717</u>	<u>\$ 1,430,400</u>	<u>\$ 2,370,042</u>	<u>\$ 14,019,064</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021

Total governmental fund balances		\$ 9,712,867
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		20,066,575
Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.		
Municipal income taxes receivable	\$ 768,176	
Property and other taxes receivable	23,739	
Accounts receivable	76,498	
Intergovernmental receivable	679,170	
Special assessments receivable	19,689	
Accrued interest receivable	3,868	
Total	1,571,140	1,571,140
The net pension asset is not available to pay for current period expenditures and the net pension liability does not require the use of current period net resources; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	19,957	
Deferred outflows of resources	1,693,019	
Deferred inflows of resources	(2,079,161)	
Net pension liability	(9,882,829)	
Total	(10,249,014)	(10,249,014)
The net OPEB asset is not available to pay for current period expenditures and net OPEB liability does not require the use of current period net resources; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB asset	220,365	
Deferred outflows of resources	1,077,867	
Deferred inflows of resources	(1,371,167)	
Net OPEB liability	(1,240,895)	
Total	(1,313,830)	(1,313,830)
An internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities on the statement of net position. The effect of the net position of the internal service fund, including an internal balance payable of \$57,290, is to increase net position.		917,192
Accrued interest is not due and payable in the current period and therefore is not reported in the governmental funds		(3,933)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities of the governmental activities are as follows:		
Compensated absences	(717,067)	
Lease purchase agreements	(242,987)	
OPWC loan payable	(1,762,607)	
General obligation bonds	(1,240,000)	
Total	(3,962,661)	(3,962,661)
Net position of governmental activities		\$ 16,738,336

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>General</u>	<u>Capital Improvement Plan Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Municipal income taxes	\$ 8,363,895	\$ -	\$ -	\$ 8,363,895
Property and other taxes	1,195,560	-	281,676	1,477,236
Charges for services	100,365	-	129,132	229,497
Licenses and permits	177,217	-	-	177,217
Fines and forfeitures	100,859	-	1,400	102,259
Intergovernmental	484,351	-	1,532,424	2,016,775
Special assessments	3,852	-	1,000	4,852
Investment income	39,298	-	4,329	43,627
Donations	111,765	-	-	111,765
Change in fair value of investments	(75,458)	-	(14,009)	(89,467)
Other	149,253	-	16,773	166,026
Total revenues	<u>10,650,957</u>	<u>-</u>	<u>1,952,725</u>	<u>12,603,682</u>
Expenditures:				
Current:				
General government	2,200,052	-	402	2,200,454
Security of persons and property	4,982,056	-	658,934	5,640,990
Public health and welfare	5,069	-	-	5,069
Transportation	74,662	-	1,773,487	1,848,149
Community environment	1,529	-	13,609	15,138
Leisure time activity	227,443	-	-	227,443
Utility services	166,321	-	-	166,321
Capital outlay	764,325	1,906,819	44,009	2,715,153
Debt service:				
Principal retirement	133,401	102,252	150,000	385,653
Interest and fiscal charges	2,636	9,157	27,488	39,281
Bond issuance costs	-	5,000	-	5,000
Total expenditures	<u>8,557,494</u>	<u>2,023,228</u>	<u>2,667,929</u>	<u>13,248,651</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,093,463</u>	<u>(2,023,228)</u>	<u>(715,204)</u>	<u>(644,969)</u>
Other financing sources (uses):				
Bond issuance	-	800,000	-	800,000
Transfers in	18,181	2,499,341	868,101	3,385,623
Transfers (out)	(3,367,442)	-	(18,181)	(3,385,623)
Total other financing sources (uses)	<u>(3,349,261)</u>	<u>3,299,341</u>	<u>849,920</u>	<u>800,000</u>
Net change in fund balances	(1,255,798)	1,276,113	134,716	155,031
Fund balances at beginning of year (restated).	<u>7,768,571</u>	<u>138,271</u>	<u>1,650,994</u>	<u>9,557,836</u>
Fund balances at end of year	<u>\$ 6,512,773</u>	<u>\$ 1,414,384</u>	<u>\$ 1,785,710</u>	<u>\$ 9,712,867</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF GREENVILLE
DARKE 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, 2021

Net change in fund balances - total governmental funds	\$	155,031
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures; however, on the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital asset additions	\$ 2,397,432	
Current year depreciation	<u>(1,674,890)</u>	
Total		722,542
The loss on disposal of capital assets is reported in the statement of activities.		(5,613)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	401,107	
Property and other taxes	(4,715)	
Intergovernmental revenues	257,485	
Special assessments	663	
Investment income	236	
Other	<u>47,496</u>	
Total		702,272
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due.		873
Repayment of bonds, lease purchase agreements and loans are expenditures in the governmental funds; however, the payments reduce long-term liabilities on the statement of net position.		385,653
Proceeds of bonds are reported as other financing sources in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		(800,000)
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	934,404	
OPEB	<u>16,871</u>	
Total		951,275
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB asset/liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(546,528)	
OPEB	<u>1,198,214</u>	
Total		651,686
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(43,482)
The internal service fund, used by management to charge the costs of self-insurance to individual funds, is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		<u>235,267</u>
Change in net position of governmental activities	\$	<u>2,955,504</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal income taxes	\$ 7,020,000	\$ 7,020,000	\$ 8,331,876	\$ 1,311,876
Property and other taxes.	1,083,000	1,083,000	1,193,521	110,521
Charges for services.	125,700	125,700	83,660	(42,040)
Licenses and permits	134,000	134,000	150,546	16,546
Fines and forfeitures	56,800	56,800	101,907	45,107
Intergovernmental.	400,200	400,200	480,347	80,147
Special assessments	7,500	7,500	3,852	(3,648)
Investment income.	65,000	65,000	38,748	(26,252)
Donations.	9,000	9,000	16,525	7,525
Other	53,600	64,880	394,385	329,505
Total revenues	<u>8,954,800</u>	<u>8,966,080</u>	<u>10,795,367</u>	<u>1,829,287</u>
Expenditures:				
Current:				
General government	2,590,329	2,898,406	2,223,546	674,860
Security of persons and property	5,426,921	5,457,725	5,121,177	336,548
Public health and welfare.	21,850	21,850	5,069	16,781
Transportation	92,895	92,895	74,686	18,209
Community environment	500	2,000	1,529	471
Utility services	166,661	181,161	167,454	13,707
Capital outlay	141,865	156,715	145,129	11,586
Debt service:				
Principal retirement.	191,775	227,295	133,401	93,894
Interest and fiscal charges	18,711	18,711	2,636	16,075
Total expenditures	<u>8,651,507</u>	<u>9,056,758</u>	<u>7,874,627</u>	<u>1,182,131</u>
Excess (deficiency) of revenues over (under) expenditures	<u>303,293</u>	<u>(90,678)</u>	<u>2,920,740</u>	<u>3,011,418</u>
Other financing sources (uses):				
Bond issuance.	-	-	800,000	800,000
Sale of capital assets.	-	-	23,465	23,465
Transfers in	-	-	18,181	18,181
Transfers out	(1,170,113)	(4,653,125)	(4,646,942)	6,183
Total other financing sources (uses)	<u>(1,170,113)</u>	<u>(4,653,125)</u>	<u>(3,805,296)</u>	<u>847,829</u>
Net change in fund balances	(866,820)	(4,743,803)	(884,556)	3,859,247
Unencumbered fund balances at beginning of year.	6,410,845	6,410,845	6,410,845	-
Prior year encumbrances appropriated	128,819	128,819	128,819	-
Unencumbered fund balance at end of year.	<u>\$ 5,672,844</u>	<u>\$ 1,795,861</u>	<u>\$ 5,655,108</u>	<u>\$ 3,859,247</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AMERICAN RESCUE PLAN RELIEF FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 660,717	\$ 660,717	\$ -
Total revenues	<u>-</u>	<u>660,717</u>	<u>660,717</u>	<u>-</u>
Expenditures:				
Capital outlay	-	660,717	-	660,717
Total expenditures	<u>-</u>	<u>660,717</u>	<u>-</u>	<u>660,717</u>
Net change in fund balances	-	-	660,717	660,717
Unencumbered fund balances at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered fund balance at end of year. . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 660,717</u>	<u>\$ 660,717</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Storm Water
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 3,218,242	\$ 5,733,897	\$ 1,310,137
Receivables:			
Accounts	395,246	431,751	108,928
Accrued interest	6,706	13,149	-
Legal settlement	116,624	-	-
Prepayments	42,610	21,948	6,205
Materials and supplies inventory	226,092	84,845	-
Total current assets	<u>4,005,520</u>	<u>6,285,590</u>	<u>1,425,270</u>
Noncurrent assets:			
Legal settlement	1,568,647	-	-
Net pension asset	7,778	4,305	2,007
Net OPEB asset	85,884	47,539	22,157
Capital assets:			
Land and construction in progress	254,796	1,234,567	207,785
Depreciable capital assets, net	9,307,299	9,513,061	3,302,107
Total capital assets, net	<u>9,562,095</u>	<u>10,747,628</u>	<u>3,509,892</u>
Total noncurrent assets	<u>11,224,404</u>	<u>10,799,472</u>	<u>3,534,056</u>
Total assets	<u>15,229,924</u>	<u>17,085,062</u>	<u>4,959,326</u>
Deferred outflows of resources:			
Pension	150,753	93,513	92,127
OPEB	58,184	39,143	47,404
Total deferred outflows of resources	<u>208,937</u>	<u>132,656</u>	<u>139,531</u>
Liabilities:			
Current liabilities:			
Accounts payable	72,696	15,124	18,984
Contracts payable	3,480	182,297	-
Retainage payable	-	80,600	-
Accrued wages and benefits payable	41,825	24,160	4,837
Due to other governments	3,204	2,527	247
Compensated absences	67,171	24,660	4,510
Pension obligation payable	14,696	8,143	2,120
Claims payable	-	-	-
Total current liabilities	<u>203,072</u>	<u>337,511</u>	<u>30,698</u>
Long-term liabilities:			
Compensated absences payable	99,611	33,548	4,542
Net pension liability	740,002	409,606	190,910
Total long-term liabilities	<u>839,613</u>	<u>443,154</u>	<u>195,452</u>
Total liabilities	<u>1,042,685</u>	<u>780,665</u>	<u>226,150</u>
Deferred inflows of resources:			
Pension	321,914	182,197	87,450
OPEB	262,730	149,157	71,189
Total deferred inflows of resources	<u>584,644</u>	<u>331,354</u>	<u>158,639</u>
Net position:			
Net investment in capital assets	9,558,615	10,484,731	3,509,892
Unrestricted	4,252,917	5,620,968	1,204,176
Total net position	<u>\$ 13,811,532</u>	<u>\$ 16,105,699</u>	<u>\$ 4,714,068</u>

Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.

Net position of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Nonmajor Enterprise</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 98,693	\$ 10,360,969	\$ 1,118,768
-	935,925	-
-	19,855	139
-	116,624	-
1,557	72,320	-
-	310,937	-
<u>100,250</u>	<u>11,816,630</u>	<u>1,118,907</u>
-	1,568,647	-
421	14,511	-
4,654	160,234	-
75,371	1,772,519	-
25,387	22,147,854	-
<u>100,758</u>	<u>23,920,373</u>	<u>-</u>
<u>105,833</u>	<u>25,663,765</u>	<u>-</u>
<u>206,083</u>	<u>37,480,395</u>	<u>1,118,907</u>
16,969	353,362	-
8,558	153,289	-
<u>25,527</u>	<u>506,651</u>	<u>-</u>
4,662	111,466	-
-	185,777	-
-	80,600	-
-	70,822	-
17	5,995	-
-	96,341	-
-	24,959	-
-	-	144,425
<u>4,679</u>	<u>575,960</u>	<u>144,425</u>
-	137,701	-
40,099	1,380,617	-
40,099	1,518,318	-
<u>44,778</u>	<u>2,094,278</u>	<u>144,425</u>
22,876	614,437	-
17,866	500,942	-
<u>40,742</u>	<u>1,115,379</u>	<u>-</u>
100,758	23,653,996	-
45,332	11,123,393	974,482
<u>\$ 146,090</u>	<u>34,777,389</u>	<u>\$ 974,482</u>
	57,290	
	<u>\$ 34,834,679</u>	

**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Storm Water
Operating revenues:			
Charges for services	\$ 2,367,769	\$ 2,320,831	\$ 604,536
Tap-in fees	24,375	15,525	-
Other	2,501	421	88
Total operating revenues	<u>2,394,645</u>	<u>2,336,777</u>	<u>604,624</u>
Operating expenses:			
Personal services	492,549	278,868	111,031
Contract services.	427,323	264,917	176,169
Materials and supplies.	363,706	146,066	48,296
Utilities	132,436	122,374	2,181
Depreciation.	491,978	760,332	172,350
Claims expense	-	-	-
Other	1,648	-	-
Total operating expenses	<u>1,909,640</u>	<u>1,572,557</u>	<u>510,027</u>
Operating income.	<u>485,005</u>	<u>764,220</u>	<u>94,597</u>
Nonoperating revenues (expenses):			
Loss on sale of capital assets.	-	(83,117)	-
Interest income.	53,461	33,119	-
Change in fair value of investments	(44,072)	(97,576)	-
Total nonoperating revenues (expenses)	<u>9,389</u>	<u>(147,574)</u>	<u>-</u>
Change in net position	494,394	616,646	94,597
Net position at beginning of year	<u>13,317,138</u>	<u>15,489,053</u>	<u>4,619,471</u>
Net position at end of year	<u>\$ 13,811,532</u>	<u>\$ 16,105,699</u>	<u>\$ 4,714,068</u>

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.

Change in net position of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Nonmajor Enterprise</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 63,563	\$ 5,356,699	\$ 1,729,315
-	39,900	-
250	3,260	-
<u>63,813</u>	<u>5,399,859</u>	<u>1,729,315</u>
11,991	894,439	-
292	868,701	-
23,347	581,415	-
2,109	259,100	-
4,877	1,429,537	-
-	-	1,440,143
-	1,648	-
<u>42,616</u>	<u>4,034,840</u>	<u>1,440,143</u>
<u>21,197</u>	<u>1,365,019</u>	<u>289,172</u>
-	(83,117)	-
-	86,580	-
-	(141,648)	(7,277)
-	(138,185)	(7,277)
21,197	1,226,834	281,895
<u>124,893</u>		<u>692,587</u>
<u>\$ 146,090</u>		<u>\$ 974,482</u>
	<u>46,628</u>	
	<u>\$ 1,273,462</u>	

**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Storm Water
Cash flows from operating activities:			
Cash received from customers	\$ 2,434,326	\$ 2,321,718	\$ 646,490
Cash received from tap-in fees	24,375	15,525	-
Cash received from other operations	42,090	21,308	20,733
Cash payments for personal services	(1,100,687)	(620,174)	(264,775)
Cash payments for contractual services	(454,208)	(314,125)	(175,932)
Cash payments for materials and supplies	(398,031)	(153,378)	(48,711)
Cash payments for utilities	(132,436)	(122,374)	(2,181)
Cash payments for other expenses	(1,648)	-	-
Cash payments for claims	-	-	-
Net cash provided by (used in) operating activities	<u>413,781</u>	<u>1,148,500</u>	<u>175,624</u>
Cash flows from noncapital financing activities:			
Cash received from legal settlement	<u>151,433</u>	<u>-</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>151,433</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>(233,233)</u>	<u>(1,946,351)</u>	<u>(120,508)</u>
Net cash (used in) capital and related financing activities	<u>(233,233)</u>	<u>(1,946,351)</u>	<u>(120,508)</u>
Cash flows from investing activities:			
Interest received	18,836	36,546	-
Change in fair value of investments	<u>(44,072)</u>	<u>(97,576)</u>	<u>-</u>
Net cash (used in) investing activities	<u>(25,236)</u>	<u>(61,030)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	306,745	(858,881)	55,116
Cash and cash equivalents at beginning of year . . .	<u>2,911,497</u>	<u>6,592,778</u>	<u>1,255,021</u>
Cash and cash equivalents at end of year	<u>\$ 3,218,242</u>	<u>\$ 5,733,897</u>	<u>\$ 1,310,137</u>

<u>Nonmajor Enterprise</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 63,563	\$ 5,466,097	\$ 1,729,315
-	39,900	-
2,779	86,910	-
(49,728)	(2,035,364)	-
(292)	(944,557)	-
(18,667)	(618,787)	-
(2,109)	(259,100)	-
-	(1,648)	-
-	-	(1,375,413)
<u>(4,454)</u>	<u>1,733,451</u>	<u>353,902</u>
<u>-</u>	<u>151,433</u>	<u>-</u>
<u>-</u>	<u>151,433</u>	<u>-</u>
<u>-</u>	<u>(2,300,092)</u>	<u>-</u>
<u>-</u>	<u>(2,300,092)</u>	<u>-</u>
-	55,382	435
-	(141,648)	(6,768)
-	(86,266)	(6,333)
(4,454)	(501,474)	347,569
103,147	10,862,443	771,199
<u>\$ 98,693</u>	<u>\$ 10,360,969</u>	<u>\$ 1,118,768</u>

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**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Storm Water
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 485,005	\$ 764,220	\$ 94,597
Adjustments:			
Depreciation	491,978	760,332	172,350
Changes in assets, deferred outflows, liabilities, and deferred inflows:			
(Increase) in materials and supplies inventory	(42,692)	(4,700)	-
Decrease in accounts receivable	66,570	887	41,954
Decrease in intergovernmental receivable	48,877	25,796	5,431
(Increase) in prepayments	(9,488)	(6,131)	(2,150)
Decrease (increase) in net pension asset	817	203	(534)
(Increase) in net OPEB asset	(85,884)	(47,539)	(22,157)
Decrease (increase) in deferred outflows - pension	52,526	(11,368)	(65,284)
Decrease (increase) in deferred outflows - OPEB	67,498	15,797	(29,109)
Increase (decrease) in accounts payable	(17,390)	(49,689)	972
Increase in accrued wages and benefits	1,611	3,474	336
Increase in intergovernmental payable	1,292	1,805	238
(Decrease) in compensated absences payable	(14,408)	(10,985)	(205)
Increase (decrease) in net pension liability	(219,130)	(93,414)	26,533
(Decrease) in net OPEB liability	(653,804)	(342,889)	(112,049)
Increase (decrease) in deferred inflows - pension	80,932	51,499	25,268
Increase in deferred inflows - OPEB	158,885	90,208	40,278
Increase (decrease) in pension obligation payable	586	994	(845)
Increase in claims payable	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 413,781</u>	<u>\$ 1,148,500</u>	<u>\$ 175,624</u>

Non-cash transactions:

During 2021, the water fund purchased \$3,480 in capital assets on account.
 During 2021, governmental activities transferred capital assets in the amount of \$55,039 (net book value of \$0) to the water fund.
 During 2021 and 2020, the sewer fund purchased \$262,897 and \$663,611, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Nonmajor Enterprise</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 21,197	\$ 1,365,019	\$ 289,172
4,877	1,429,537	-
-	(47,392)	-
-	109,411	-
3,461	83,565	-
(646)	(18,415)	-
(81)	405	-
(4,654)	(160,234)	-
(10,653)	(34,779)	-
(3,607)	50,579	-
4,662	(61,445)	-
-	5,421	-
17	3,352	-
-	(25,598)	-
2,148	(283,863)	-
(25,870)	(1,134,612)	-
(507)	157,192	-
5,202	294,573	-
-	735	-
-	-	64,730
\$ (4,454)	\$ 1,733,451	\$ 353,902

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**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - DESCRIPTION OF THE CITY

The City of Greenville, Ohio (the "City"), was incorporated in 1832 and operates under a Council-Mayor form of government. The following services are provided by the City: public safety (police and fire), highways and streets, water, sewer, storm water, recreation, public improvements, planning and zoning and general administrative services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the City 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, this includes police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, water system, sewage treatment, storm water services and general administrative services. The City's departments include a public safety department, a public service department, a street maintenance department, a sanitation system, a parks and recreation department, a planning and zoning department, and a 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.

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; (3) the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or (4) 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.

B. Basis of Presentation - Fund Accounting

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. The activities of the internal service fund are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

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

C. Fund Accounting

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

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

The following are the City's major governmental funds:

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

American rescue plan relief fund - This fund is used to account for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

Capital improvement plan fund - The capital improvement plan fund accounts for resources that are used for the acquisition and construction of capital assets.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

Proprietary Funds - Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

Water fund - This fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

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

Storm water fund - This fund accounts for the provision of storm water service to the residents and commercial users located within the City.

The City has three nonmajor enterprise funds that are used to account for the swimming pool, parking meter and special park district operations.

Internal Service fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on the self-insurance health care program.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City has no fiduciary funds.

D. Measurement Focus

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

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

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

E. Basis of Accounting

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

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

Nonexchange 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 are recognized in the year for which these items are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance 2022 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, see Notes 13 and 14 for deferred inflows of resources related to the City's net pension liability/asset and net OPEB liability/asset, respectively. This deferred inflow of resources are reported on the government-wide statement of net position and the proprietary fund statements.

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

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

F. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds other than custodial funds are required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each fund. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

Tax Budget - The City must submit the adopted budget to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or before December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year. The certificate may be further amended during the year if the City Auditor determines and the Budget Commission agrees, that estimates need to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the original and final amended official certificates of estimated resources issued during 2021.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

G. Cash and Cash Equivalents

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

During 2021, investments were limited to non-negotiable certificates of deposit, negotiable certificates of deposit, commercial paper, municipal bonds, U.S. treasury notes, U.S. treasury bonds, federal agency securities (FFCB, FHLB, FHLMC and FNMA) and U.S. government money markets. Investments are reported at fair value, except for non-negotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market prices.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Investment income earned and credited to the general fund during 2021 amounted to \$39,298 which included zero as assigned from other funds of the City.

For purposes of the statement of cash flows and for presentation on the financial statements, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

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

H. Inventories of Materials and Supplies

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

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in both governmental and proprietary funds consists of expendable supplies held for consumption. On governmental fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

I. Capital Assets

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

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. During 2021, the City maintained a capitalization threshold of \$5,000. The City's governmental infrastructure consists of storm sewers and streets. The City's proprietary infrastructure consists of water, sanitary sewer and storm water lines. 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. Interest incurred during the construction of capital assets is also capitalized for business-type activities. Capitalized interest for 2021 was not material.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	15 - 20 years	15 - 20 years
Buildings and improvements	20 - 40 years	20 - 40 years
Furniture and equipment	5 - 30 years	5 - 20 years
Software	5 - 10 years	5 - 10 years
Vehicles	5 - 16 years	3 - 10 years
Infrastructure	10 - 40 years	10 - 40 years

J. Compensated Absences

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

In conformity with GASB Statement No. 16, "*Accounting for Compensated Absences*", vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

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

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

K. Accrued Liabilities and Long-Term Obligations

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

In general, 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, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans, and lease-purchase agreements are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Bond Issuance Costs, Bond Premiums and Discounts, Accounting Gain or Loss

On both the government-wide financial statements and the fund financial statements, bond issuance costs are recognized in the period in which they are incurred.

On the government-wide financial statements, bond premiums and discounts are amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds. On the governmental fund financial statements bond premiums and discounts are recognized in the period in which these items are incurred.

For current and advance refundings resulting in the defeasance of debt reported in the government-wide financial statements and enterprise funds, the difference between the reacquisition price and the net carrying amount of the old debt is amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred inflow of resources or a deferred outflow of resources.

M. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. The City had no interfund loans receivable/payable at December 31, 2021. The internal balance reported on the financial statements relates to the consolidation of the internal service fund with the governmental activities.

N. Interfund Activity

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

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

Interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements. Only transfers between governmental activities and business-type activities are reported on the statement of activities.

O. Fund Balance

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted 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 policies of City Council, which includes giving the City Auditor the authority to constrain monies for intended purposes.

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

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

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

P. Estimates

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

Q. Restricted Assets

Restricted assets represent permissive tax monies held by Darke County.

R. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The City's net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes consists primarily of funds restricted for community environment, general government and law enforcement programs.

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

S. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed. On governmental fund financial statements, reported prepaid items are equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. During 2021, the City had neither type of transaction.

U. Capital Contributions

Capital contributions in governmental activities arise from outside contributions of capital assets, from grants, or from outside contributions of resources restricted to capital acquisition and construction. During 2021, the governmental activities reported no capital contributions from outside sources.

Capital contributions in the business-type activities arise from contributions from governmental activities, from outside contributions of capital assets, from grants, or from outside contributions of resources restricted to capital acquisition and construction. During 2021, governmental activities transferred capital assets in the amount of \$55,039 (net accumulated depreciation of \$0) to the water fund. During 2021, the business-type activities received no capital contributions from outside sources.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

V. Pensions/Other Postemployment Benefits (OPEB)

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

W. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2021, the City has implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the City.

For 2021, the City has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncements are postponed by one year and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

The following pronouncements are postponed by eighteen months and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

B. Restatement of Fund Balance and Net Position

The beginning fund balance and net position of the governmental activities have been restated to properly record the permissive tax monies held by Darke County.

The restatement had the following effect on fund balance at January 1, 2021:

	General	Capital Improvement Plan	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance as previously reported	\$ 7,768,571	\$ 138,271	\$ 1,469,040	\$ 9,375,882
Restricted assets - cash with fiscal agent	-	-	181,954	181,954
Restated Fund Balance, at January 1, 2021	<u>\$ 7,768,571</u>	<u>\$ 138,271</u>	<u>\$ 1,650,994</u>	<u>\$ 9,557,836</u>

The restatement had the following effect on the net position as reported at January 1, 2021:

	Governmental Activities
Net position as previously reported	\$ 13,600,878
Restricted assets - cash with fiscal agent	181,954
Restated net position at January 1, 2021	<u>\$ 13,782,832</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

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

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Restricted cash with fiscal agent: At year end, the City had \$247,586 on deposit with a financial institution for permissive tax monies held by Darke County. The data regarding insurance and collateralization can be obtained from the Darke County financial report for the year ended December 31, 2021. This amount is not included in “deposits with financial institutions” below.

A. Deposits with Financial Institutions

At December 31, 2021, the carrying amount of all City deposits was \$7,823,465 and the bank balance of all City deposits was \$7,932,754. Of the bank balance, \$500,000 was covered by the FDIC and \$7,432,754 was exposed to custodial risk as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2021, the City’s deposits had a 102 percent collateral rate through the OPCS.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2021, the City had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	Investment Maturities			
		6 months or less	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>					
Negotiable CDs	\$ 4,949,687	\$ 1,453,950	\$ 752,695	\$ 969,760	\$ 1,773,282
U.S. Treasury notes	1,619,902	-	372,590	347,404	899,908
U.S. Treasury bonds	353,348	-	-	-	353,348
FFCB	2,467,754	-	378,684	-	2,089,070
FHLB	1,204,054	-	-	-	1,204,054
FHLMC	722,963	-	-	-	722,963
FNMA	481,009	-	-	-	481,009
Municipal bonds	260,421	-	-	260,421	-
Commercial paper	1,084,149	1,084,149	-	-	-
U.S. government money market	14,171	14,171	-	-	-
Total	\$ 13,157,458	\$ 2,552,270	\$ 1,503,969	\$ 1,577,585	\$ 7,523,634

The weighted average maturity of investments is 2.30 years.

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

Credit Risk: The City's investments in federal agency securities (FFCB, FHLB, FHLMC and FNMA), U.S. Treasury notes, U.S. Treasury bonds were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Municipal bonds were rated AA by Standard & Poor's. Commercial paper investments were rated A-1 and A-1+ by Standard & Poor's and P-1 by Moody's Investor Services. The negotiable CDs and the U.S. government money market were not rated. The negotiable CDs are covered by FDIC. The City has no investment policy dealing with investment credit risk beyond the requirements in State statutes.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Interest Rate Risk - The City's investment policy states that the maximum maturity for any investment is limited to securities maturing not more than five (5) years from the date of purchase, unless matched to a specific cash flow requirement.

Concentration of Credit Risk - The City's investment policy states that the portfolio shall be diversified so as to avoid concentrations of credit risk from any rated issuer.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The following table includes the percentage of each investment type held by the City at December 31, 2021:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% to Total</u>
<i>Fair Value:</i>		
Negotiable CDs	\$4,949,687	37.61%
U.S. Treasury notes	1,619,902	12.31%
U.S. Treasury bonds	353,348	2.69%
FFCB	2,467,754	18.76%
FHLB	1,204,054	9.15%
FHLMC	722,963	5.49%
FNMA	481,009	3.66%
Municipal bonds	260,421	1.98%
Commercial paper	1,084,149	8.24%
U.S. governmental money market	14,171	0.11%
Total	<u>\$ 13,157,458</u>	<u>100.00%</u>

C. Reconciliation of Cash and Cash Equivalents to the Statement of Net Position

The following is a reconciliation of cash and cash equivalents as reported in the note above to cash and cash equivalents as reported on the statement of net position as of December 31, 2021:

<u>Cash and cash equivalents per note</u>	
Carrying amount of deposits	\$ 7,823,465
Investments	13,157,458
Cash with fiscal agent	<u>247,586</u>
Total	<u>\$ 21,228,509</u>
 <u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	\$ 10,867,540
Business-type activities	<u>10,360,969</u>
Total	<u>\$ 21,228,509</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2021, consisted of the following, as reported in the fund financial statements:

Transfers from general fund to:

Capital improvement plan	\$ 2,499,341
Nonmajor governmental funds	868,101

Transfers from nonmajor governmental fund to:

General fund	<u>18,181</u>
Total	<u>\$ 3,385,623</u>

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, 5705.16 and 5709.43(D).

Transfers between governmental funds are eliminated on the government-wide financial statements. Transfers between governmental activities and business-type activities are reported as transfers on the statement of activities.

NOTE 6 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Greenville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2021 and for which there is an enforceable legal claim. In the governmental funds, property and other taxes receivable has been offset by a deferred inflow of resources for the current portion, since the current taxes were not levied to finance 2021 operations, and the delinquent portion, since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is unavailable.

The full tax rate for all City operations for the year ended December 31, 2021 was \$8.15 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2021 property tax receipts were based are as follows:

	2021
<u>Real property</u>	
Residential/agricultural	\$ 167,563,860
Commercial/industrial/mineral	102,560,480
<u>Public utility property</u>	
Real	93,960
Personal	7,332,150
Total assessed value	\$ 277,550,450

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 7 - LOCAL INCOME TAXES

The City levies a municipal income tax of one and one half percent on substantially all income earned within the City. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are to be used to pay the cost of administering the tax. All income tax revenue is initially placed in the general fund and may be distributed to other funds as determined by City Council. Income tax revenue for 2021 was \$8,363,895 as reported in the fund financial statements.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2021, consisted of taxes, accounts (billings for user charged services), accrued interest, special assessments and intergovernmental receivables arising from grants, entitlements, and shared revenue, and the receivable portion of a legal settlement awarded in 2012. All intergovernmental receivables have been classified as “due from other governments” on the basic financial statements. Receivables have been recorded to the extent that they are measurable at December 31, 2021.

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

Governmental activities:

Municipal income taxes	\$ 1,614,115
Property and other taxes	1,283,689
Accounts	29,673
Accrued interest	15,798
Due from other governments	985,402
Special assessments	19,689

Business-type activities:

Accounts	935,925
Accrued interest	19,855
Legal settlement	1,685,271

Receivables have been disaggregated on the face of the financial statements. All receivables are expected to be collected within the subsequent year, except the special assessments, which are collected over the life of the assessment, and the legal settlement, which will be collected through 2034.

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**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 9 - CAPITAL ASSETS

Governmental activities capital asset activity for the year ended December 31, 2021, was as follows:

	Balance			Balance
<u>Governmental activities:</u>	<u>12/31/20</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/21</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,041,619	\$ -	\$ -	\$ 1,041,619
Construction in progress	<u>199,347</u>	<u>593,321</u>	<u>(749,086)</u>	<u>43,582</u>
Total capital assets not being depreciated	<u>1,240,966</u>	<u>593,321</u>	<u>(749,086)</u>	<u>1,085,201</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	669,381	627,397	-	1,296,778
Buildings and improvements	5,107,422	210,871	-	5,318,293
Furniture and equipment	3,530,560	320,315	(97,027)	3,753,848
Software	184,519	-	-	184,519
Vehicles	4,060,356	139,953	(126,471)	4,073,838
Infrastructure	<u>27,488,391</u>	<u>1,254,661</u>	<u>-</u>	<u>28,743,052</u>
Total capital assets being depreciated	<u>41,040,629</u>	<u>2,553,197</u>	<u>(223,498)</u>	<u>43,370,328</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(597,526)	(27,615)	-	(625,141)
Buildings and improvements	(2,526,992)	(132,994)	-	(2,659,986)
Furniture and equipment	(2,273,527)	(213,961)	94,024	(2,393,464)
Software	(40,062)	(22,646)	-	(62,708)
Vehicles	(2,597,757)	(218,701)	123,861	(2,692,597)
Infrastructure	<u>(14,896,085)</u>	<u>(1,058,973)</u>	<u>-</u>	<u>(15,955,058)</u>
Total accumulated depreciation	<u>(22,931,949)</u>	<u>(1,674,890)</u>	<u>217,885</u>	<u>(24,388,954)</u>
Total capital assets being depreciated, net	<u>18,108,680</u>	<u>878,307</u>	<u>(5,613)</u>	<u>18,981,374</u>
Governmental activities capital assets, net	<u>\$ 19,349,646</u>	<u>\$ 1,471,628</u>	<u>\$ (754,699)</u>	<u>\$ 20,066,575</u>

Depreciation expense was charged to governmental activities as follows:

<u>Governmental activities:</u>	
General government	\$ 127,220
Security of persons and property	260,690
Transportation	1,225,580
Leisure time activity	<u>61,400</u>
Total depreciation expense - governmental activities	<u>\$ 1,674,890</u>

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 9 - CAPITAL ASSETS - (Continued)

Business-type activities capital asset activity for the year ended December 31, 2021, was as follows:

<u>Business-type activities:</u>	Balance 12/31/20	Additions	Disposals	Balance 12/31/21
<i>Capital assets, not being depreciated:</i>				
Land	\$ 510,065	\$ -	\$ -	\$ 510,065
Construction in progress	<u>1,252,440</u>	<u>1,207,998</u>	<u>(1,197,984)</u>	<u>1,262,454</u>
Total capital assets not being depreciated	<u>1,762,505</u>	<u>1,207,998</u>	<u>(1,197,984)</u>	<u>1,772,519</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	139,316	-	-	139,316
Buildings and improvements	10,214,765	1,220,646	(363,232)	11,072,179
Furniture and equipment	8,936,462	134,456	(1,053,926)	8,016,992
Software	79,160	-	-	79,160
Vehicles	1,001,315	55,039	-	1,056,354
Infrastructure	<u>25,095,360</u>	<u>537,742</u>	<u>-</u>	<u>25,633,102</u>
Total capital assets being depreciated	<u>45,466,378</u>	<u>1,947,883</u>	<u>(1,417,158)</u>	<u>45,997,103</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(122,896)	(945)	-	(123,841)
Buildings and improvements	(5,923,789)	(282,957)	280,115	(5,926,631)
Furniture and equipment	(6,760,020)	(203,883)	1,053,926	(5,909,977)
Software	(34,739)	(5,749)	-	(40,488)
Vehicles	(522,601)	(141,276)	-	(663,877)
Infrastructure	<u>(10,334,669)</u>	<u>(849,766)</u>	<u>-</u>	<u>(11,184,435)</u>
Total accumulated depreciation	<u>(23,698,714)</u>	<u>(1,484,576)</u>	<u>1,334,041</u>	<u>(23,849,249)</u>
Total capital assets being depreciated, net	<u>21,767,664</u>	<u>463,307</u>	<u>(83,117)</u>	<u>22,147,854</u>
Business-type activities capital assets, net	<u>\$ 23,530,169</u>	<u>\$ 1,671,305</u>	<u>\$ (1,281,101)</u>	<u>\$ 23,920,373</u>

Business-type activities received transfers of capital assets from governmental activities with a cost and accumulated depreciation of \$55,039.

Depreciation expense was charged to the enterprise funds as follows:

<u>Business-type activities:</u>	
Water	\$ 491,978
Sewer	760,332
Storm water	172,350
Nonmajor enterprise fund:	
Swimming pool	1,710
Parking meter	<u>3,167</u>
Total depreciation expense - business-type activities	<u>\$ 1,429,537</u>

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE

A. Lease Purchase Agreement - Fire Station Improvements

On December 2, 2002, the City entered into a lease purchase agreement with a financial institution to assist in financing the fire station building improvements. The City is leasing the “building improvements” from the financial institution. Principal and interest payments are made from the general fund.

The initial term of the lease agreement ended on December 1, 2003; however, it is renewable for successive one-year terms upon appropriation of funds to pay the rental payments. The final renewal terms ends on December 1, 2022 when the remaining balance under the lease is due. At the end of the lease term, the City has the option to purchase the building improvements for \$1.

Capital assets consisting of building improvements have been capitalized in the amount of \$477,094 in the governmental activities. This amount represents the present value of the minimum lease payments at the time of acquisition. As of December 31, 2016, the Fire Station Improvements were fully depreciated.

The lease purchase agreement is a direct borrowing that has terms negotiated directly between the City and the creditor. The creditor, without notice to anyone, may declare the entire debt due after continuous default in the payment of any installment of principal or interest or in the performance or observance of any covenant or condition contained in the agreement. Upon such declaration the entire debt shall be immediately due and payable.

The following is a schedule of the future minimum lease payments required under the lease purchase agreement and the present value of the minimum lease payments as of December 31, 2021:

<u>Year Ending</u> <u>December 31,</u>	<u>Fire Station</u>
2022	\$ 30,828
Total minimum lease payments	30,828
Less: amount representing interest	<u>(1,328)</u>
Present value of future minimum lease payments	<u>\$ 29,500</u>

B. Lease Purchase Agreement - Fire Truck 2013

On June 26, 2013, the City entered into a lease purchase agreement with Oshkosh Capital to assist in financing a new fire truck.

General capital assets acquired by agreement have been capitalized in an amount equal to the present value of the future minimum lease payments as of the date of their inception. For the City, a corresponding liability was recorded in the government-wide financial statements. Principal and interest payments are made from the capital improvement plan fund.

Capital assets consisting of a fire truck have been capitalized in the amount of \$955,209 in the governmental activities. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2021 was \$324,771, leaving a book value of \$630,438.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE - (Continued)

The lease purchase agreement is a direct borrowing that has terms negotiated directly between the City and the creditor. The creditor, without notice to anyone, may declare the entire debt due after ten (10) calendar days continuous default in the payment of any installment of principal or interest or in the performance or observance of any covenant or condition contained in the agreement. Upon such declaration the entire debt shall be immediately due and payable, or return all equipment under the lease.

The following is a schedule of the future minimum lease payments required under the lease purchase agreement and the present value of the minimum lease payments as of December 31, 2021:

<u>Year Ending December 31,</u>	<u>Fire Truck</u>
2022	\$ 111,409
2023	111,409
Total minimum lease payments	222,818
Less: amount representing interest	<u>(9,331)</u>
Present value of future minimum lease payments	<u>\$ 213,487</u>

NOTE 11 - LONG-TERM OBLIGATIONS

A. Governmental Activities Long-Term Obligations

During 2021, the following changes occurred in governmental activities long-term obligations.

<u>Governmental activities:</u>	<u>Interest Rate</u>	<u>Balance 12/31/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/21</u>	<u>Amounts Due in One Year</u>
<u>General obligation and revenue bonds:</u>						
Series 2011 building improvement refunding and revenue bonds	3.25%	\$ 19,250		\$ (19,250)	\$ -	\$ -
Building improvement and equipment acquisition bonds	2.625%	590,000	-	(80,000)	510,000	80,000
Salt barn construction bonds, series 2021	2.250%	-	800,000	(70,000)	730,000	75,000
Total general obligation bonds		<u>609,250</u>	<u>800,000</u>	<u>(169,250)</u>	<u>1,240,000</u>	<u>155,000</u>
<u>Other long-term obligations:</u>						
Compensated absences		696,966	553,890	(533,789)	717,067	432,038
Net pension liability		10,717,106	-	(834,277)	9,882,829	-
Net OPEB liability		2,916,610	38,107	(1,713,822)	1,240,895	-
OPWC loans payable (direct borrowing)	0%	1,848,558	-	(85,951)	1,762,607	62,339
Lease purchase agreement - fire station (direct borrowing)		57,700	-	(28,200)	29,500	29,500
Lease purchase agreement - fire truck 2013 (direct borrowing)		315,739	-	(102,252)	213,487	105,218
Total other long-term obligations		<u>16,552,679</u>	<u>591,997</u>	<u>(3,298,291)</u>	<u>13,846,385</u>	<u>629,095</u>
Total governmental activities long-term obligations		<u>\$ 17,161,929</u>	<u>\$ 1,391,997</u>	<u>\$ (3,467,541)</u>	<u>\$ 15,086,385</u>	<u>\$ 784,095</u>

Net Pension Liability and Net OPEB Liability

See Notes 13 and 14 for additional disclosure on net pension liability and net OPEB liability, respectively. The City pays obligations related to employee compensation from the fund benefitting from their services.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Compensated Absences

Compensated absences are reported in the statement of net position and will be paid from the fund from which the employees' salaries are paid which will primarily be the general fund, street construction maintenance and repair fund (a nonmajor governmental fund) and public transportation fund (a nonmajor governmental fund).

OPWC Loan Payable

In prior years, the City entered into agreements with the Ohio Public Works Commission (OPWC) for street construction loans. At December 31, 2021, the City had \$1,762,607 in OPWC loans outstanding. The City made principal payments of \$85,951 on the loans in 2021. The loans are interest free and principal payments are made from the general fund. The outstanding loans are scheduled to mature in 2047 and 2050, respectively.

OPWC loans are direct borrowings that have terms negotiated directly between the City and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

Lease Purchase Agreements

See Note 10 for detail on the lease purchase agreements.

Series 2011 Building Improvement Refunding and Revenue Bonds

During 2011, the City issued \$192,500 in bonds, with an interest rate of 3.25%, to pay off the land acquisition bonds and for various building improvements. The first payment was due October 11, 2012 and the bonds matured on October 11, 2021. The payments are made from the general fund. The bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

Series 2017 Building Improvement and Equipment Acquisition Bonds

On November 21, 2017, the City issued \$812,361 in building improvement and equipment acquisition bonds. The bonds bear an interest rate of 2.625% and pay interest semiannually on June 1 and December 1 of each year and mature on December 1, 2027. The bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment. The payments are made from the bond retirement fund (a nonmajor governmental fund).

Salt Construction Bonds, Series 2021

On April 1, 2021, the City issued \$800,000 in salt barn construction bonds. The bonds bear an interest rate of 2.25% and pay interest semiannually on June 1 and December 1 of each year and mature on December 1, 2030. The bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment. The payments are made from the bond retirement fund (a nonmajor governmental fund). There were \$788,386 in unspent bond proceeds as of December 31, 2021.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2021 are as follows:

Year Ending December 31,	Series 2017 Building Improvement and Equipment Acquisition Bonds			Salt Construction Bonds, Series 2021		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 80,000	\$ 13,387	\$ 93,387	\$ 75,000	\$ 16,425	\$ 91,425
2023	80,000	11,287	91,287	75,000	14,738	89,738
2024	85,000	9,187	94,187	80,000	13,050	93,050
2025	85,000	6,957	91,957	80,000	11,250	91,250
2026	90,000	4,726	94,726	80,000	9,450	89,450
2027-2030	90,000	2,363	92,363	340,000	19,462	359,462
Total	<u>\$ 510,000</u>	<u>\$ 47,907</u>	<u>\$ 557,907</u>	<u>\$ 730,000</u>	<u>\$ 84,375</u>	<u>\$ 814,375</u>

Year Ending December 31,	Main and Ohio Street and Wagner Avenue Widening OPWC Loans		
	Principal	Interest	Total
2022	\$ 62,339	\$ -	\$ 62,339
2023	62,340	-	62,340
2024	62,339	-	62,339
2025	62,340	-	62,340
2026	62,340	-	62,340
2027 - 2031	311,698	-	311,698
2032 - 2036	311,699	-	311,699
2037 - 2041	311,698	-	311,698
2042 - 2046	311,699	-	311,699
2047 - 2050	204,115	-	204,115
Total	<u>\$ 1,762,607</u>	<u>\$ -</u>	<u>\$ 1,762,607</u>

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2021, the City's total debt margin was \$28,412,815 and the unvoted debt margin was \$15,265,275.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Activities Long-Term Obligations

The following changes occurred in the City’s business-type long-term obligations during 2021.

<u>Business-type activities:</u>	Balance 12/31/20	Additions	Reductions	Balance 12/31/21	Amounts Due in One Year
<u>Other long-term obligations:</u>					
Compensated absences	\$ 259,640	\$ 77,331	\$ (102,929)	\$ 234,042	\$ 96,341
Net pension liability	1,664,480	-	(283,863)	1,380,617	-
Net OPEB liability	<u>1,134,612</u>	<u>-</u>	<u>(1,134,612)</u>	<u>-</u>	<u>-</u>
Total business-type activities long-term obligations	<u>\$ 3,058,732</u>	<u>\$ 77,331</u>	<u>\$ (1,521,404)</u>	<u>\$ 1,614,659</u>	<u>\$ 96,341</u>

Compensated absences, pension and postemployment benefits are reported in the statement of net position and will be paid from the fund from which the employees’ salaries are paid, which will primarily be the water, sewer and storm water enterprise funds.

NOTE 12 - RISK MANAGEMENT

A. Comprehensive

The City is exposed to various risks of loss related to torts, theft, or damage/destruction of assets, errors and omissions, injuries to employees and natural disasters. During 2021, the City contracted with private carriers for property and fleet insurance, general liability insurance, and various other coverages. Coverage provided during the year is as follows:

Building and Contents - replacement cost (\$1,000 deductible)	\$53,184,044
Boiler and Machinery Coverage	\$53,184,044
Automobile Liability (\$250 comprehensive; \$1,000 collision deductible)	\$ 1,000,000
Uninsured Motorists	\$ 1,000,000
General Liability	Limit \$ 1,000,000
	Aggregate \$ 3,000,000
Public Officials	Limit \$ 1,000,000
	Aggregate \$ 3,000,000
Umbrella Coverage	\$ 6,000,000

There have been no significant reductions in insurance coverages during 2021. Settled claims have not exceeded commercial excess coverages in any of the past three years.

B. Self-Insurance

The City operates a self-insurance plan for health care benefits. The activity of the plan is recorded in the City’s Health Care internal service fund. Monies are expensed on a monthly basis by the funds participating and receipted into the internal service fund. The claims liability of \$144,425 reported on the financial statements at December 31, 2021 is based on the requirements of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability for unpaid claims cost, including estimates of costs relating to incurred, but not reported claims, be reported.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - RISK MANAGEMENT - (Continued)

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

		Balance January 1		Current Year Claims		Claims Payments		Balance December 31
2020	\$	53,207	\$	1,633,600	\$	1,607,112	\$	79,695
2021		79,695		1,440,143		1,375,413		144,425

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability/Asset

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

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

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

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

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

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

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

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$494,274 for 2021. Of this amount, \$60,391 is reported as pension obligation payable.

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report 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 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, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

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

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

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$648,222 for 2021. Of this amount, \$92,825 is reported as pension obligation payable.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2020, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.021141%	0.017769%	0.010429%	0.121768%	
Proportion of the net pension liability/asset current measurement date	<u>0.022146%</u>	<u>0.011290%</u>	<u>0.010304%</u>	<u>0.117119%</u>	
Change in proportionate share	<u>0.001005%</u>	<u>-0.006479%</u>	<u>-0.000125%</u>	<u>-0.004649%</u>	
Proportionate share of the net pension liability	\$ 3,279,339	\$ -	\$ -	\$ 7,984,107	\$ 11,263,446
Proportionate share of the net pension asset	-	(32,590)	(1,878)	-	(34,468)
Pension expense	113,021	768	(1,347)	481,133	593,575

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 1,297	\$ 333,765	\$ 335,062
Changes of assumptions	-	2,037	52	133,896	135,985
Changes in employer's proportionate percentage/difference between employer contributions	204,363	-	-	228,475	432,838
Contributions subsequent to the measurement date	479,896	8,239	6,139	648,222	1,142,496
Total deferred outflows of resources	<u>\$ 684,259</u>	<u>\$ 10,276</u>	<u>\$ 7,488</u>	<u>\$ 1,344,358</u>	<u>\$ 2,046,381</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 137,178	\$ 6,146	\$ -	\$ 311,038	\$ 454,362
Net difference between projected and actual earnings on pension plan investments	1,278,193	4,848	206	387,286	1,670,533
Changes in employer's proportionate percentage/difference between employer contributions	13,843	-	-	554,860	568,703
Total deferred inflows of resources	<u>\$ 1,429,214</u>	<u>\$ 10,994</u>	<u>\$ 206</u>	<u>\$ 1,253,184</u>	<u>\$ 2,693,598</u>

\$1,142,496 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/asset in the year ending December 31, 2022.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2022	\$ (398,290)	\$ (2,337)	\$ 140	\$ (149,126)	\$ (549,613)
2023	(131,200)	(1,486)	173	103,607	(28,906)
2024	(521,033)	(2,596)	132	(399,105)	(922,602)
2025	(174,328)	(1,210)	159	(97,376)	(272,755)
2026	-	(515)	159	(15,048)	(15,404)
Thereafter	-	(813)	380	-	(433)
Total	\$ (1,224,851)	\$ (8,957)	\$ 1,143	\$ (557,048)	\$ (1,789,713)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

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

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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, 2015.

During 2020, 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 11.70% for 2020.

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

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.32 %
Domestic equities	21.00	5.64
Real estate	10.00	5.39
Private equity	12.00	10.42
International equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2020 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 6,255,359	\$ 3,279,339	\$ 804,786
Combined Plan	(22,693)	(32,590)	(39,967)
Member-Directed Plan	(1,649)	(1,878)	(2,061)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2021, are presented below.

Valuation date	1/1/20 with actuarial liabilities rolled forward to 12/31/20
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

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**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation		
Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

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

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	Current		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability	\$ 11,114,900	\$ 7,984,107	\$ 5,363,950

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$2,456 for 2021. Of this amount, \$300 is reported as pension obligation payable.

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

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

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

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

**CITY OF GREENVILLE
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$15,449 for 2021. Of this amount, \$2,212 is reported as pension obligation payable.

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

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. 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.

**CITY OF GREENVILLE
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.020622%	0.121768%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.021363%</u>	<u>0.117119%</u>	
Change in proportionate share	<u>0.000741%</u>	<u>-0.004649%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 1,240,895	\$ 1,240,895
Proportionate share of the net OPEB asset	(380,599)	-	(380,599)
OPEB expense	(2,267,551)	120,677	(2,146,874)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Changes of assumptions	\$ 187,108	\$ 685,526	\$ 872,634
Changes in employer's proportionate percentage/difference between employer contributions	94,170	246,447	340,617
Contributions subsequent to the measurement date	2,456	15,449	17,905
Total deferred outflows of resources	<u>\$ 283,734</u>	<u>\$ 947,422</u>	<u>\$ 1,231,156</u>

**CITY OF GREENVILLE
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 343,487	\$ 204,681	\$ 548,168
Net difference between projected and actual earnings on OPEB plan investments	202,710	46,114	248,824
Changes of assumptions	616,685	197,821	814,506
Changes in employer's proportionate percentage/ difference between employer contributions	16,069	244,542	260,611
Total deferred inflows of resources	<u>\$ 1,178,951</u>	<u>\$ 693,158</u>	<u>\$ 1,872,109</u>

\$17,905 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2022.

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2022	\$ (454,943)	\$ 55,223	\$ (399,720)
2023	(330,757)	66,142	(264,615)
2024	(88,089)	48,929	(39,160)
2025	(23,884)	45,052	21,168
2026	-	12,428	12,428
Thereafter	-	11,041	11,041
Total	<u>\$ (897,673)</u>	<u>\$ 238,815</u>	<u>\$ (658,858)</u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

**CITY OF GREENVILLE
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate	
Current measurement date	8.50% initial, 3.50% ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

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, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2020, 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 contribution 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 10.50% for 2020.

**CITY OF GREENVILLE
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	<u>4.43 %</u>

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20- year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Change in Benefit Terms - On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City at December 31, 2021. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

**CITY OF GREENVILLE
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB asset	\$ 94,638	\$ 380,599	\$ 615,682

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

Retiree health care valuations use a health care cost-trend assumption 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 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ 389,875	\$ 380,599	\$ 370,221

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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.

**CITY OF GREENVILLE
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.96%
Prior measurement date	3.56%
Cost of Living Adjustments	2.20% simple per year

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation		
Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2.5x

** numbers include inflation

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

Discount Rate - For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. 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 8.00%. 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 2.12% at December 31, 2020 and 2.75% at December 31, 2019, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 2.96% for 2020 and 3.56% for 2019. 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 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, 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 2.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96%), or one percentage point higher (3.96%) than the current rate.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,547,325	\$ 1,240,895	\$ 988,126

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

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) 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 (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

	General	American Rescue Plan Relief
Budget basis	\$ (884,556)	\$ 660,717
Net adjustment for revenue accruals	(261,280)	(660,717)
Net adjustment for expenditure accruals	1,744	-
Net adjustment for other sources/uses	(23,465)	-
Funds budgeted elsewhere	(272,573)	-
Adjustment for encumbrances	184,332	-
GAAP basis	\$ (1,255,798)	\$ -

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the park fund.

NOTE 16 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2021.

B. Litigation

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

NOTE 17 - OPERATING LEASE

On October 31, 2019, the City entered into a leasing agreement with Schlechty Family Farms in which the City is leasing approximately 9.742 acres of land for agricultural purposes. The City shall be paid a total of \$3,507 to be received in three annual installments for rental of the leased property. The lease term is from January 1, 2020 through December 31, 2022.

NOTE 18 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 159,737
Capital improvement plan fund	311,985
Nonmajor governmental funds	<u>15,333</u>
Total	<u>\$ 487,055</u>

NOTE 19 - RESTRICTED ASSETS

The City has permissive tax monies on deposit with Darke County at December 31, 2021 in the amount of \$247,586 presented as restricted assets (cash with fiscal agent) on the governmental fund balance sheet in the permissive license tax fund (a nonmajor governmental fund), and in the governmental activities column of the statement of net position.

**CITY OF GREENVILLE
DARKE COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 20 - FUND BALANCE

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

Fund balance	General	Capital Improvement Plan	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 8,796	\$ -	\$ 55,484	\$ 64,280
Prepayments	<u>223,314</u>	<u>-</u>	<u>22,471</u>	<u>245,785</u>
Total nonspendable	<u>232,110</u>	<u>-</u>	<u>77,955</u>	<u>310,065</u>
Restricted:				
Street construction, maintenance and repair	-	-	1,321,167	1,321,167
Transportation programs	-	-	163,498	163,498
Police and fire pension	-	-	163,126	163,126
Capital improvements	-	788,386	-	788,386
Other purposes	<u>-</u>	<u>-</u>	<u>59,946</u>	<u>59,946</u>
Total restricted	<u>-</u>	<u>788,386</u>	<u>1,707,737</u>	<u>2,496,123</u>
Committed:				
Leisure time activity	<u>112,206</u>	<u>-</u>	<u>-</u>	<u>112,206</u>
Total committed	<u>112,206</u>	<u>-</u>	<u>-</u>	<u>112,206</u>
Assigned:				
Debt service	-	-	18	18
Capital improvements	-	625,998	-	625,998
General government	21,257	-	-	21,257
Security of persons and property	86,378	-	-	86,378
Transportation	797	-	-	797
Utility services	583	-	-	583
Subsequent year appropriations	509,451	-	-	509,451
Capital outlay	<u>16,561</u>	<u>-</u>	<u>-</u>	<u>16,561</u>
Total assigned	<u>635,027</u>	<u>625,998</u>	<u>18</u>	<u>1,261,043</u>
Unassigned	<u>5,533,430</u>	<u>-</u>	<u>-</u>	<u>5,533,430</u>
Total fund balances	<u>\$ 6,512,773</u>	<u>\$ 1,414,384</u>	<u>\$ 1,785,710</u>	<u>\$ 9,712,867</u>

NOTE 21 - COVID-19

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GREENVILLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.022146%	0.021141%	0.020243%	0.022649%
City's proportionate share of the net pension liability	\$ 3,279,339	\$ 4,178,663	\$ 5,544,147	\$ 3,553,190
City's covered payroll	\$ 3,148,871	\$ 2,991,736	\$ 2,743,507	\$ 2,790,169
City's proportionate share of the net pension liability as a percentage of its covered payroll	104.14%	139.67%	202.08%	127.35%
Plan fiduciary net position as a percentage of the total pension liability	86.88%	82.17%	74.70%	84.66%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.011290%	0.017769%	0.024828%	0.025492%
City's proportionate share of the net pension asset	\$ 32,590	\$ 37,053	\$ 27,763	\$ 34,703
City's covered payroll	\$ 49,750	\$ 79,100	\$ 106,186	\$ 104,408
City's proportionate share of the net pension asset as a percentage of its covered payroll	65.51%	46.84%	26.15%	33.24%
Plan fiduciary net position as a percentage of the total pension asset	157.67%	145.28%	126.64%	137.28%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.010304%	0.010429%	0.010787%	0.000000%
City's proportionate share of the net pension asset	\$ 1,878	\$ 394	\$ 246	\$ -
City's covered payroll	\$ 61,890	\$ 61,990	\$ 61,660	\$ 62,350
City's proportionate share of the net pension asset as a percentage of its covered payroll	3.03%	0.64%	0.40%	0.00%
Plan fiduciary net position as a percentage of the total pension asset	188.21%	118.84%	113.42%	124.46%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.019703%	0.020064%	0.019367%	0.019367%
\$ 4,474,217	\$ 3,475,339	\$ 2,335,876	\$ 2,283,117
\$ 2,559,600	\$ 2,386,608	\$ 2,303,058	\$ 2,416,423
174.80%	145.62%	101.42%	94.48%
77.25%	81.08%	86.45%	86.36%
0.019963%	0.018590%	0.015279%	0.015279%
\$ 11,111	\$ 9,046	\$ 5,883	\$ 1,604
\$ 77,708	\$ 53,492	\$ 55,850	\$ 50,931
14.30%	16.91%	10.53%	3.15%
116.55%	116.90%	114.83%	104.56%
0.015830%	0.015880%	n/a	n/a
\$ 66	\$ 61	n/a	n/a
\$ 65,058	\$ 88,442	n/a	n/a
0.10%	0.07%	n/a	n/a
103.40%	103.91%	n/a	n/a

CITY OF GREENVILLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability	0.117119%	0.121768%	0.122120%	0.129230%
City's proportionate share of the net pension liability	\$ 7,984,107	\$ 8,202,923	\$ 9,968,219	\$ 7,931,425
City's covered payroll	\$ 2,918,672	\$ 2,950,002	\$ 2,726,662	\$ 2,957,311
City's proportionate share of the net pension liability as a percentage of its covered payroll	273.55%	278.06%	365.58%	268.20%
Plan fiduciary net position as a percentage of the total pension liability	70.65%	69.89%	63.07%	70.91%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014
0.118427%	0.127756%	0.130759%	0.130759%
\$ 7,501,008	\$ 8,218,653	\$ 6,773,877	\$ 6,368,388
\$ 2,596,800	\$ 2,507,653	\$ 2,613,794	\$ 2,501,331
288.86%	327.74%	259.16%	254.60%
68.36%	66.77%	72.20%	73.00%

CITY OF GREENVILLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 479,896	\$ 440,842	\$ 418,843	\$ 384,091
Contributions in relation to the contractually required contribution	<u>(479,896)</u>	<u>(440,842)</u>	<u>(418,843)</u>	<u>(384,091)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,427,829	\$ 3,148,871	\$ 2,991,736	\$ 2,743,507
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 8,239	\$ 6,965	\$ 11,074	\$ 14,866
Contributions in relation to the contractually required contribution	<u>(8,239)</u>	<u>(6,965)</u>	<u>(11,074)</u>	<u>(14,866)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 58,850	\$ 49,750	\$ 79,100	\$ 106,186
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 6,139	\$ 6,189	\$ 6,199	\$ 6,166
Contributions in relation to the contractually required contribution	<u>(6,139)</u>	<u>(6,189)</u>	<u>(6,199)</u>	<u>(6,166)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 61,390	\$ 61,890	\$ 61,990	\$ 61,660
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 362,722	\$ 307,152	\$ 286,393	\$ 276,367	\$ 314,135	\$ 243,821
<u>(362,722)</u>	<u>(307,152)</u>	<u>(286,393)</u>	<u>(276,367)</u>	<u>(314,135)</u>	<u>(243,821)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,790,169	\$ 2,559,600	\$ 2,386,608	\$ 2,303,058	\$ 2,416,423	\$ 2,438,210
13.00%	12.00%	12.00%	12.00%	13.00%	10.00%
\$ 13,573	\$ 9,325	\$ 6,419	\$ 6,702	\$ 6,621	\$ 8,003
<u>(13,573)</u>	<u>(9,325)</u>	<u>(6,419)</u>	<u>(6,702)</u>	<u>(6,621)</u>	<u>(8,003)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 104,408	\$ 77,708	\$ 53,492	\$ 55,850	\$ 50,931	\$ 100,667
13.00%	12.00%	12.00%	12.00%	13.00%	7.95%
\$ 6,235	\$ 7,807	\$ 10,613			
<u>(6,235)</u>	<u>(7,807)</u>	<u>(10,613)</u>			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
\$ 62,350	\$ 65,058	\$ 88,442			
10.00%	12.00%	12.00%			

CITY OF GREENVILLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>				
Contractually required contribution	\$ 328,899	\$ 313,504	\$ 328,677	\$ 301,254
Contributions in relation to the contractually required contribution	<u>(328,899)</u>	<u>(313,504)</u>	<u>(328,677)</u>	<u>(301,254)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,731,047	\$ 1,650,021	\$ 1,729,879	\$ 1,585,547
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
 <i>Fire:</i>				
Contractually required contribution	\$ 319,323	\$ 298,133	\$ 286,729	\$ 268,162
Contributions in relation to the contractually required contribution	<u>(319,323)</u>	<u>(298,133)</u>	<u>(286,729)</u>	<u>(268,162)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,358,821	\$ 1,268,651	\$ 1,220,123	\$ 1,141,115
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 339,859	\$ 284,611	\$ 265,677	\$ 265,204	\$ 205,790	\$ 159,705
<u>(339,859)</u>	<u>(284,611)</u>	<u>(265,677)</u>	<u>(265,204)</u>	<u>(205,790)</u>	<u>(159,705)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,788,732	\$ 1,497,953	\$ 1,398,300	\$ 1,395,811	\$ 1,295,635	\$ 1,252,588
19.00%	19.00%	19.00%	19.00%	15.88%	12.75%
\$ 274,616	\$ 258,229	\$ 260,698	\$ 286,226	\$ 245,761	\$ 203,553
<u>(274,616)</u>	<u>(258,229)</u>	<u>(260,698)</u>	<u>(286,226)</u>	<u>(245,761)</u>	<u>(203,553)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,168,579	\$ 1,098,847	\$ 1,109,353	\$ 1,217,983	\$ 1,205,696	\$ 1,180,017
23.50%	23.50%	23.50%	23.50%	20.38%	17.25%

CITY OF GREENVILLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability/asset	0.021363%	0.020622%	0.020008%	0.020880%	0.019518%
City's proportionate share of the net OPEB liability/(asset)	\$ (380,599)	\$ 2,848,434	\$ 2,608,571	\$ 2,267,414	\$ 1,971,423
City's covered payroll	\$ 3,260,511	\$ 3,132,826	\$ 2,911,353	\$ 2,956,927	\$ 2,702,366
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	11.67%	90.92%	89.60%	76.68%	72.95%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GREENVILLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.117119%	0.121768%	0.122120%	0.129230%	0.118427%
City's proportionate share of the net OPEB liability	\$ 1,240,895	\$ 1,202,788	\$ 1,112,090	\$ 7,321,991	\$ 5,621,463
City's covered payroll	\$ 2,918,672	\$ 2,950,002	\$ 2,726,662	\$ 2,957,311	\$ 2,596,800
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.52%	40.77%	40.79%	247.59%	216.48%
Plan fiduciary net position as a percentage of the total OPEB liability	45.42%	47.08%	46.57%	14.13%	15.96%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GREENVILLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 2,456	\$ 2,474	\$ 2,480	\$ 2,466
Contributions in relation to the contractually required contribution	<u>(2,456)</u>	<u>(2,474)</u>	<u>(2,480)</u>	<u>(2,466)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,548,069	\$ 3,260,511	\$ 3,132,826	\$ 2,911,353
Contributions as a percentage of covered payroll	0.07%	0.08%	0.08%	0.08%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 31,440	\$ 56,444	\$ 48,802	\$ 48,572	\$ 24,663	\$ 103,619
<u>(31,440)</u>	<u>(56,444)</u>	<u>(48,802)</u>	<u>(48,572)</u>	<u>(24,663)</u>	<u>(103,619)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,956,927	\$ 2,702,366	\$ 2,528,542	\$ 2,358,908	\$ 2,467,354	\$ 2,538,877
1.06%	2.09%	1.93%	2.06%	1.00%	4.08%

CITY OF GREENVILLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>				
Contractually required contribution	\$ 8,655	\$ 8,250	\$ 8,649	\$ 7,928
Contributions in relation to the contractually required contribution	<u>(8,655)</u>	<u>(8,250)</u>	<u>(8,649)</u>	<u>(7,928)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,731,047	\$ 1,650,021	\$ 1,729,879	\$ 1,585,547
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
 <i>Fire:</i>				
Contractually required contribution	\$ 6,794	\$ 6,343	\$ 6,101	\$ 5,706
Contributions in relation to the contractually required contribution	<u>(6,794)</u>	<u>(6,343)</u>	<u>(6,101)</u>	<u>(5,706)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,358,821	\$ 1,268,651	\$ 1,220,123	\$ 1,141,115
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 8,944	\$ 7,490	\$ 7,180	\$ 6,908	\$ 46,807	\$ 84,550
<u>(8,944)</u>	<u>(7,490)</u>	<u>(7,180)</u>	<u>(6,908)</u>	<u>(46,807)</u>	<u>(84,550)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,788,732	\$ 1,497,953	\$ 1,398,300	\$ 1,395,811	\$ 1,295,635	\$ 1,252,588
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%
\$ 5,843	\$ 5,494	\$ 5,547	\$ 6,057	\$ 43,603	\$ 79,651
<u>(5,843)</u>	<u>(5,494)</u>	<u>(5,547)</u>	<u>(6,057)</u>	<u>(43,603)</u>	<u>(79,651)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,168,579	\$ 1,098,847	\$ 1,109,353	\$ 1,217,983	\$ 1,205,696	\$ 1,180,017
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%

CITY OF GREENVILLE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

(Continued)

CITY OF GREENVILLE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

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

Changes in assumptions :

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

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

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

Changes in assumptions :

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

SUPPLEMENTARY INFORMATION

**CITY OF GREENVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF THE INTERIOR			
<i>Passed Through the Ohio Department of Natural Resources</i>			
Outdoor Recreation Acquisition, Development, and Planning	15.916	P19AP00092	\$ 273,769
Total U.S. Department of the Interior			<u>273,769</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed through the Ohio Department of Transportation</i>			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	OH-2020-005	127,415
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	COVID-19, OH-2020-024	394,577
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	COVID-19, OH-2020-064	446
Total Formula Grants for Rural Areas and Tribal Transit Program and U.S. Department of Transportation			<u>522,438</u>
Total Federal Financial Assistance			<u>\$ 796,207</u>

The accompanying notes are an integral part of this schedule.

**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021

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

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Greenville under programs of the federal government for the year ended December 31, 2021 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Greenville, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Greenville. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

NOTE 2 – DE MINIMIS COST RATE

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

NOTE 3 – MATCHING REQUIREMENTS

Certain federal programs require the City of Greenville to contribute non-Federal funds (matching funds) to support the federally funded programs. The City of Greenville has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

City of Greenville
Darke County
100 Public Square
Greenville, Ohio 45331

To the Members of the City Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, Darke County, Ohio, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Greenville's basic financial statements, and have issued our report thereon dated June 28, 2022, wherein we noted as described in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods. Additionally, as described in Note 3 to the financial statements, the beginning fund balance of nonmajor governmental funds and net position of the governmental activities have been restated to properly record the permissive tax monies held by Darke County.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Julian & Grube, Inc.

June 28, 2022

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

City of Greenville
Darke County
100 Public Square
Greenville, Ohio 45331

To the Members of the City Council and Mayor:

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

We have audited the City of Greenville's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Greenville's major federal programs for the year ended December 31, 2021. The City of Greenville's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

In our opinion, the City of Greenville complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City of Greenville and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Greenville's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Greenville's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Greenville's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Greenville's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

City of Greenville
Independent Auditor's Report on Compliance for Each Major Federal Program and
on Internal Control Over Compliance Required by the Uniform Guidance
Page 3

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

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



Julian & Grube, Inc.
June 28, 2022

**CITY OF GREENVILLE
DARKE COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

1. SUMMARY OF AUDITORS' RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Formula Grants for Rural Areas and Tribal Transit Program (ALN 20.509)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

OHIO AUDITOR OF STATE KEITH FABER



CITY OF GREENVILLE

DARKE 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 7/21/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov