OHIO AUDITOR OF STATE
KEITH FABER

CITY OF CELINA
MERCER COUNTY
DECEMBER 31, 2022

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MERCER COUNTY
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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

City of Celina
Mercer County
225 North Main Street
Celina, Ohio 45822

To the City Council:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Celina, Mercer County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Additional Income Tax Levy, and American Rescue Plan funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 26 to the financial statements, the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2023, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

September 8, 2023

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The discussion and analysis of the City of Celina's financial performance provides an overview of the City's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the City of Celina's financial position.

The statement of net position and the statement of activities provide information about the activities of the City as a whole, presenting both an aggregate and a longer-term view of the City.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the City's most significant funds individually and the City's nonmajor funds in a single column. The City's major funds are the General, Additional Income Tax Levy, American Rescue Plan, GO Debt Service, Street Improvement, Tax Increment Financing, Electric, Water, Sewer, and Stormwater funds.

REPORTING THE CITY AS A WHOLE

The statement of net position and the statement of activities reflect how the City did financially during 2022. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the City's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the City as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the City's property tax base and the condition of the City's capital assets (buildings; streets; electric, water, sewer, and stormwater lines). These factors must be considered when assessing the overall health of the City.

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

- Governmental Activities - Most of the City's programs and services are reported here, including security of persons and property, public health, leisure time activities, community environment, basic utility services, transportation, and general government activities. These services are primarily funded by property taxes and income taxes and from intergovernmental revenues, including federal and state grants and other shared revenues.

- Business-Type Activities - These services are provided on a charge for services basis and are intended to recover all or most of the costs of the services provided. The City's electric, water, sewer, and stormwater services are reported here.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund financial statements provide detailed information about the City's major funds, the General, Additional Income Tax Levy, American Rescue Plan, GO Debt Service, Street Improvement, Tax Increment Financing, Electric, Water, Sewer, and Stormwater funds. While the City uses many funds to account for its financial transactions, these are the most significant.

Governmental Funds - The City's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the City's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided.

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 on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

Proprietary Funds - The City's enterprise funds use the accrual basis of accounting, the same as that used for the business-type activities on the government-wide financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds also use the accrual basis of accounting.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the City's net position for 2022 and 2021.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and Other Assets	$23,973,985	$26,779,003	$29,467,199	$29,267,846	$53,441,184	$56,046,849
Net Pension Asset	25	15,008	34	23,474	59	38,482
Net OPEB Asset	334,201	179,597	522,725	280,907	856,926	460,504
Capital Assets, Net	37,867,517	33,650,169	49,961,894	48,964,397	87,829,411	82,614,566
Total Assets	62,175,728	60,623,777	79,951,852	78,536,624	142,127,580	139,160,401

(continued)

Table 1
Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<u>Deferred Outflows of Resources</u>						
Pension	$2,550,046	$1,191,159	$803,096	$430,694	$3,330,921	$1,555,857
OPEB	631,989	729,002	33,024	168,494	649,906	869,279
Total Deferred Outflows of Resources	3,182,035	1,920,161	836,120	599,188	3,980,827	2,425,136
<u>Liabilities</u>						
Current and Other Liabilities	1,810,286	1,087,351	1,882,909	2,618,803	3,693,195	3,706,154
Long-Term Liabilities						
Pension	6,820,535	7,649,249	1,527,478	2,425,843	8,348,013	10,075,092
OPEB	1,025,298	947,803	0	0	1,025,298	947,803
Other Amounts	924,708	1,120,109	5,183,634	5,728,060	6,108,342	6,848,169
Total Liabilities	10,580,827	10,804,512	8,594,021	10,772,706	19,174,848	21,577,218
<u>Deferred Inflows of Resources</u>						
Pension	3,272,294	1,616,098	1,850,392	1,054,917	5,100,465	2,605,019
OPEB	740,445	980,277	540,081	858,284	1,265,419	1,810,344
Other Amounts	1,767,422	1,698,690	171,924	183,608	1,939,346	1,882,298
Total Deferred Inflows of Resources	5,780,161	4,295,065	2,562,397	2,096,809	8,305,230	6,297,661
<u>Net Position</u>						
Net Investment in Capital Assets	37,166,573	32,913,868	44,371,915	43,245,706	81,538,488	76,159,574
Restricted	10,729,337	9,541,643	569,594	526,066	11,298,931	10,067,709
Unrestricted	1,100,865	4,988,850	24,690,045	22,494,525	25,790,910	27,483,375
Total Net Position	$48,996,775	$47,444,361	$69,631,554	$66,266,297	$118,628,329	$113,710,658

The net pension liability (asset) and the net OPEB liability (asset) reported by the City at December 31, 2022, are reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No.75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, end users of these financial statements 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 (asset), and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 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 or net OPEB liability. GASB Statements No. 68 and No. 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 Statements No. 68 and No. 75 require the net pension liability (asset) and the net OPEB liability (asset) to equal the City's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service 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 health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contribution 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 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. vacation and sick 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 pension benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the City. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension 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 Statements No. 68 and No. 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 the net OPEB liability (asset), respectively, not accounted for as deferred outflows/inflows.

Pension/OPEB changes noted in the above table reflect an overall increase in deferred outflows and deferred inflows. These changes are affected by changes in benefits, contribution rates, return on investments, and actuarial assumptions. The decrease in the net pension liability and net OPEB liability and the increase in net pension asset and net OPEB liability represent the City's proportionate share of the unfunded benefits.

For governmental activities, the decrease in current and other assets was primarily due to a decrease in cash and cash equivalents; generally the result of the decrease in market value of investments, and increased spending in 2022. There was also a decrease in municipal income taxes receivable due to less collected for 2022 and prior amounts due in 2023. The increase in capital assets was due to continued construction on the Fulton Street reconstruction project as well as other streets resurfacing done in 2022 which explains the increase in invested in capital assets. The increase in current and other liabilities was due to an increase in unearned revenue (ARPA monies received and not spent as of year end). There was also a change in the liabilities for accounts payable and contracts payable due to the timing of payments. The decrease in other long-term liabilities was primarily scheduled debt retirement.

For business-type activities, the increase in current and other assets was due to an increase in accounts receivable (the City increased electric rates in 2022). There was also an increase in net capital assets due to ongoing construction for a building for the electric. The decrease in current and other liabilities is due to a decrease in outstanding contracts from the prior year that were related to the City's construction activities. The decrease in other long-term liabilities was primarily scheduled debt retirement.

Table 2 reflects the change in net position for 2022 and 2021.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	$1,263,982	$1,392,626	$32,096,671	$29,656,153	$33,360,653	$31,048,779
Operating Grants, Contributions, and Interest	874,663	1,168,462	0	0	874,663	1,168,462
Capital Grants and Contributions	645,585	1,332,645	0	0	645,585	1,332,645
Total Program Revenues	2,784,230	3,893,733	32,096,671	29,656,153	34,880,901	33,549,886
General Revenues						
Property Taxes	472,537	372,683	0	0	472,537	372,683
Municipal Income Taxes	6,994,970	7,327,686	0	0	6,994,970	7,327,686
Payment in Lieu of Taxes	866,060	736,440	0	0	866,060	736,440
Other Local Taxes	602,290	617,013	0	0	602,290	617,013
Franchise Taxes	86,306	92,034	0	0	86,306	92,034
Grants and Entitlements not Restricted to Specific Programs	450,044	369,367	0	0	450,044	369,367
Interest	(968,658)	(193,976)	(363,059)	(39,327)	(1,331,717)	(233,303)
Other	292,809	925,267	165,584	209,118	458,393	1,134,385
Total General Revenues	8,796,358	10,246,514	(197,475)	169,791	8,598,883	10,416,305
Total Revenues	11,580,588	14,140,247	31,899,196	29,825,944	43,479,784	43,966,191

(continued)

Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Expenses						
Security of Persons and Property	$4,691,649	$4,396,179	$0	$0	$4,691,649	$4,396,179
Public Health	121,304	111,918	0	0	121,304	111,918
Leisure Time Activities	858,527	622,735	0	0	858,527	622,735
Community Environment	19,112	60,000	0	0	19,112	60,000
Basic Utility Services	169,909	123,622	0	0	169,909	123,622
Transportation	2,257,141	1,683,595	0	0	2,257,141	1,683,595
General Government	1,612,953	1,043,521	0	0	1,612,953	1,043,521
Interest and Fiscal Charges	22,820	37,488	0	0	22,820	37,488
Electric	0	0	22,355,722	23,231,565	22,355,722	23,231,565
Water	0	0	4,392,701	3,178,082	4,392,701	3,178,082
Sewer	0	0	1,824,467	1,367,022	1,824,467	1,367,022
Stormwater	0	0	235,808	162,538	235,808	162,538
Total Expenses	9,753,415	8,079,058	28,808,698	27,939,207	38,562,113	36,018,265
Excess of Revenues Over Expenses Before Transfers	1,827,173	6,061,189	3,090,498	1,886,737	4,917,671	7,947,926
Transfers	(274,759)	(117,582)	274,759	117,582	0	0
Increase in Net Position	1,552,414	5,943,607	3,365,257	2,004,319	4,917,671	7,947,926
Net Position Beginning of Year	47,444,361	41,500,754	66,266,297	64,261,978	113,710,658	105,762,732
Net Position End of Year	$48,996,775	$47,444,361	$69,631,554	$66,266,297	$118,628,329	$113,710,658

For governmental activities, there was a 28 percent decrease in program revenues overall. The decrease in operating grants and contributions represents a decrease in grant funds received in the prior year. The decrease in capital grants and contributions was due to prior year funding from the Ohio Department of Natural Resources grant for Bryson Park. There was a decrease in general revenues mostly due to interest revenue which is based on market value fluctuations of the City's investments. Total revenues decreased approximately 18 percent. The increase in expenses was due to general government operational expenses.

For business-type activities, there was a slight increase in charges for services, primarily in the Electric Fund (the City raised electric rates in 2022). The largest change for general revenues was the decrease in interest revenue based on market value fluctuations of the City's investments. The overall change in expenses was not significant.

Table 3, indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Security of Persons and Property	$4,691,649	$4,396,179	$4,115,545	$3,400,408
Public Health	121,304	111,918	117,686	96,076
Leisure Time Activities	858,527	622,735	533,371	(76,277)
Community Environment	19,112	60,000	21,375	61,391
Basic Utility Services	169,909	123,622	169,909	123,622
Transportation	2,257,141	1,683,595	1,000,354	239,533
General Government	1,612,953	1,043,521	988,125	303,084
Interest and Fiscal Charges	22,820	37,488	22,820	37,488
Total Expenses	$9,753,415	$8,079,058	$6,969,185	$4,185,325

General revenues provided for 71 percent of the costs of providing governmental services in 2022 (52 percent in 2021). The City's most significant revenue source is municipal income taxes. In the prior year, the cost of the leisure program was offset by a grant received for Bryson Park. The transportation program receives charges for services in the form of permissive motor vehicle license monies and operating grants in the form of State levied motor vehicle license fees and gas taxes.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund, the Additional Income Tax Levy Fund, the American Rescue Plan Act Fund, the GO Debt Service Fund, Street Improvement Fund, and Tax Increment Financing Fund.

The increase in fund balance (12 percent) in the General Fund was primarily due to less resources transferred to other funds to subsidize their operations in 2022. The General Fund transferred approximately $3 million less in 2022 than 2021.

For the Additional Income Tax Levy Fund, income tax revenues increased slightly from the prior year and overall expenditures did increase slightly for transportation related projects. Fund balance increased approximately 22 percent.

The American Rescue Plan Fund was a new fund created in 2021 to record the activity of federal resources from the American Rescue Plan Act. Most resources received were offset to unearned revenue while the City determines how to best use the resources.

There was no change in fund balance in the GO Debt Service Fund (transfers from the Tax Increment Financing Fund covered the debt payment for the year).

The decrease in fund balance in the Street Improvement Fund is primarily due to the expenditures made on the Fulton Street reconstruction project and other capital items.

Fund balance increased in the Tax Increment Financing Fund. Revenues and expenditures increased; however revenues continue to exceed expenditures.

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

The City's enterprise funds are the Electric, Water, Sewer, and Stormwater funds.

Net position increased 11 percent in the Electric Fund, due to the City increased the utility rate for electric in 2022 (as mentioned previously).

Net position decreased less than 1 percent in the Water Fund. Not a significant change.

Net position increased 4 percent in the Sewer Fund. Revenues continued to exceeded expenses. As a result, an increase in net position.

Net position increased 6 percent in the Stormwater fund. Both revenues and expenses were similar to the prior year.

BUDGETARY HIGHLIGHTS

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by City officials and department heads and such other budgetary documents as are required by State statute, including the annual appropriations ordinance which is effective the first day of January. The City's most significant budgeted fund is the General Fund. For revenues, there was no change from the original budget to the final budget. The increase in actual revenues from the final budget were largely due to the conservative estimate for municipal income taxes. For expenditures, changes from the original budget to the final budget were not significant. Actual expenditures were less than the final budgeted amounts for all programs due to conservative budgeting.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2022, was $37,867,517 and $49,961,894, respectively (net of accumulated depreciation). This investment in capital assets includes land improvements; construction in progress; buildings; streets; furniture and equipment; vehicles; and electric, water, sewer, and stormwater lines. The most significant additions for governmental activities include street resurfacing (including Fulton Street resurfacing project), miscellaneous equipment, and vehicle. Disposals primarily consisted of streets repaved and vehicles. For business-type activities, the significant additions included construction for a building for electric, infrastructure improvements, and vehicles. Disposals included infrastructure and equipment. For further information on the City's capital assets, refer to Note 11 to the basic financial statements.

Debt - At December 31, 2022, the City had a number of long-term obligations outstanding including $610,000 in general obligation bonds, $630,000 in mortgage revenue bonds, $122,266 in OPWC loans, $3,996,412 in OWDA loans, and $85,620 in leases. Of this amount, $4,942,438 will be repaid from business-type activities.

In addition to the debt outlined above, the City's long-term obligations also include the net pension/OPEB liability and compensated absences. For further information on the City's debt, refer to Notes 19 to the basic financial statements.

CURRENT ISSUES

The City of Celina's levy for the additional half percent income tax renewal passed in the primary election on May 3, 2022. The purpose of this ordinance is to amend the duration of Celina Ordinance 55-10-0 which levied a tax on income at the rate of one-half of one percent effective January 1, 2011, as amended and modified by Celina Ordinance 61-15-0 which levied a tax on income at the rate of one-half of one percent effective January 1, 2016 and which expires on December 31, 2022, in order to provide funds via a tax on income at the rate of one half of one percent, in addition to the one percent which was levied and collected as of December 31, 2010, as follows: For the operational expenses, capital equipment purchases and capital improvements in support of the City's Safety Departments of Fire and Police for a period, as well as to also provide the City the authority to use these funds for the additional purposes of making public right-of-way improvements to City streets, curbs, sidewalks, alleys, and for items and materials which are incidental and related to any such public right-of-way improvements within the City, for an amended duration of time for a period of seven (7) years, beginning January 1, 2023 and ending on December 31, 2029.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those interested in our City's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Brooke Shinn, Celina City Auditor, 225 N Main Street, Celina, Ohio 45822-1601.

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City of Celina
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities*	Total*
Assets			
Equity in Pooled Cash and Cash Equivalents	$19,240,593	$22,465,136	$41,705,729
Cash and Cash Equivalents with Fiscal Agents	0	289,704	289,704
Investments with Fiscal Agent	252,108	0	252,108
Accounts Receivable	68,212	3,395,325	3,463,537
Accrued Interest Receivable	78,661	27,324	105,985
Due from Other Governments	799,861	5,714	805,575
Municipal Income Taxes Receivable	1,016,652	0	1,016,652
Lease Receivable	91,726	171,924	263,650
Internal Balances	50,337	(50,337)	0
Prepaid Items	88,355	83,433	171,788
Materials and Supplies Inventory	59,592	3,078,976	3,138,568
Property Taxes Receivable	946,963	0	946,963
Payment in Lieu of Taxes Receivable	1,235,039	0	1,235,039
Notes Receivable	45,886	0	45,886
Net Pension Asset	25	34	59
Net OPEB Asset	334,201	522,725	856,926
Nondepreciable Capital Assets	16,162,938	2,735,353	18,898,291
Depreciable Capital Assets, Net	21,704,579	47,226,541	68,931,120
Total Assets	62,175,728	79,951,852	142,127,580
Deferred Outflows of Resources			
Pension	2,550,046	803,096	3,330,921
OPEB	631,989	33,024	649,906
Total Deferred Outflows of Resources	3,182,035	836,120	3,980,827
Liabilities			
Accrued Wages Payable	185,864	140,903	326,767
Accounts Payable	193,034	244,386	437,420
Contracts Payable	112,500	681,230	793,730
Retainage Payable	99,322	102,274	201,596
Due to Other Governments	119,501	180,116	299,617
Accrued Interest Payable	3,675	38,822	42,497
Unearned Revenue	1,096,390	0	1,096,390
Deposits Held and Due to Others	0	495,178	495,178
Long-Term Liabilities			
Due Within One Year	332,760	796,883	1,129,643
Due in More Than One Year	591,948	4,386,751	4,978,699
Net Pension Liability	6,820,535	1,527,478	8,348,013
Net OPEB Liability	1,025,298	0	1,025,298
Total Liabilities	10,580,827	8,594,021	19,174,848
Deferred Inflows of Resources			
Property Taxes	440,657	0	440,657
Payment in Lieu of Taxes	1,235,039	0	1,235,039
Leases	91,726	171,924	263,650
Pension	3,272,294	1,850,392	5,100,465
OPEB	740,445	540,081	1,265,419
Total Deferred Inflows of Resources	5,780,161	2,562,397	8,305,230

(continued)

City of Celina
Statement of Net Position
December 31, 2022
(continued)

	Governmental Activities	Business-Type Activities*	Total*
Net Position			
Net Investment in Capital Assets	$37,166,573	$44,371,915	$81,538,488
Restricted for			
Debt Service	29,624	0	29,624
Capital Projects	4,886,281	0	4,886,281
Other Purposes	5,547,620	0	5,547,620
Cemetary			
Expendable	2,675	0	2,675
Nonexpendable	250,000	0	250,000
Pension and OPEB Plans	13,137	36,118	49,255
Revenue Bond Operations and Maintenance	0	359,141	359,141
Revenue Bond Future Debt Service	0	174,335	174,335
Unrestricted	1,100,865	24,690,045	25,790,910
Total Net Position	$48,996,775	$69,631,554	$118,628,329

*After deferred outflows and deferred inflows related to the change in internal proportionate share of pension related items have been eliminated.

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Activities
For the Year Ended December 31, 2022

	Expenses	Program Revenues: Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
Governmental Activities				
Security of Persons and Property	$4,691,649	$533,033	$14,426	$28,645
Public Health	121,304	10,755	(7,137)	0
Leisure Time Activities	858,527	107,016	0	218,140
Community Environment	19,112	0	(2,263)	0
Basic Utility Services	169,909	0	0	0
Transportation	2,257,141	100	857,887	398,800
General Government	1,612,953	613,078	11,750	0
Interest and Fiscal Charges	22,820	0	0	0
Total Governmental Activities	9,753,415	1,263,982	874,663	645,585
Business-Type Activities				
Electric	22,355,722	25,049,318	0	0
Water	4,392,701	4,228,998	0	0
Sewer	1,824,467	2,469,850	0	0
Stormwater	235,808	348,505	0	0
Total Business-Type Activities	28,808,698	32,096,671	0	0
Total	$38,562,113	$33,360,653	$874,663	$645,585

General Revenues
Property Taxes Levied for General Purposes
Property Taxes Levied for Police Pension
Property Taxes Levied for Fire Pension
Municipal Income Taxes for General Purposes
Municipal Income Taxes for Other Purposes
Payment in Lieu of Taxes
Other Local Taxes
Franchise Taxes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings and Other Interest
Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Change in Net Position		
Governmental Activities	Business-Type Activities	Total
(4,115,545)	$0	($4,115,545)
(117,686)	0	(117,686)
(533,371)	0	(533,371)
(21,375)	0	(21,375)
(169,909)	0	(169,909)
(1,000,354)	0	(1,000,354)
(988,125)	0	(988,125)
(22,820)	0	(22,820)
(6,969,185)	0	(6,969,185)
0	2,693,596	2,693,596
0	(163,703)	(163,703)
0	645,383	645,383
0	112,697	112,697
0	3,287,973	3,287,973
(6,969,185)	3,287,973	(3,681,212)
349,351	0	349,351
61,593	0	61,593
61,593	0	61,593
4,671,140	0	4,671,140
2,323,830	0	2,323,830
866,060	0	866,060
602,290	0	602,290
86,306	0	86,306
450,044	0	450,044
(968,658)	(363,059)	(1,331,717)
292,809	165,584	458,393
8,796,358	(197,475)	8,598,883
(274,759)	274,759	0
8,521,599	77,284	8,598,883
1,552,414	3,365,257	4,917,671
47,444,361	66,266,297	113,710,658
$48,996,775	$69,631,554	$118,628,329

City of Celina
Balance Sheet
Governmental Funds
December 31, 2022

	General	Additional Income Tax Levy	American Rescue Plan	GO Debt Service	Street Improvement
Assets					
Equity in Pooled Cash and Cash Equivalents	$2,966,580	$2,040,595	$1,090,301	$32,607	$4,705,833
Investments with Fiscal Agent	0	0	0	0	0
Accounts Receivable	67,312	0	0	0	0
Accrued Interest Receivable	72,907	0	938	0	0
Due from Other Governments	209,454	0	0	0	0
Municipal Income Taxes Receivable	678,119	338,533	0	0	0
Interfund Receivable	77,766	0	0	0	0
Lease Receivable	83,030	0	0	0	0
Prepaid Items	88,355	0	0	0	0
Materials and Supplies Inventory	17,158	0	0	0	0
Restricted Assets			0		
Equity in Pooled Cash and Cash Equivalents	35,665	0	0	0	0
Property Taxes Receivable	699,929	0	0	0	0
Payment in Lieu of Taxes Receivable	0	0	0	0	0
Notes Receivable	0	0	0	0	0
Total Assets	$4,996,275	$2,379,128	$1,091,239	$32,607	$4,705,833
Liabilities					
Accrued Wages Payable	$164,981	$0	$0	$0	$0
Accounts Payable	142,215	0	0	0	0
Contracts Payable	0	0	0	0	112,500
Retainage Payable	0	0	0	0	69,585
Due to Other Governments	53,113	0	0	0	0
Interfund Payable	0	0	0	0	0
Unearned Revenue	0	0	1,096,390	0	0
Total Liabilities	360,309	0	1,096,390	0	182,085
Deferred Inflows of Resources					
Property Taxes	325,703	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0	0
Leases	83,030	0	0	0	0
Unavailable Revenue	920,259	150,791	631	0	0
Total Deferred Inflows of Resources	1,328,992	150,791	631	0	0
Fund Balance					
Nonspendable	141,178	0	0	0	0
Restricted	0	2,228,337	0	32,607	0
Committed	300,000	0	0	0	4,523,748
Assigned	123,202	0	0	0	0
Unassigned (Deficit)	2,742,594	0	(5,782)	0	0
Total Fund Balance	3,306,974	2,228,337	(5,782)	32,607	4,523,748
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$4,996,275	$2,379,128	$1,091,239	$32,607	$4,705,833

See Accompanying Notes to the Basic Financial Statements

Tax Increment Financing	Other Governmental	Total Governmental Funds
$4,370,594	$3,998,418	$19,204,928
0	252,108	252,108
0	900	68,212
0	4,816	78,661
14,511	575,896	799,861
0	0	1,016,652
0	0	77,766
0	8,696	91,726
0	0	88,355
0	42,434	59,592
0	0	35,665
0	247,034	946,963
1,235,039	0	1,235,039
0	45,886	45,886
$5,620,144	$5,176,188	$24,001,414
$0	$20,883	$185,864
0	50,819	193,034
0	0	112,500
0	29,737	99,322
0	66,388	119,501
0	27,429	27,429
0	0	1,096,390
0	195,256	1,834,040
0	114,954	440,657
1,235,039	0	1,235,039
0	8,696	91,726
14,511	648,144	1,734,336
1,249,550	771,794	3,501,758
0	292,434	433,612
4,370,594	3,048,662	9,680,200
0	960,976	5,784,724
0	0	123,202
0	(92,934)	2,643,878
4,370,594	4,209,138	18,665,616
$5,620,144	$5,176,188	$24,001,414

City of Celina
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2022

Total Governmental Fund Balance		$18,665,616
Amounts reported for governmental activities on the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		37,867,517
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Accounts Receivable	23,278	
Accrued Interest Receivable	52,913	
Due from Other Governments	674,524	
Municipal Income Taxes Receivable	447,736	
Delinquent Property Taxes Receivable	535,885	
		1,734,336
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued Interest Payable	(3,675)	
General Obligation Bonds Payable	(440,000)	
OPWC Loan Payable	(61,860)	
Compensated Absences Payable	(422,848)	
		(928,383)
The net pension/OPEB liability (asset) is not due and payable in the current period, therefore, the asset, liability, and related deferred outflows/inflows are not reported in the governmental funds.		
Net Pension Asset	25	
Deferred Outflows - Pension	2,550,046	
Deferred Inflows - Pension	(3,272,294)	
Net Pension Liability	(6,820,535)	
Net OPEB Asset	334,201	
Deferred Outflows - OPEB	631,989	
Deferred Inflows - OPEB	(740,445)	
Net OPEB Liability	(1,025,298)	
		(8,342,311)
Net Position of Governmental Activities		$48,996,775

See Accompanying Notes to the Basic Financial Statements

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

	General	Additional Income Tax Levy	American Rescue Plan	GO Debt Service	Street Improvement
Revenues					
Property Taxes	$296,037	$0	$0	$0	$0
Municipal Income Taxes	4,844,394	2,405,727	0	0	0
Payment in Lieu of Taxes	0	0	0	0	0
Other Local Taxes	602,290	0	0	0	0
Charges for Services	293,068	0	0	0	0
Fees, Licenses, and Permits	95,143	0	0	0	0
Fines, Forfeitures, and Settlements	234,967	0	0	0	0
Intergovernmental	886,716	0	0	0	0
Investment Earnings and Other Interest	(976,245)	0	(6,582)	0	0
Leases	162	0	0	0	0
Other	1,274,574	0	0	0	957,039
Total Revenues	7,551,106	2,405,727	(6,582)	0	957,039
Expenditures					
Current:					
Security of Persons and Property	3,819,828	1,120,800	0	0	0
Public Health	92,694	0	0	0	0
Leisure Time Activities	79,337	0	0	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	206,793	0	0	0	0
Transportation	206,015	879,200	0	0	5,243,872
General Government	1,831,847	0	0	0	0
Debt Service:			0		
Principal Retirement	0	0	0	110,000	0
Interest and Fiscal Charges	0	0	0	11,425	0
Total Expenditures	6,236,514	2,000,000	0	121,425	5,243,872
Excess of Revenues Over (Under) Expenditures	1,314,592	405,727	(6,582)	(121,425)	(4,286,833)
Other Financing Sources (Uses)					
Sale of Capital Assets	10,795	0	0	0	0
Transfers In	0	0	0	121,425	0
Transfers Out	(965,303)	0	0	0	0
Total Other Financing Sources (Uses)	(954,508)	0	0	121,425	0
Changes in Fund Balance	360,084	405,727	(6,582)	0	(4,286,833)
Fund Balance Beginning of Year	2,946,890	1,822,610	800	32,607	8,810,581
Fund Balance (Deficit) End of Year	$3,306,974	$2,228,337	($5,782)	$32,607	$4,523,748

See Accompanying Notes to the Basic Financial Statements

Tax Increment Financing	Other Governmental	Total Governmental Funds
$0	$104,370	$400,407
0	0	7,250,121
866,060	0	866,060
0	0	602,290
0	119,753	412,821
0	0	95,143
0	182,269	417,236
28,990	1,638,182	2,553,888
0	(62,097)	(1,044,924)
0	5,488	5,650
0	82,166	2,313,779
895,050	2,070,131	13,872,471
0	785,893	5,726,521
0	33,111	125,805
0	1,123,260	1,202,597
0	19,112	19,112
0	0	206,793
250,949	1,051,772	7,631,808
0	50,895	1,882,742
56,873	57,670	224,543
10,050	2,792	24,267
317,872	3,124,505	17,044,188
577,178	(1,054,374)	(3,171,717)
0	0	10,795
6,873	958,430	1,086,728
(239,007)	0	(1,204,310)
(232,134)	958,430	(106,787)
345,044	(95,944)	(3,278,504)
4,025,550	4,305,082	21,944,120
$4,370,594	$4,209,138	$18,665,616

City of Celina
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balance
of Governmental Funds to Statement of Activities
For the Year Ended December 31, 2022

Changes in Fund Balance - Total Governmental Funds		($3,278,504)
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year.		
Capital Outlay - Nondepreciable Capital Assets	5,139,664	
Capital Outlay - Depreciable Capital Assets	1,381,038	
Capital Contributions	22,500	
Depreciation	(2,056,191)	
		4,487,011
The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net position and is offset against the proceeds from the sale of capital assets resulting in a gain or loss on disposal of capital assets on the statement of activities.		
Proceeds from Sale of Capital Assets	(10,795)	
Gain on Disposal of Capital Assets	5,245	
Loss on Disposal of Capital Assets	(264,113)	
		(269,663)
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Delinquent Property Taxes	72,130	
Municipal Income Taxes	(255,151)	
Fees, Licenses, and Permits	(2,392)	
Charges for Services	(23,669)	
Intergovernmental	(128,778)	
Investment Earnings and Other Interest	15,802	
Other	2,430	
		(319,628)
Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.		
General Obligation Bonds Payable	160,000	
OPWC Loan Payable	6,873	
Financed Purchase Payable	57,670	
		224,543
Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB liability (asset) are reported as pension/OPEB expense on the statement of activities.		
Pension Expense	(231,719)	
OPEB Expense	206,000	
		(25,719)
Contractually required pension contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.		
Contractually Required Contributions - Pension	748,141	
Contractually Required Contributions - OPEB	13,928	
		762,069
Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position.		1,447
Compensated absences reported on the statement of net position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(29,142)
Change in Net Position of Governmental Activities		$1,552,414

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Property Taxes	$323,019	$323,019	$296,037	($26,982)
Municipal Income Taxes	4,000,500	4,000,500	4,772,504	772,004
Other Local Taxes	615,000	615,000	599,466	(15,534)
Charges for Services	284,000	284,000	293,368	9,368
Fees, Licenses, and Permits	100,500	100,500	95,143	(5,357)
Fines, Forfeitures, and Settlements	302,646	302,646	237,381	(65,265)
Intergovernmental	753,794	753,794	851,295	97,501
Interest	200,000	200,000	325,319	125,319
Other	1,238,404	1,238,404	1,268,223	29,819
Total Revenues	7,817,863	7,817,863	8,738,736	920,873
Expenditures				
Current:				
Security of Persons and Property	4,054,704	4,088,838	3,852,762	236,076
Public Health	93,850	93,851	92,663	1,188
Leisure Time Activities	101,872	101,872	81,811	20,061
Community Environment	3,000	3,000	0	3,000
Basic Utility Services	235,570	268,178	204,588	63,590
Transportation	263,477	263,477	209,515	53,962
General Government	1,835,113	1,972,029	1,731,721	240,308
Other	120,000	120,000	79,571	40,429
Total Expenditures	6,707,586	6,911,245	6,252,631	658,614
Excess of Revenues Over Expenditures	1,110,277	906,618	2,486,105	1,579,487
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	10,795	10,795
Transfers Out	(979,747)	(1,071,839)	(965,303)	106,536
Total Other Financing Sources (Uses)	(979,747)	(1,071,839)	(954,508)	117,331
Changes in Fund Balance	130,530	(165,221)	1,531,597	1,696,818
Fund Balance Beginning of Year	2,662,957	2,662,957	2,662,957	0
Prior Year Encumbrances Appropriated	34,110	34,110	34,110	0
Fund Balance End of Year	$2,827,597	$2,531,846	$4,228,664	$1,696,818

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Additional Income Tax Levy Special Revenue Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
Revenues				
Municipal Income Taxes	$2,000,000	$2,000,000	$2,372,627	$372,627
Expenditures				
Current:				
Security of Persons and Property	1,120,800	1,120,800	1,120,800	0
Transportation	879,200	879,200	879,200	0
Total Expenditures	2,000,000	2,000,000	2,000,000	0
Changes in Fund Balance	0	0	372,627	372,627
Fund Balance Beginning of Year	0	1,667,968	1,667,968	0
Fund Balance End of Year	$0	$1,667,968	$2,040,595	$372,627

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
American Rescue Plan Special Revenue Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Over (Under)
Revenues				
Intergovernmental	$0	$550,375	$550,375	$0
Interest	0	8,789	9,182	393
Total Revenues	0	559,164	559,557	393
Expenditures				
Current:				
Capital Outlay	0	1,253,105	755,605	497,500
Changes in Fund Balance	0	(693,941)	(196,048)	497,893
Fund Balance Beginning of Year	0	546,815	546,815	0
Fund Balance (Deficit) End of Year	$0	($147,126)	$350,767	$497,893

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Fund Net Position
Enterprise Funds
December 31, 2022

	Electric	Water	Sewer	Stormwater	Total
Assets					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	$9,078,112	$5,474,302	$6,151,671	$906,732	$21,610,817
Cash and Cash Equivalents with Fiscal Agent	115,369	0	0	0	115,369
Accounts Receivable	2,683,258	420,422	249,311	42,334	3,395,325
Accrued Interest Receivable	0	10,616	16,708	0	27,324
Due from Other Governments	2,672	1,575	1,467	0	5,714
Interfund Receivable	40,523	10,434	0	0	50,957
Lease Receivable	0	171,924	0	0	171,924
Prepaid Items	37,018	25,893	20,522	0	83,433
Materials and Supplies Inventory	2,053,277	944,485	71,206	10,008	3,078,976
Total Current Assets	14,010,229	7,059,651	6,510,885	959,074	28,539,839
Non-Current Assets					
Restricted Assets					
Equity in Pooled Cash and Cash Equivalents	495,178	0	359,141	0	854,319
Cash and Cash Equivalents with Fiscal Agents	0	0	174,335	0	174,335
Net Pension Asset	11	15	8	0	34
Net OPEB Asset	205,662	197,093	119,970	0	522,725
Nondepreciable Capital Assets	1,805,156	520,452	271,725	138,020	2,735,353
Depreciable Capital Assets, Net	14,371,527	24,554,418	4,598,167	3,702,429	47,226,541
Total Non-Current Assets	16,877,534	25,271,978	5,523,346	3,840,449	51,513,307
Total Assets	30,887,763	32,331,629	12,034,231	4,799,523	80,053,146
Deferred Outflows of Resources					
Pension	307,370	318,292	179,298	0	804,960
OPEB	7,049	23,032	4,112	0	34,193
Total Deferred Outflows of Resources	314,419	341,324	183,410	0	839,153
Liabilities					
Current Liabilities					
Accrued Wages Payable	75,523	40,710	24,670	0	140,903
Accounts Payable	65,128	150,149	25,621	3,488	244,386
Contracts Payable	526,043	135,963	19,224	0	681,230
Retainage Payable	79,079	15,773	0	7,422	102,274
Compensated Absences Payable	30,180	44,102	22,673	0	96,955
Due to Other Governments	51,200	96,211	32,705	0	180,116
Interfund Payable	60,910	25,041	15,343	0	101,294
Accrued Interest Payable	0	37,100	1,722	0	38,822
Lease Payable	0	27,352	0	0	27,352
General Obligation Bonds Payable	0	20,000	0	0	20,000
Mortgage Revenue Bonds Payable	0	0	150,000	0	150,000
OPWC Loan Payable	0	24,162	0	0	24,162
OWDA Loans Payable	0	478,414	0	0	478,414
Total Current Liabilities	888,063	1,094,977	291,958	10,910	2,285,908
Non-Current Liabilities					
Deposits Held and Due to Others	495,178	0	0	0	495,178
Lease Payable	0	58,268	0	0	58,268
General Obligation Bonds Payable	0	150,000	0	0	150,000
Mortgage Revenue Bonds Payable	0	0	480,000	0	480,000
Net Pension Liability	600,975	575,934	350,569	0	1,527,478
OPWC Loan Payable	0	36,244	0	0	36,244
OWDA Loans Payable	0	3,517,998	0	0	3,517,998
Compensated Absences Payable	48,164	59,208	36,869	0	144,241
Total Non-Current Liabilities	1,144,317	4,397,652	867,438	0	6,409,407
Total Liabilities	2,032,380	5,492,629	1,159,396	10,910	8,695,315

(continued)

City of Celina
Statement of Fund Net Position
Enterprise Funds
December 31, 2022
(continued)

	Electric	Water	Sewer	Stormwater	Total
Deferred Inflows of Resources					
Leases	$0	$171,924	$0	$0	$171,924
Pension	729,113	697,825	425,318	0	1,852,256
OPEB	213,229	203,637	124,384	0	541,250
Total Deferred Inflows of Resources	942,342	1,073,386	549,702	0	2,565,430
Net Position					
Net Investment in Capital Assets	15,571,561	20,746,659	4,220,668	3,833,027	44,371,915
Restricted for					
Revenue Bond Operations and Maintenance	0	0	359,141	0	359,141
Revenue Bond Future Debt Service	0	0	174,335	0	174,335
Pension and OPEB Plans	7,862	23,670	4,586	0	36,118
Unrestricted	12,648,037	5,336,609	5,749,813	955,586	24,690,045
Total Net Position	$28,227,460	$26,106,938	$10,508,543	$4,788,613	$69,631,554

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Revenues, Expenses,
and Changes in Fund Net Position
Enterprise Funds
For the Year Ended December 31, 2022

	Electric	Water	Sewer	Stormwater	Total
Operating Revenues					
Charges for Services	$24,679,299	$4,217,314	$0	$348,505	$29,245,118
Charges for Services Pledged as Security on Mortgage Revenue Bonds	0	0	2,469,850	0	2,469,850
Lease	0	11,684	0	0	11,684
Other	101,744	37,931	24,740	1,169	165,584
Total Operating Revenues	24,781,043	4,266,929	2,494,590	349,674	31,892,236
Operating Expenses					
Personal Services	1,169,851	1,139,627	653,857	0	2,963,335
Materials and Supplies	19,751,607	1,987,974	644,391	90,558	22,474,530
Other	379,322	189,912	58,848	0	628,082
Depreciation	1,039,761	991,817	443,058	145,250	2,619,886
Total Operating Expenses	22,340,541	4,309,330	1,800,154	235,808	28,685,833
Operating Income (Loss)	2,440,502	(42,401)	694,436	113,866	3,206,403
Non-Operating Revenues (Expenses)					
Excise Taxes	370,019	0	0	0	370,019
Loss on Disposal of Capital Assets	0	(1,684)	0	0	(1,684)
Investment Earnings and Other Interest	925	(139,116)	(224,868)	0	(363,059)
Interest Expense	(15,181)	(81,687)	(24,313)	0	(121,181)
Total Non-Operating Revenues (Expenses)	355,763	(222,487)	(249,181)	0	(115,905)
Income before Transfers and Contributions	2,796,265	(264,888)	445,255	113,866	3,090,498
Transfers In	0	117,582	0	0	117,582
Capital Contributions	0	0	0	157,177	157,177
Changes in Net Position	2,796,265	(147,306)	445,255	271,043	3,365,257
Net Position Beginning of Year	25,431,195	26,254,244	10,063,288	4,517,570	66,266,297
Net Position End of Year	$28,227,460	$26,106,938	$10,508,543	$4,788,613	$69,631,554

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2022

	Electric	Water	Sewer	Stormwater	Total Enterprise Funds
Increases (Decreases) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	$24,188,240	$4,204,482	$2,449,685	$340,388	$31,182,795
Cash Received from Other Revenues	100,055	49,777	24,927	1,169	175,928
Cash Received from Utility Deposits	105,740	0	0	0	105,740
Cash Payments for Personal Services	(1,506,488)	(1,408,263)	(863,748)	0	(3,778,499)
Cash Payments for Materials and Supplies	(21,611,933)	(1,742,976)	(645,142)	(87,104)	(24,087,155)
Cash Payments for Other Expenses	(374,752)	(111,650)	(33,769)	0	(520,171)
Cash Payments for Deposits Refunded	(101,509)	0	0	0	(101,509)
Net Cash Provided by (Used for) Operating Activities	799,353	991,370	931,953	254,453	2,977,129
Cash Flows from Noncapital Financing Activities					
Cash Received from Excise Taxes	370,019	0	0	0	370,019
Transfers In	0	117,582	0	0	117,582
Net Cash Provided by Noncapital Financing Activities	370,019	117,582	0	0	487,601
Cash Flows from Capital and Related Financing Activities					
Principal Paid on General Obligation Bonds	0	(20,000)	0	0	(20,000)
Principal Paid on Mortgage Revenue Bonds	0	0	(145,000)	0	(145,000)
Principal Paid on OPWC Loan	0	(24,162)	0	0	(24,162)
Principal Paid on OWDA Loans	0	(466,968)	0	0	(466,968)
Principal Paid on Leases	0	(31,018)	0	0	(31,018)
Interest Paid on General Obligation Bonds	0	(7,300)	0	0	(7,300)
Interest Paid on Mortgage Revenue Bonds	0	0	(24,645)	0	(24,645)
Interest Paid on OWDA Loans	0	(78,390)	0	0	(78,390)
Interest Paid on Leases	0	0	0	0	0
Interest Paid on BANs	(15,181)	0	0	0	(15,181)
Acquisition of Capital Assets	(1,834,237)	(496,744)	(226,463)	(346,010)	(2,903,454)
Sale of Capital Assets	0	0	0	0	0
Net Cash Used for Capital and Related Financing Activities	(1,849,418)	(1,124,582)	(396,108)	(346,010)	(3,716,118)
Cash Flows from Investing Activities					
Interest	925	(141,800)	(230,227)	0	(371,102)
Net Increase (Decrease) in Cash and Cash Equivalents	(679,121)	(157,430)	305,618	(91,557)	(622,490)
Cash and Cash Equivalents Beginning of Year	10,367,780	5,631,732	6,379,529	998,289	23,377,330
Cash and Cash Equivalents End of Year	$9,688,659	$5,474,302	$6,685,147	$906,732	$22,754,840

(continued)

City of Celina
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2022
(continued)

	Electric	Water	Sewer	Stormwater	Total Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	$2,440,502	($42,401)	$694,436	$113,866	$3,206,403
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation	1,039,761	991,817	443,058	145,250	2,619,886
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	(479,450)	(2,398)	(20,165)	(8,117)	(510,130)
Decrease in Due from Other Governments	311	162	187	0	660
Increase in Interfund Receivable	(13,609)	(10,434)	0	0	(24,043)
Increase in Prepaid Items	(5,042)	(3,114)	(1,936)	0	(10,092)
(Increase) Decrease in Materials and Supplies Inventory	(261,148)	(29,844)	(18,959)	1,186	(308,765)
Increase in Net Pension Asset	0	(2)	0	0	(2)
Decrease in Net OPEB Asset	2,980	2,857	1,740	0	7,577
Increase in Accrued Wages Payable	37,727	3,216	1,371	0	42,314
Increase (Decrease) in Accounts Payable	(61,203)	129,747	18,579	2,268	89,391
Increase (Decrease) in Contracts Payable	(1,547,324)	135,963	0	0	(1,411,361)
Increase in Due to Other Governments	2,027	78,512	21,529	0	102,068
Increase (Decrease) in Interfund Payable	13,258	9,725	3,903	0	26,886
Increase in Deposits Held and Due to Others	4,231	0	0	0	4,231
Increase in Compensated Absences Payable	3,940	13,660	8,484	0	26,084
Decrease in Net Pension Liability	(34,529)	(33,090)	(20,142)	0	(87,761)
Decrease in Deferred Outflows - Pension	241,027	278,013	140,598	0	659,638
Decrease in Deferred Outflows - OPEB	81,193	103,462	47,362	0	232,017
Decrease in Deferred Inflows - Pension	(403,579)	(384,727)	(235,421)	0	(1,023,727)
Decrease in Deferred Inflows - OPEB	(261,720)	(249,754)	(152,671)	0	(664,145)
Net Cash Provided by Operating Activities	$799,353	$991,370	$931,953	$254,453	$2,977,129

Non-Cash Capital Transactions

At December 31, 2022, the Electric enterprise fund had payables related to the acquisition of capital assets, in the amount of $605,122.
At December 31, 2021, the Electric enterprise fund had payables related to the acquisition of capital assets, in the amount of $199,444.

At December 31, 2022, the Water enterprise fund had payables related to the acquisition of capital assets, in the amount of $15,773.
At December 31, 2021, the Water enterprise fund had payables related to the acquisition of capital assets, in the amount of $6,299.
During 2022, the Water enterprise fund entered into a lease for vehicles, in the amount of $116,638

At December 31, 2022, the Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of $19,224.

At December 31, 2022, the Stormwater enterprise fund had payables related to the acquisition of capital assets, in the amount of $7,422.
During 2022, the Sormwater enterprise fund accepted the contribution of capital assets from governmental funds, in the amount of $157,177

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2022

Assets	
Equity in Pooled Cash and Cash Equivalents	$16,812
Cash and Cash Equivalents in Segregated Accounts	51,273
Total Assets	68,085
Liabilities	
Due to Other Governments	992
Net Position	
Restricted for Individuals, Organizations, and Other Governments	$67,093

See Accompanying Notes to the Basic Financial Statements

City of Celina
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2022

Additions	
Licenses, Permits, and Fees for Others	$9,733
Fines and Forfeitures for Other Governments	809,336
Other	229,108
Total Additions	1,048,177
Deductions	
Licenses, Permits, and Fees Distributions to Others	8,650
Fines and Forfeitures Distributions to Other Governments	808,196
Distributions to Individuals	250,983
Total Deductions	1,067,829
Net Decrease in Fiduciary Net Position	(19,652)
Net Position Beginning of Year	86,745
Net Position End of Year	$67,093

See Accompanying Notes to the Basic Financial Statements

NOTE 1 - DESCRIPTION OF THE CITY OF CELINA AND THE REPORTING ENTITY

A. The City

The City of Celina is a statutory municipal corporation operating under the laws of the State of Ohio. The City operates under a mayor-council form of government. Legislative power is vested in a seven member council and a council president, each elected to four-year terms. The Mayor is elected to a four-year term and is the chief executive officer of the City. All City officials, with the exception of the Safety-Service Director, are elected positions. The Safety-Service Director is appointed by the Mayor.

The City of Celina is divided into various departments and financial management and control systems. Services provided include police protection, fire protection, parks and recreation, street maintenance and repair, and electric, water, sewer, and stormwater services as well as a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation and control of these activities is provided by the City Council through the budgetary process and by the Mayor through administrative and managerial requirements and procedures.

B. Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading.

The primary government of the City of Celina consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City, this includes all departments and activities that are directly operated by the elected City officials.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Celina in 2022.

The City of Celina participates in the Mercer County Community Improvement Corporation and the Mercer County Planning Commission, jointly governed organizations; and the Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program and the Ohio Plan Risk Management, insurance purchasing pools. These organizations are presented in Notes 22 and 23 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and business-type activities. 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 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 governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

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

B. Fund Accounting

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

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

General Fund - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Additional Income Tax Levy Fund - The Additional Income Tax Levy Fund accounts for municipal income tax resources restricted for police and fire operations as well as for improvements to streets, curbs, sidewalks, and alleys.

American Rescue Plan Fund – The American Rescue Plan Fund accounts for resources received from the federal government under the American Rescue Plan Act program restricted for costs associated with the City's response and recovery from the COVID-19 pandemic.

GO Debt Service Fund - The GO Debt Service Fund accounts for resources that are restricted for the payment of principal, interest, and fiscal charges on general obligation debt.

Street Improvement Fund - The Street Improvement Fund accounts for transfers and other sources committed for future street repairs and improvements.

Tax Increment Financing Fund - The Tax Increment Financing Fund accounts for payment in lieu of tax revenues restricted for infrastructure and recreational improvements and construction.

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

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

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

Electric Fund - This fund accounts for the provision of electric distribution to residential and commercial users within the City.

Water Fund - This fund accounts for the provision of water collection and distribution to residential and commercial users within the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sewer Fund - This fund accounts for the provision of wastewater treatment service to residential and commercial users within the City.

Stormwater Fund - This fund accounts for the operation of the stormwater runoff system within the City.

Fiduciary Funds

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

The City's fiduciary funds are custodial funds. Custodial funds are used to account for traffic fines remitted to the State of Ohio, the activity of the municipal court due to third-parties, and employee deductions not yet remitted to their specific vendors.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects 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, includes a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary and fiduciary funds are accounted for using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For proprietary funds, the statement of revenues, expenses, and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its proprietary activities.

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means 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 thirty-one days after year end.

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

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

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met because these amounts have not yet been earned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate sections for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide and enterprise funds statements of net position for pension and OPEB and explained in Notes 16 and 17 to the basic financial statements.

In addition to liabilities, the statement of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources consists of property taxes, payment in lieu of taxes, leases, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. Payment in lieu of taxes represents a contractual promise to make payment of property taxes which reflect all or a portion of the taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflow for leases is related to leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes accrued interest, intergovernmental revenue including grants, municipal income taxes, delinquent property taxes, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. The details of these unavailable revenue are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities on page 21. Deferred inflows of resources related to pension and OPEB are reported on the government-wide and enterprise funds statements of net position and explained in Notes 16 and 17 to the basic financial statements.

Expenses/Expenditures

On the accrual basis, 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the City prior to year end.

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

F. Cash and Investments

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

Cash and cash equivalents that are held separately for the City by financial institutions acting as trustees to service its mortgage revenue bonded debt as principal and interest payments come due and invested in mutual funds is presented as "Cash and Cash Equivalents with Fiscal Agents".

During 2022, the City invested in mutual funds, nonnegotiable and negotiable certificates of deposit, federal agency securities, United States Treasury securities, and STAR Ohio. Investments are reported at fair value except for nonnegotiable certificate of deposits which are reported at cost. Fair value is based on quoted market price or current share price. STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants". The City measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest earnings are allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Investment Earnings/Interest revenue credited to the general fund during 2022 amounted to ($976,245), which included ($873,451) assigned from other City funds.

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Inventory

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

I. Restricted Assets

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

Unclaimed monies that have a legal restriction on their use are reported as restricted.

Utility deposits from customers are classified as restricted assets on the statement of fund net position because their use is limited to the payment of unpaid utility bills or refunding of the deposit to the customer.

Restricted assets also represent certain resources which are segregated from other resources of the City to comply with various covenants established by bond financing agreements. These assets are generally held in separate accounts of the City or by a trustee. The various covenants place restrictions on the use of these resources, require minimum balances to be maintained in certain accounts, and establish annual amounts to be accumulated for specific purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other restricted assets in the enterprise funds represent amounts held in trust by the pension and OPEB plans for future benefits.

J. Capital Assets

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

All capital assets (except for intangible right-to-use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of one thousand dollars. 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 capitalized.

All capital assets are depreciated, except for land, some land improvements, 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. The City reports all infrastructure, including that acquired prior to 1980. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	15-40 years	20-30 years
Buildings	10-100 years	20-100 years
Improvements Other than Buildings	20-23 years	N/A
Streets	15 years	N/A
Electric, Water, Sewer, and Stormwater Lines	N/A	1-50 years
Furniture and Equipment	5-20 years	10-20 years
Vehicles	10-25 years	7-25 years
Intangible Right to Use Lease - Equipment	N/A	10 years

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City is reporting intangible right to use assets related to leased equipment. The lease asset is initially measured as the initial amont of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

K. Interfund Activity

On fund financial statements, receivables and payables resulting from interfund loans and from interfund services provided and used are classified as “Interfund Receivables/Payables”. Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are presented as “Internal Balances”.

Deferred inflows of resources and deferred outflows of resources from the change in proportionate share related to pension/OPEB items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column on the government-wide statement of net position.

L. 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 the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City’s past experience of making termination payments. Accumulated unused sick leave is paid to employees who retire at various rates depending on department policy and length of service.

M. Accrued Liabilities and Long-Term Obligations

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. The 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 to pay those benefits. Long-term bonds, loans, and leases are recognized as a liability on the governmental fund financial statements when due.

N. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance 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 constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes activities for construction, repair, and maintenance of State highways and local streets, recreation, loans to local businesses, and other revenues restricted for use by the municipal court and police department. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted net position for pension and OPEB plans represent the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows.

O. Leases

The City serves as both lessee and lessor in various non cancellable leases which are accounted for as follows:

> Lessee – At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.
>
> Lessor – At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Fund Balance

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

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

Restricted - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt convents), grantors, contributors, or law or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation (City ordinance).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

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

Assigned - Amounts in the assigned 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. Assigned amounts represent intended uses established by City Council. The City Council has authorized the Service-Safety Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated and for an employee wellness program.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for electric, water, sewer, and stormwater services and lease revenue. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

R. OneOhio Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Although the settlement has been reached, uncertainties remain related to measurement. As a participating subdivision, the City received the first of eighteen distributions in 2022. This distribution of $1,432 is reflected as fines, forteitures, and settlements revenue in the OneOhio Opioid Settlement special revenue fund in the accompanying financial statements.

S. Capital Contributions

Capital contributions arise from contributions of capital assets from outside sources and other governments.

T. Interfund Transactions

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Pension/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pension/OPEB, 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 retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement systems report investments at fair value.

V. Estimates

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

NOTE 3 - CHANGE IN ACCOUNTING PRINCPLES

For fiscal year 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, "Leases" and related guidance from (GASB) Implementation Guide No. 2019-3, "Leases". The City also implemented GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", and Implementation Guide No. 2020-1.

GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's 2022 financial statements. The City recognized $97,376 for governmental funds and $183,608 in the water enterprise fund in leases receivable at January 1, 2022; however, this entire amount was offset by the deferred inflows related to leases.

GASB Statement No. 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. These changes did not impact the City's financial statements.

GASB Statement No. 92 addresses a variety of topics including reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers and references to nonrecurring fair value measurements of assets or liabilities in authoritative literature. These changes did not impact the City's financial statements.

GASB Statement No. 97, among other items, requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan. These changes did not impact the City's financial statements.

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2022, the Police Pension, Fire Pension, and the American Recovery Plan Act special revenue funds and the CDBG capital projects fund had deficit fund balances, in the amount of $29,312, $36,332, $5,782, and $27,290, respectively. These deficits are the result of recognition of payables in accordance with generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Compliance

At December 31, 2022, the American Rescue Plan Act Grant special revenue fund and Park capital projects fund had final appropriations in excess of estimated resources and available balances, in the amounts of $147,126 and $59,799, respectively.

At December 31, 2022, the following funds and/or accounts had expenditures in excess of appropriations for the year ended December 31, 2022.

Fund/Department/Object	Appropriations	Expenditures	Excess
Governmental Activities			
Fire Escrow Fund			
Community Environment			
Materials and Supplies	$0	$19,112	$19,112
Business Type Activities			
Sewer Fund			
Other Expense			
Customer Service	5,000	5,606	606

The City will monitor the activity of their funds to ensure that appropriations are within estimated resources and that expenditures are within appropriations.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual for the General Fund, the Additional Income Tax Levy, and American Rescue Plan special revenue funds 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:

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

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

3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).

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

	General	Additional Income Tax Levy	American Rescue Plan
GAAP Basis	$360,084	$405,727	($6,582)
Increases (Decreases) Due To			
Revenue Accruals:			
Accrued 2021, Received in Cash 2022	410,288	154,642	550,375
Accrued 2022, Not Yet Received in Cash	716,595	(187,742)	(307)
Expenditure Accruals:			
Accrued 2021, Paid in Cash 2022	(339,832)	0	0
Accrued 2022, Not Yet Paid in Cash	360,309	0	0
Cash Adjustments:			
Unrecorded Activity 2021	77,780	0	0
Unrecorded Activity 2022	(17,033)	0	16,071
Prepaid Items	6,858	0	0
Materials and Supplies Inventory	(10,784)	0	0
Encumbrances Outstanding at Year End (Budget Basis)	(32,668)	0	(755,605)
Budget Basis	$1,531,597	$372,627	($196,048)

NOTE 6 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits determined to be necessary to meet current demands upon the City treasury. Active deposits 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.

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily and 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 division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;

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

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

Investments

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

Measurement/Investment	Measurement Amount	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Fair Value - Level One Inputs					
Mutual Funds	$221,774	$221,774	$0	$0	$0
Fair Value - Level Two Inputs					
Negotiable Certificates of Deposit	5,224,170	2,145,384	1,166,048	1,235,922	676,816
Federal Farm Credit Bank Notes	5,098,147	1,114,584	940,937	1,154,996	1,887,630
Federal Home Loan Bank Notes	4,953,128	0	0	980,321	3,972,807
Federal Home Loan Mortgage Corporation Notes	2,206,677	914,944	0	0	1,291,733
Federal National Mortgage Association Notes	5,106,929	0	847,684	2,150,183	2,109,062
Federal Agricultural Mortgage Association Notes	358,264	0	0	0	358,264
United States Treasury Notes	9,308,698	1,095,823	1,586,320	928,989	5,697,566
Total Fair Value - Level Two Inputs	32,256,013	5,270,735	4,540,989	6,450,411	15,993,878

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Measurement/Investment	Measurement Amount	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Net Value Per Share					
STAR Ohio	7,090,731	7,090,731	0	0	0
Total Investments	$39,568,518	$12,583,240	$4,540,989	$6,450,411	$15,993,878

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2022. The City's mutual funds measured at fair value are valued using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the City.

The negotiable certificates of deposit are generally covered by FDIC insurance. The Federal Farm Credit Bank Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes, Federal Agricultural Mortgage Corporation Notes, United States Treasury Notes, and mutual funds carry a rating of Aaa by Moody's. STAR Ohio carries a rating of AAA by Standard and Poor's. The City has no investment policy for credit risk beyond the requirements of State statute. Ohio law requires that mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service and that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

The City places no limit on the amount of its interim monies it may invest in a particular security. The following table indicates the percentage of each investment to the City's total portfolio.

	Fair Value	Percentage of Portfolio
Negotiable Certificates of Deposit	$5,224,170	13.20%
Federal Farm Credit Bank Notes	5,098,147	12.88
Federal Home Loan Bank Notes	4,953,128	12.52
Federal Home Loan Mortgage Corporation Notes	2,206,677	5.57
Federal National Mortgage Association Notes	5,106,929	12.91
Federal Agricultural Mortgage Corporation Notes	358,264	.91
United States Treasury Notes	9,308,698	23.53

NOTE 7 - RECEIVABLES

Receivables at December 31, 2022, consisted of accounts (billings for user charged services, including unbilled utility services); accrued interest; intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; interfund; leases; property taxes; payment in lieu of taxes; and notes. All receivables are considered collectible in full and within one year, except for municipal income taxes, property taxes, leases, and notes. Municipal income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Notes receivable represents a low interest loan for a development project granted to an eligible City business under the Federal Community Development Block Grant program. The loan has an annual interest rate of 2.41 percent and is to be repaid over twenty years. Principal amount of $5,145 was repaid during 2022. Notes outstanding at December 31, 2022, were $45,886. Notes receivable, in the amount of $40,617, will not be received within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Property Tax Allocation	$20,101
Local Government	153,287
Bureau of Workers' Compensation	1,349
Mercer County	34,617
State of Ohio Bureau of Motor Vehicles	100
Total General Fund	209,454

(continued)

NOTE 7 - RECEIVABLES (continued)

	Amount
Governmental Activities (continued)	
Major Funds (continued)	
Tax Increment Financing	
Property Tax Allocation	$14,511
Total Major Funds	223,965
Nonmajor Funds	
Street Construction Maintenance and Repair	
Gasoline Tax	306,591
Motor Vehicle License Tax	66,284
Total Street Construction Maintenance and Repair	372,875
State Highway	
Gasoline Tax	25,552
Motor Vehicle License Tax	11,303
Total State Highway	36,855
Police Pension	
Property Tax Allocation	3,547
Fire Pension	
Property Tax Allocation	3,547
Permissive MVL	
Permissive MVL	2,237
Indigent Driver	
Indigent Driver	482
LWCF Grant Program	
Ohio Department of Natural Resources	156,353
Total Nonmajor Funds	575,896
Total Governmental Activities	$799,861

NOTE 7 - RECEIVABLES (continued)

	Amount
Business-Type Activities	
Electric	
Mercer County	$2,338
Bureau of Workers' Compensation	334
Total Electric	2,672
Water	
Mercer County	1,279
Bureau of Workers' Compensation	296
Total Water	1,575
Sewer	
Mercer County	1,279
Bureau of Workers' Compensation	188
Total Sewer	1,467
Total Business-Type Activities	$5,714

Leases Receivable

The City is reporting leases receivable of $83,030 in the General Fund, $8,696 in the Cemetery special revenue fund, and $171,924 in the Water enterprise fund at December 31, 2022. These amounts represent the discounted future lease payments. The discount is being amortized using the interest method. For 2022, the City recognized lease revenue of $162 and interest revenue of $3,638 in the General Fund, lease revenue of $5,488 and interest revenue of $512 in the Cemetery special revenue fund, and recognized lease revenue of $11,684 and interest revenue of $6,256 in the Water enterprise fund related to lease payments received. A description of the City's lease arrangements is as follows:

House and Land Leases - The City has entered into various lease agreements for house rental and land useage with multiple companies at varying years and terms as follows:

Company	Lease Commencement Date	Years	Lease Ending Date	Payment Method
RG Communications	2019	75	2094	Quarterly
St. John Lutheran Church	2020	4	2024	Monthly
T-Mobile	2022	11	2032	Monthly
Wabash Mutual Telephone	2021	5	2025	Monthly

NOTE 7 - RECEIVABLES (continued)

A summary of future lease revenue is as follows:

	Governmental		Water	
Year	Principal	Interest	Principal	Interest
2023	$5,904	$3,896	$14,530	$5,791
2024	3,140	3,660	15,058	5,262
2025	186	3,614	17,339	4,714
2026	194	3,606	14,140	4,111
2027	203	3,597	14,638	3,613
2028-2032	1,156	17,844	96,219	8,720
2033-2037	1,437	17,563	0	0
2038-2042	1,787	17,213	0	0
2043-2047	2,221	16,779	0	0
2048-2052	2,761	16,239	0	0
2053-2057	3,432	15,568	0	0
2058-2062	4,266	14,734	0	0
2063-2067	5,303	13,697	0	0
2068-2072	6,592	12,408	0	0
2073-2077	8,194	10,806	0	0
2078-2082	10,185	8,815	0	0
2083-2087	12,660	6,340	0	0
2088-2092	15,737	3,263	0	0
2093-2094	6,368	283	0	0
	$91,726	$189,925	$171,924	$32,211

NOTE 8 - MUNICIPAL INCOME TAXES

The City levies and collects an income tax of 1.5 percent based on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the 1 percent of the tax owed. There is no credit allowed on the additional .5 percent tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Of the total income tax collected, 1 percent is credited to the General Fund and .5 percent is credited to the Additional Income Tax special revenue fund and used to fund operations of the police and fire departments as well as for various public right-of-way improvements. The additional .5 percent began collections on January 1, 2016, and will be collected for a period of seven years. On May 2, 2022, voters approved to renew the additional .5 percent tax for another seven years beginning January 1, 2023 and ending December 31, 2029.

NOTE 9 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2022 represent the collection of 2021 taxes. Real property taxes received in 2022 were levied after October 1, 2021, on the assessed values as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utiity property tax revenues received in 2022 represent the collection of 2021 taxes. Public utility real and tangible personal property taxes received in 2022 became a lien on December 31, 2020, were levied after October 1, 2021, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2022, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2022 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The full tax rate for all City operations for the year ended December 31, 2022, was $2.30 per $1,000 of assessed value. The assessed values of real and public utility property upon which 2022 property tax receipts were based are as follows:

Category	Amount
Real Property	
Residential/Agricultural	$160,036,350
Commercial/Industrial	35,720,210
Public Utility Property	
Real	22,860
Personal	770,180
Total Assessed Value	$196,549,600

NOTE 10 - PAYMENT IN LIEU OF TAXES

According to State law, the City has established several tax incremental financing districts within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been exempted. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may, therefore, spread the costs of the improvements to a larger number of property owners.

NOTE 11 - CAPITAL ASSETS

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

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022
Governmental Activities				
Nondepreciable Capital Assets				
Land	$5,707,593	$0	$0	$5,707,593
Land Improvements	8,189,378	0	(228,162)	7,961,216
Construction in Progress	290,774	5,139,664	(2,936,309)	2,494,129
Total Nondepreciable Capital Assets	14,187,745	5,139,664	(3,164,471)	16,162,938
Depreciable Capital Assets				
Land Improvements	4,159,977	150,629	0	4,310,606
Buildings	4,333,223	214,495	0	4,547,718
Improvements Other than Buildings	1,430,760	0	0	1,430,760
Streets	20,576,031	3,718,556	(1,066,688)	23,227,899
Furniture and Equipment	1,885,153	91,561	(57,187)	1,919,527
Vehicles	5,957,644	164,606	(9,000)	6,113,250
Total Depreciable Capital Assets	38,342,788	4,339,847	(1,132,875)	41,549,760
Less Accumulated Depreciation for				
Land Improvements	(1,092,768)	(165,336)	0	(1,258,104)
Buildings	(809,910)	(128,296)	0	(938,206)
Improvements Other than Buildings	(1,186,837)	(40,304)	0	(1,227,141)
Streets	(12,059,277)	(1,188,486)	1,031,816	(12,215,947)
Furniture and Equipment	(913,346)	(156,493)	56,408	(1,013,431)
Vehicles	(2,818,226)	(377,276)	3,150	(3,192,352)
Total Accumulated Depreciation	(18,880,364)	(2,056,191)	1,091,374	(19,845,181)
Total Depreciable Capital Assets, Net	19,462,424	2,283,656	(41,501)	21,704,579
Governmental Activities Capital Assets, Net	$33,650,169	$7,423,320	($3,205,972)	$37,867,517

NOTE 11 - CAPITAL ASSETS (continued)

During 2022, governmental activities received a donation of capital assets, in the amount of $22,500, from outside sources.

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022
Business-Type Activities				
Nondepreciable Capital Assets				
Land	$368,946	$0	$0	$368,946
Construction in Progress	202,985	2,163,422	0	2,366,407
Total Nondepreciable Capital Assets	571,931	2,163,422	0	2,735,353
Depreciable Capital Assets				
Land Improvements	230,099	0	0	230,099
Buildings	37,081,235	381,373	0	37,462,608
Electric, Water, Sewer, and Stormwater Lines	46,684,669	561,054	(87,119)	47,158,604
Furniture and Equipment	1,190,703	182,932	(11,534)	1,362,101
Vehicles	3,968,112	213,648	0	4,181,760
Intangible Right to Use - Equipment	0	116,638	0	116,638
Total Depreciable Capital Assets	89,154,818	1,455,645	(98,653)	90,511,810
Less Accumulated Depreciation for				
Land Improvements	(143,986)	(11,308)	0	(155,294)
Buildings	(14,537,888)	(1,043,001)	0	(15,580,889)
Electric, Water, Sewer, and Stormwater Lines	(23,535,290)	(1,222,369)	87,119	(24,670,540)
Furniture and Equipment	(752,837)	(98,419)	9,850	(841,406)
Vehicles	(1,792,351)	(233,125)	0	(2,025,476)
Intangible Right to Use- Equipment	0	(11,664)	0	(11,664)
Total Accumulated Depreciation	(40,762,352)	(2,619,886)	96,969	(43,285,269)
Total Depreciable Capital Assets, Net	48,392,466	(1,164,241)	(1,684)	47,226,541
Business-Type Activities Capital Assets, Net	$48,964,397	$999,181	($1,684)	$49,961,894

The value of all right to use lease assets at the end of 2022 was $104,974 with an accumulated amortization of $11,664.

During 2022, the Stormwater enterprise fund accepted a contribution of capital assets from other governments, in the amount of $157,177.

NOTE 11 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property	$388,055
Leisure Time Activities	331,158
Basic Utility Services	1,994
Transportation	1,281,294
General Government	53,690
Total Depreciation Expense - Governmental Activities	$2,056,191

NOTE 12 - INTERFUND RECEIVABLES/PAYABLES

At December 31, 2022, the General Fund had an interfund receivable, in the amount of $77,766; $27,290 from providing cash flow resources to other governmental funds and $50,476 from the Electric enterprise fund for the City's portion of the kilowatt hour tax. The entire amount is expected to be repaid within one year.

The Electric enterprise fund had an interfund receivable, in the amount of $40,523, for services provided by the Electric enterprise fund, in the amount of $139 to the other governmental funds, in the amount of $25,041 to the Water enterprise fund, and in the amount of $15,343 to the Sewer enterprise fund. The Water enterprise fund had an interfund receivable, in the amount of $10,434, for services provided by the Water enterprise fund to the Electric enterprise fund. The entire amount is expected to be repaid within one year.

NOTE 13 - RISK MANAGEMENT

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the City contracted with the Ohio Plan Risk Management, an insurance purchasing pool, for the following coverage:

Type of Coverage	Coverage	Deductible
Property (building and contents)	$71,590,338	$2,500 - $10,000
General Liability - Aggregate	8,000,000	0
Public Official Liability - Aggregate	8,000,000	5,000
Law Enforcement Liability - Aggregate	8,000,000	5,000
Employee Benefits Liability - Aggregate	8,000,000	0
Automobile Liability	6,000,000	0

NOTE 13 - RISK MANAGEMENT (continued)

There has been no significant reduction in insurance coverage from 2021 and no insurance settlement has exceeded insurance coverage during the last three years.

Each participant of Ohio Plan Risk Management enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant. The firm of Hylant Administrative Services provides administrative, cost control, and actuarial services to the Plan.

B. Employee Medical Benefits

The City currently uses Medical Mutual for health insurance, Eye Med for vision insurance, and Superior Dental Care for dental insurance.

C. Workers' Compensation

For 2022, the City participated in the Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program (Program), an insurance purchasing pool. The intent of the Program is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the Program. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Program. Each participant pays its workers' compensation premium to the State based on the rate for the Program rather than its individual rate.

Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Program. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity redistribution" arrangement ensures that each participant shares equally in the overall performance of the Program. Participation in the Program is limited to participants that can meet the Program's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the Program.

NOTE 14 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The City has several outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2022:

Vendor	Outstanding Balance
Access Engineering	$188,500
Acron Builders	1,645,730
Altec Industries	180,101
Birmingham Control Systems	92,990
Bob Ross Buick GMC, Inc.	33,292
Buckeye Power Sales Co.	29,560
Core & Main LP	27,533
EJ Prescott	98,048
Hi-Tech Electrical Contractors	283,415
Hohenbrink Excavating	1,650,579
PAB Construction	1,175,817
Path Master Inc.	73,295
Reed Power Supply	157,116
Rovisys	78,760
Schreiber-A-Parkson Corp	319,543
Shinn Bro Inc.	1,554,000
T&R Electric Supply	159,470

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2023 are as follows:

General Fund	$32,668
Street Improvement	2,011,052
American Rescue Plan	755,605
Total	$2,799,325

NOTE 15 - ASSET RETIREMENT OBLIGATION

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their waste water treatment facilities. Any ARO associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

NOTE 16 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset) /Net OPEB Liability (Asset)

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

The net pension/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) calculations are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

The proportionate share of each plan's unfunded benefits is presented as a net pension/OPEB asset or a long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable.* The remainder of this note includes the required pension disclosures. See Note 17 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. 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 Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 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
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

	State and Local	Public Safety	Law Enforcement
2022 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2022 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
** This rate is determined by OPERS' Board and has no maximum rate established by ORC.
*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2022, the City's contractually required contribution was $569,002 for the traditional plan, $13 for the combined plan and $9,876 for the member-directed plan. Of these amounts, $67,469 is reported as an intergovernmental payable for the traditional plan, $0 for the combined plan, and $1,170 for the member-directed plan.

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.

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

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

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

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

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

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was $526,224 for 2022. Of this amount, $64,300 is reported as an intergovernmental payable.

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability (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 of the City's defined benefit pension plans:

	Traditional Plan	Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.02878100%	0.00001500%	0.09354180%	
Prior Measurement Date	0.02685600%	0.01333100%	0.08945610%	
Change in Proportionate Share	0.00192500%	-0.01331600%	0.00408570%	
Proportionate Share of the:				
Net Pension Liability	$2,504,062	$0	$5,843,951	$8,348,013
Net Pension Asset	0	$59	0	$59
Pension Expense	($257,028)	$4,862	$379,131	$126,965

2022 pension expense for the member-directed defined contribution plan was $9,876. The aggregate pension expense for all pension plans was $136,841 for 2022.

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$127,653	$0	$168,505	$296,158
Changes of assumptions	313,131	3	1,068,024	1,381,158
Changes in proportion and differences between City contributions and proportionate share of contributions	238,201	32,710	287,455	558,366
City contributions subsequent to the measurement date	569,002	13	526,224	1,095,239
Total Deferred Outflows of Resources	$1,247,987	$32,726	$2,050,208	$3,330,921
Deferred Inflows of Resources				
Differences between expected and actual experience	$54,920	$6	$303,805	$358,731
Net difference between projected and actual earnings on pension plan investments	2,978,493	12	1,532,193	4,510,698
Changes in proportion and differences between City contributions and proportionate share of contributions	4,543	0	226,493	231,036
Total Deferred Inflows of Resources	$3,037,956	$18	$2,062,491	$5,100,465

$1,095,239 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 or increase to the net pension asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2023	($228,607)	$4,863	$7,792	($215,952)
2024	(956,190)	4,860	(425,891)	(1,377,221)
2025	(700,364)	4,861	(171,164)	(866,667)
2026	(473,810)	4,862	(96,829)	(565,777)
2027	0	4,672	147,585	152,257
Thereafter	0	8,577	0	8,577
Total	($2,358,971)	$32,695	($538,507)	($2,864,783)

Actuarial Assumptions - OPERS

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

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

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2022, then 2.05 percent, simple	3.0 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	0.5 percent, simple through 2021, then 2.15 percent, simple	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	$6,602,074	$2,504,062	($906,026)
OPERS Combined Plan	($44)	($59)	($71)

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - OP&F

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

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple per year

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

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

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

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

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

Note: Assumptions are geometric.
* levered 2x

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

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate - For 2021, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	$8,666,497	$5,843,951	$3,493,466

NOTE 17 - DEFINED BENEFIT OPEB PLANS

See Note 16 for a description of the net OPEB liability (asset).

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.

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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

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

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

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

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

NOTE 17 - 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 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $3,951 for 2022. Of this amount, $468 is reported as an intergovernmental payable.

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.

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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

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

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

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

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

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

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

The City's contractually required contribution to OP&F was $12,387 for 2022. Of this amount, $1,512 is reported as an intergovernmental payable.

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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

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

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.02735900%	0.09354180%	
Prior Measurement Date	0.02584800%	0.08945610%	
Change in Proportionate Share	0.00151100%	0.00408570%	
Proportionate Share of the:			
Net OPEB Liability	$0	$1,025,298	$1,025,298
Net OPEB Asset	$856,926	$0	$856,926
OPEB Expense	($735,827)	$107,686	($628,141)

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

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$0	$46,642	$46,642
Changes of assumptions	0	453,829	453,829
Changes in proportion and differences between City contributions and proportionate share of contributions	25,422	107,675	133,097
City contributions subsequent to the measurement date	3,951	12,387	16,338
Total Deferred Outflows of Resources	$29,373	$620,533	$649,906
Deferred Inflows of Resources			
Differences between expected and actual experience	$129,983	$135,508	$265,491
Changes of assumptions	346,873	119,082	465,955
Net difference between projected and actual earnings on OPEB plan investments	408,522	92,619	501,141
Changes in proportion and differences between City contributions and proportionate share of contributions	3,078	29,754	32,832
Total Deferred Inflows of Resources	$888,456	$376,963	$1,265,419

$16,338 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 or an increase in the net OPEB asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2023	($533,960)	$66,039	($467,921)
2024	(181,144)	52,289	(128,855)
2025	(89,259)	54,344	(34,915)
2026	(58,671)	9,042	(49,629)
2027	0	22,424	22,424
Thereafter	0	27,045	27,045
Total	($863,034)	$231,183	($631,851)

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

Actuarial Assumptions - OPERS

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

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

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2034	8.5 percent, initial 3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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

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

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

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00%	3.45%

Discount Rate - A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB asset	$503,953	$856,926	$1,149,899

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	$866,186	$856,926	$845,940

Actuarial Assumptions - OP&F

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

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

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

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	2.84 percent
Prior measurement date	2.96 percent
Cost of Living Adjustments	2.2 percent simple per year

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

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

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

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

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

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

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 16.

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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

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

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	$1,288,823	$1,025,298	$808,681

NOTE 18 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. City employees earn and accumulate vacation at varying rates depending on length of service. Current policy credits vacation leave on the employee's anniversary date. Employees are paid for 100 percent of earned unused vacation leave upon termination.

Sick leave is earned at various rates as defined by City policy and union contracts. Upon retirement, employees are entitled to the value of their accumulated unused sick leave at varying percentages to a maximum of eighty to one hundred twenty days based on City policy and union contracts.

NOTE 19 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2022, was as follows:

	Interest Rate	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Governmental Activities						
General Obligation Bonds						
2010 Various Purpose	2 - 4%	$270,000	$0	$50,000	$220,000	$50,000
General Obligation Bonds from Direct Placements						
Bryson Park Phase Three	4.10	330,000	0	110,000	220,000	110,000
Total General Obligation Bonds		600,000	0	160,000	440,000	160,000
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employees Retirement System		1,550,946	0	574,362	976,584	0
Ohio Police and Fire Pension Fund		6,098,303	0	254,352	5,843,951	0
Total Net Pension Liability		7,649,249	0	828,714	6,820,535	0
Net OPEB Liability						
Ohio Police and Fire Pension Fund		947,803	77,495	0	1,025,298	0
OPWC Loan Payable from Direct Borrowings	0	68,733	0	6,873	61,860	6,873
Finance Purchases	4.74	57,670	0	57,670	0	0
Compensated Absences Payable		393,706	126,336	97,194	422,848	165,887
Total Other Long-Term Obligations		9,117,161	203,831	990,451	8,330,541	172,760
Total Governmental Activities		$9,717,161	$203,831	$1,150,451	$8,770,541	$332,760

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Business-Type Activities						
General Obligation Bonds						
2010 Various Purpose	2 - 4%	$190,000	0	$20,000	$170,000	$20,000
Mortgage Revenue Bonds						
2011 Wastewater Refunding	2 - 3.4	775,000	0	145,000	630,000	150,000
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employees Retirement System		2,425,843	0	898,365	1,527,478	0
OPWC Loan Payable from Direct Borrowings	0	84,568	0	24,162	60,406	24,162
OWDA Loans Payable from Direct Borrowings	3.25-4.99	4,463,380	0	466,968	3,996,412	478,414
Lease Payable	4.2	0	116,638	31,018	85,620	27,352
Compensated Absences Payable		215,112	38,362	12,278	241,196	96,955
Total Other Long-Term Obligations		7,188,903	155,000	1,432,791	5,911,112	626,883
Total Business-Type Activities		$8,153,903	$155,000	$1,597,791	$6,711,112	$796,883

Governmental Activities General Obligation Bonds

In 2010, the City issued general obligation bonds, in the original amount of $2,830,000, to retire bond anticipation notes issued for recreational, street, water, sewer, and stormwater improvements. These bonds will fully mature in 2030. The bonds will be paid with transfers from the Tax Incremental Financing capital projects fund and the Water enterprise fund.

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2022 through 2023 (with the balance of $50,000 to be paid at stated maturity on December 1, 2024), at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2023	50,000

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2025 through 2029 (with the balance of $15,000 to be paid at stated maturity on December 1, 2030), at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2025	$55,000
2026	10,000
2027	10,000
2028	15,000
2029	15,000

The bonds maturing on or after December 1, 2024, are subject to prior redemption, by and at the sole option of the City, either in whole or in part, on any date on or after December 1, 2020, at par plus accrued interest to the redemption date.

In 2019, the City issued general obligation bonds through a direct placement, in the amount of $550,000, for improvements to Bryson Park. The bonds will mature on March 8, 2024. The bonds will be paid from the Tax Incremental Financing capital projects fund. At December 31, 2022, the City had $12,738 in unspent proceeds.

The bonds maturing on March 8, 2024, are subject to mandatory sinking fund redemption, in part by lot, on March 8, in each of the years 2022 through 2023 (with the balance of $110,000 to be paid at stated maturity on March 8, 2024), at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2023	110,000

OPWC Loan Payable

On August 11, 2011, the City obtained an interest free loan from a direct borrowing from the Ohio Public Works Commission, in the original amount of $137,465, for the construction of Buckeye Street. The loan was issued for a twenty year period, with final maturity in 2031. The loan is to be repaid from the Tax Incremental Financing capital projects fund.

In the event of default on the loan, (1) OPWC may apply late fees of 8 percent per year, (2) loans more than sixty days late will be turned over to the Attorney General's office for collection and, as provided by law, OPWC may require that the payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amount shall, at OPWC's option, become immediately due and payable.

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

Business-Type Activities General Obligation Bonds

The general obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment to the extent resources are not available from the applicable enterprise fund to make principal and interest payments. The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

In 2010, the City issued general obligation bonds, in the original amount of $500,000, to retire bond anticipation notes issued for water improvements. These bonds will fully mature in 2030. The bonds will be paid from the Water enterprise fund.

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2022 through 2023 (with the balance of $20,000 to be paid at stated maturity on December 1, 2024), at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2023	20,000

The bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2025 through 2029 (with the balance of $25,000 to be paid at stated maturity on December 1, 2030), at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2025	$20,000
2026	20,000
2027	20,000
2028	20,000
2029	25,000

The bonds maturing on or after December 1, 2024, are subject to prior redemption, by and at the sole option of the City, either in whole or in part, on any date on or after December 1, 2020, at par plus accrued interest to the redemption date.

Mortgage Revenue Bonds

Mortgage revenue bonds are special obligations of the City secured by a mortgage upon the assets of the sewer system. The bonds are payable solely from the gross revenues of the system after provisions for reasonable operation and maintenance expenses.

In 2011, the City issued $3,140,000 in Wastewater Refunding bonds to currently refund 1999 Wastewater Refunding bonds and to provide funds to make various improvements to the City's wastewater system. The refunded bonds were fully retired in 2011.

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

The bond indentures have certain restrictive covenants and principally require that bond reserves be maintained and charges for services to customers be sufficient to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal, and maintenance of properties.

Fund assets, whose use are restricted under the bond indenture to improvement and replacement and debt service requirements are presented as restricted assets on the statement of fund net position. These assets are further segregated between those held by the City and those held by the trustee. Restricted assets relating to the mortgage revenue bond issue were as follows as of December 31, 2022:

	Restricted Assets
	Wastewater Refunding
Restricted Assets held by the City for:	
Revenue Bond Operations and Maintenance	$359,141
Restricted Assets held by Fiscal Agent for:	
Revenue Bond Future Debt Service	174,335

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2023 and 2024, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2023	$150,000
2024	155,000

The bonds maturing on December 1, 2026, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2025 and 2026, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2025	$160,000
2026	165,000

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

The mortgage revenue bonds will be paid solely from the revenues of the Sewer enterprise fund. Annual principal and interest payments on the bonds are expected to require less than 100 percent of these net revenues in future years. The total principal and interest remaining to be paid on the mortgage revenue bonds are $630,000 and $53,251 respectively. Principal and interest for the current year and total net revenues were $169,645 and $1,137,494, respectively.

OPWC Loan Payable

On August 26, 2002, the City obtained an interest free loan from a direct borrowing from the Ohio Public Works Commission, in the amount of $483,243, for the construction of a 1.5 million gallon water tower and the installation of a twenty inch water line. The loan is to be repaid from the Water enterprise fund.

In the event of default on the loan, (1) OPWC may apply late fees of 8 percent per year, (2) loans more than sixty days late will be turned over to the Attorney General's office for collection and, as provided by law, OPWC may require that the payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amount shall, at OPWC's option, become immediately due and payable.

The OPWC loan will be paid solely from the net revenues of the Water enterprise fund. Annual principal payments on the loan are expected to require less than 100 percent of these net revenues in future years. The total principal remaining on the OPWC loan is $60,406. Principal for the current year and total net revenues were $24,162, and $949,416, respectively.

OWDA Loans Payable

On April 11, 2005, the City obtained a loan from a direct borrowing from the Ohio Water Development Authority, in the amount of $1,878,426, for the design of the granular activated carbon process. On August 13, 2007, the City increased this loan to include the construction of the granular activated carbon process system. The total loan amount was $8,542,544.

On June 25, 2015, the City obtained a loan from a direct borrowing from the Ohio Water Development Authority, for the construction of an industrial park water tower. The total amount of the loan was $2,351,631.

In the event of default on the loans, (1) the amount of the default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within thirty days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to OWDA, and (3) for each additional thirty days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

The OWDA loans are to be repaid from the net revenues of the Water enterprise fund. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues in future years. The total principal and interest remaining on the OWDA loans are $3,996,412 and $235,921, respectively. Principal and interest for the current year and total net revenues were $545,358 and $949,416, respectively.

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

Financed Purchases

On April 19, 2019, the City entered in a financed purchase agreement for the purchase of equipment, in the amount of $224,709 for governmental activities. The agreement has an interest rate of 4.74 percent. The City is paying the loans in equal annual payments over a four year period from the Street Construction, Maintenance, and Repair and State Highway special revenue funds. The finance purchase was fully retired during 2022.

Leases

The City has an outstanding agreement to lease equipment. On August 22, 2022, the City entered into lease agreement for the use of equipment, in the amount of $116,638 for business type activities. The agreement has an interest rate of 4.2 percent. The City is paying the lease in equal annual payments over a four year period.

Due to the implementation of GASB 87, this lease has met the criterial of leases thus requiring them to be recorded by the City. The future lease payments were discounted based on the interest rate implicit in the lease or using the City's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest
2023	$27,352	$3,666
2024	28,523	2,495
2025	29,745	1,274
	$85,620	$7,435

Net Pension/OPEB Liability

There is no repayment schedule for the net pension/OPEB liability; however, employer pension contributions are paid from the General Fund, the Police Pension and Fire Pension special revenue funds, and the Electric, Water, and Sewer enterprise funds. For additional information related to the net pension/OPEB liability, see Notes 16 and 17 to the basic financial statements.

Compensated Absences Payable

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. These funds are the General Fund, the Street Construction, Maintenance and Repair and the Parks and Recreation special revenue funds, and the Electric, Water, and Sewer enterprise funds.

The City's legal debt margin was $20,135,848 at December 31, 2022.

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

The following is a summary of the City's future annual debt service requirements for governmental activities:

	Governmental Activities				
			From Direct Placements		From Direct Borrowings
	General Obligation Bonds		General Obligation Bonds		OPWC Loan
Year	Principal	Interest	Principal	Interest	Principal
2023	$50,000	$8,300	$110,000	$6,840	$6,873
2024	50,000	6,550	110,000	2,280	6,873
2025	55,000	4,800	0	0	6,873
2026	10,000	2,600	0	0	6,873
2027	10,000	2,200	0	0	6,873
2028-2031	45,000	3,600	0	0	27,495
Total	$220,000	$28,050	$220,000	$9,120	$61,860

The City's future annual debt service requirements, including mandatory sinking fund requirements, payable from the business-type activities are as follows:

	2010 Various Purpose General Obligation Bonds		Wastewater Refunding Mortgage Revenue Bonds	
Year	Principal	Interest	Principal	Interest
2023	$20,000	$6,600	$150,000	$20,658
2024	20,000	5,900	155,000	15,933
2025	20,000	5,200	160,000	11,050
2026	20,000	4,400	165,000	5,610
2027	20,000	3,600	0	0
2028-2030	70,000	5,800	0	0
	$170,000	$31,500	$630,000	$53,251

	From Direct Borrowings		
	OPWC Loan	OWDA Loans	
Year	Principal	Principal	Interest
2023	$24,162	$478,414	$67,824
2024	24,162	490,236	56,911
2025	12,082	502,445	45,641
2026	0	515,055	34,001
2027	0	528,078	21,980
2028-2032	0	1,011,853	9,564
2033-2036	0	470,331	0
	$60,406	$3,996,412	$235,921

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 the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

Fund Balance	General	Additional Income Tax Levy	American Rescue Plan	GO Debt Service	Street Improvement
Nonspendable for:					
Prepaid Items	$88,355	$0	$0	$0	$0
Materials and Supplies Inventory	17,158	0	0	0	0
Unclaimed Monies	35,665	0	0	0	0
Total Nonspendable	141,178	0	0	0	0
Restricted for:					
Police and Fire Operations and Street Construction and Maintenance	0	2,228,337	0	0	0
Debt Retirement	0	0	0	32,607	0
Total Restricted	0	2,228,337	0	32,607	0
Committed to:					
Economic Development	300,000	0	0	0	0
Street Construction and Maintenance	0	0	0	0	4,523,748
Total Committed	300,000	0	0	0	4,523,748
Assigned for:					
Wellness Program	105,357	0	0	0	0
Unpaid Obligations	17,845	0	0	0	0
Total Assigned	123,202	0	0	0	0
Unassigned	2,742,594	0	(5,782)	0	0
Total Fund Balance	$3,306,974	$2,228,337	($5,782)	$32,607	$4,523,748

NOTE 20 - FUND BALANCE (continued)

Fund Balance	Tax Incremental Financing	Other Governmental	Total Governmental Funds
Nonspendable for:			
Prepaid Items	$0	$0	$88,355
Materials and Supplies			
Inventory	0	42,434	59,592
Unclaimed Monies	0	0	35,665
Cemetery	0	250,000	250,000
Total Nonspendable	0	292,434	433,612
Restricted for:			
Street Construction			
and Maintenance	4,370,594	1,481,610	5,852,204
Capital Improvements	0	340,146	340,146
Cemetery	0	12,182	12,182
Economic Development			0
and Rehabilitation	0	140,322	140,322
Police and Fire Operations	0	43,970	43,970
Police and Fire Operations			
and Steet Construction			
and Maintenance	0	0	2,228,337
Drug Enforcement	0	14,372	14,372
Court Operations	0	1,014,610	1,014,610
Recreation	0	18	18
Debt Retirement	0	0	32,607
Opioid Settlement	0	1,432	1,432
Total Restricted	4,370,594	3,048,662	9,680,200
Committed to:			
Economic Development	0	0	300,000
Police and Fire Operations	0	866,095	866,095
Recreation	0	94,881	94,881
Street Construction			
and Maintenance	0	0	4,523,748
Total Committed	0	960,976	5,784,724
Assigned for:			
Wellness Program	0	0	105,357
Unpaid Obligations	0	0	17,845
Total Assigned	0	0	123,202
Unassigned	0	(92,934)	2,643,878
Total Fund Balance	$4,370,594	$4,209,138	$18,665,616

NOTE 21 - INTERNAL BALANCES AND TRANSFERS

The City uses an internal proportionate share to allocate its net pension/OPEB liability (asset) and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the government-wide statement of net position thus allowing the total column to present the change in proportionate share for the City as a whole.

Eliminations made in the business-type activities column related to pension include deferred outflows of resources and deferred inflows of resources, in the amount of $1,864.

Eliminations made in the business-type activities column related to OPEB include deferred outflows of resources and deferred inflows of resources, in the amount of $1,169.

Eliminations made in the total column of the government-wide statement of net position related to pension include deferred outflows of resources and deferred inflows of resources, in the amount of $22,221.

Eliminations made in the total column of the government-wide statement of net position related to OPEB include deferred outflows of resources and deferred inflows of resources, in the amount of $15,107.

During 2022, the General Fund made transfers to the Tax Increment Financing Fund and other governmental funds, in the amount of $6,873 and $958,430, respectively, to move receipts as debt payments became due and to subsidize various programs in other funds. The Tax Increment Financing Fund made transfers to the GO Debt Service debt service fund and the Water enterprise fund, in the amounts of $121,425 and $117,582, respectively, to move receipts as debt payments became due.

NOTE 22 - JOINTLY GOVERNED ORGANIZATIONS

A. Mercer County Community Improvement Corporation

The Mercer County Community Improvement Corporation (Corporation) was designated as an agency of Mercer County for industrial, commercial, distribution, and research development in Mercer County. The seventeen members of the Corporation consist of representatives from the County, the City, and villages within the county, along with additional appointments as established by the bylaws. The Corporation received land in 2013 from the City of Celina, with a value of $18,300, for the benefit of a company. The Corporation adopts its own budget, authorizes expenditures, hires and fires staff, and currently relies on Mercer County to finance deficits. Financial information can be obtained from the Mercer County Community and Economic Development, Courthouse, Celina, Ohio 45822.

NOTE 22 - JOINTLY GOVERNED ORGANIZATIONS (continued)

B. Mercer County Planning Commission

The City participates in the Mercer County Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Mercer County, and the municipalities and townships within the County. The Commission makes studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services within the County. Financial information can be obtained from the Mercer County Auditor, Courthouse, Celina, Ohio 45822.

NOTE 23 - INSURANCE PURCHASING POOLS

A. Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program

The City is a participant in the Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program (Program), an insurance purchasing pool. The Program's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance officers, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as coordinator of the Program. Each year, the participants pay an enrollment fee to the Program to cover the costs of administering the program.

B. Ohio Plan Risk Management

The City participates in the Ohio Plan Risk Management (Plan), an insurance purchasing pool consisting of various entities in the State of Ohio. The intent of the Plan is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the Plan. Membership in the Plan is by written application subject to the approval of the Plan Manager. Financial information may be obtained from the Ohio Plan Risk Management, 811 Madison Avenue, 11th Floor, P.O. Box 2083, Toledo, Ohio 43603-2083.

NOTE 24 - CONTINGENT LIABILITIES

A. Litigation

There are currently no matters in litigation with the City as defendant.

B. Federal and State Grants

For the period January 1, 2022, to December 31, 2022, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

NOTE 25 - SUBSEQUENT EVENTS

On January 24, 2023, the City issued a promissory note to American Municipal Power, Inc., in the amount of $2,080,000, in anticipation of AMP Electric System Improvement Bond Anticipation Notes for an electric system project. The note has an interest rate of 4.375 percent and matures on January 23, 2024.

On March 13, 2023, the City approved retiring the outstanding principal amount of the Wastewater System revenue refunding and improvement bonds, series 2011, in the amount of $630,000.

NOTE 26 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended April 2023. During 2022, the City received COVID-19 funding. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines. The financial impact and continuing recovery measures may impact subsequent periods of the City.

City of Celina
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional
Last Nine Years (1)

	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.02878100%	0.02685600%	0.02695400%	0.02683200%
City's Proportionate Share of the Net Pension Liability	$2,504,062	$3,976,789	$5,327,641	$7,348,741
City's Covered Payroll	$4,149,071	$3,782,507	$3,791,721	$3,619,200
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	60.35%	105.14%	140.51%	203.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

See Accompanying Notes to the Required Supplementary Information

2018	2017	2016	2015	2014
0.02621500%	0.02574400%	0.02613500%	0.02644500%	0.02644500%
$4,112,626	$5,846,025	$4,526,912	$3,189,562	$3,117,521
$3,464,223	$3,327,958	$3,252,764	$3,242,133	$3,119,438
118.72%	175.66%	139.17%	98.38%	99.94%
84.66%	77.25%	81.08%	86.45%	86.36%

City of Celina
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Asset
Ohio Public Employees Retirement System - Combined
Last Five Years (1)

	2022	2021	2020	2019
City's Proportion of the Net Pension Asset	0.00001500%	0.01333100%	0.01404000%	0.02081200%
City's Proportionate Share of the Net Pension Asset	$59	$38,482	$29,277	$23,273
City's Covered Payroll	$71	$58,750	$62,500	$88,857
City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	83.10%	65.50%	46.84%	26.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	169.88%	157.67%	145.28%	126.64%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

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

See Accompanying Notes to the Required Supplementary Information

2018
0.02287000%
$31,135
$93,662
33.24%
137.28%

City of Celina
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Nine Years (1)

	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.09354180%	0.08945610%	0.09308470%	0.09520500%
City's Proportionate Share of the Net Pension Liability	$5,843,951	$6,098,303	$6,270,683	$7,771,244
City's Covered Payroll	$2,362,829	$2,155,056	$2,195,308	$2,108,561
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	247.33%	282.98%	285.64%	368.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%	70.65%	69.89%	63.07%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

See Accompanying Notes to the Required Supplementary Information

2018	2017	2016	2015	2014
0.09417900%	0.09086300%	0.09427600%	0.09363010%	0.09363010%
$5,780,190	$5,755,171	$6,064,840	$4,850,430	$4,560,080
$2,048,843	$1,929,038	$1,888,076	$1,832,511	$2,122,212
282.12%	298.34%	321.22%	264.69%	214.87%
70.91%	68.36%	66.77%	71.71%	73.00%

City of Celina
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)
Ohio Public Employees Retirement System
Last Six Years (1)

	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability (Asset)	0.02735900%	0.02584800%	0.02594200%	0.02612700%
City's Proportionate Share of the Net OPEB Liability (Asset)	($856,926)	($460,504)	$3,583,264	$3,406,343
City's Covered Payroll	$4,238,492	$3,909,157	$3,918,596	$3,784,107
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-20.22%	-11.78%	91.44%	90.02%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See Accompanying Notes to the Required Supplementary Information

2018	2017
0.03686000%	0.02525000%
$4,002,725	$2,550,336
$3,614,810	$3,489,416
110.73%	73.09%
54.14%	54.04%

City of Celina
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Six Years (1)

	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability	0.09354180%	0.08945610%	0.09308470%	0.09520500%
City's Proportionate Share of the Net OPEB Liability	$1,025,298	$947,803	$919,466	$866,987
City's Covered Payroll	$2,362,829	$2,155,056	$2,195,308	$2,108,561
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	43.39%	43.98%	41.88%	41.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.90%	45.40%	47.08%	46.57%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See Accompanying Notes to the Required Supplementary Information

2018	2017
0.09417900%	0.09086300%
$5,336,050	$4,313,062
$2,048,843	$1,929,038
260.44%	223.59%
14.13%	15.96%

City of Celina
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Ten Years (1)

	2022	2021	2020	2019
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	$569,002	$580,870	$529,551	$530,841
Contributions in Relation to the Contractually Required Contribution	(569,002)	(580,870)	(529,551)	(530,841)
Contribution Deficiency (Excess)	$0	$0	$0	$0
City Covered Payroll	$4,064,300	$4,149,071	$3,782,507	$3,791,721
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net Pension Asset - Combined Plan				
Contractually Required Contribution	$13	$10	$8,225	$8,750
Contributions in Relation to the Contractually Required Contribution	(13)	(10)	(8,225)	(8,750)
Contribution Deficiency (Excess)	$0	$0	$0	$0
City Covered Payroll	$93	$71	$58,750	$62,500
Pension Contributions as a Percentage of Covered Payroll	13.98%	14.08%	14.00%	14.00%
Net OPEB Liability - OPEB Plan (1)				
Contractually Required Contribution	$3,951	$3,574	$2,716	$2,575
Contributions in Relation to the Contractually Required Contribution	(3,951)	(3,574)	(2,716)	(2,575)
Contribution Deficiency (Excess)	$0	$0	$0	$0
City Covered Payroll (2)	$4,163,168	$4,238,492	$3,909,157	$3,918,596
OPEB Contributions as a Percentage of Covered Payroll	0.04%	0.04%	0.04%	0.04%

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

See Accompanying Notes to the Required Supplementary Information

2018	2017	2016	2015	2014	2013
$506,688	$450,349	$399,355	$390,331	$389,056	$405,527
(506,688)	(450,349)	(399,355)	(390,331)	(389,056)	(405,527)
$0	$0	$0	$0	$0	$0
$3,619,200	$3,464,223	$3,327,958	$3,252,764	$3,242,133	$3,119,438
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
$12,440	$12,176	$12,970	$8,867	$8,451	$7,883
(12,440)	(12,176)	(12,970)	(8,867)	(8,451)	(7,883)
$0	$0	$0	$0	$0	$0
$88,857	$93,662	$108,083	$73,892	$70,425	$60,638
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
$3,042	$37,856	$70,856			
(3,042)	(37,856)	(70,856)			
$0	$0	$0			
$3,784,107	$3,614,810	$3,489,416			
0.04%	1.02%	2.04%			

City of Celina
Required Supplementary Information
Schedule of the City's Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	2022	2021	2020	2019
Net Pension Liability				
Contractually Required Contribution	$526,224	$504,919	$461,636	$467,776
Contributions in Relation to the Contractually Required Contribution	(526,224)	(504,919)	(461,636)	(467,776)
Contribution Deficiency (Excess)	$0	$0	$0	$0
City Covered Payroll	$2,477,300	$2,362,829	$2,155,056	$2,195,308
Contributions as a Percentage of Covered Payroll	21.24%	21.37%	21.42%	21.31%
Net OPEB Liability				
Contractually Required Contribution	$12,387	$11,814	$10,775	$10,977
Contributions in Relation to the Contractually Required Contribution	(12,387)	(11,814)	(10,775)	(10,977)
Contribution Deficiency (Excess)	$0	$0	$0	$0
City Covered Payroll	$2,477,300	$2,362,829	$2,155,056	$2,195,308
Contributions as a Percentage of Covered Payroll Covered Payroll	0.50%	0.50%	0.50%	0.50%

(1) The City's Covered payroll is the same for pension and OPEB.

See Accompanying Notes to the Required Supplementary Information

2018	2017	2016	2015	2014	2013
$449,546	$435,658	$411,762	$403,914	$391,836	$387,214
(449,546)	(435,658)	(411,762)	(403,914)	(391,836)	(387,214)
$0	$0	$0	$0	$0	$0
$2,108,561	$2,048,843	$1,929,038	$1,888,076	$1,832,511	$2,122,212
21.32%	21.26%	21.35%	21.39%	21.38%	18.25%
$10,542	$10,244	$9,645	$9,440	$9,163	$76,753
(10,542)	(10,244)	(9,645)	(9,440)	(9,163)	(76,753)
$0	$0	$0	$0	$0	$0
$2,108,561	$2,048,843	$1,929,038	$1,888,075	$1,832,511	$2,122,212
0.50%	0.50%	0.50%	0.50%	0.50%	3.62%

Changes in Assumptions - OPERS Pension - Traditional Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple 5.50 to 5.00 percent

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

Amounts reported beginning in 2017 use 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.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

<u>Changes in Assumptions - OPERS Pension - Combined Plan</u>

	2022	2019	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

<u>Changes in Assumptions - OP&F Pension</u>

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

	Beginning in 2018	2017 and Prior
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

Amounts reported beginning in 2018 use valuation, 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/Conduent Modified 2016 Improvement Scale.

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

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

Changes in Assumptions - OPERS OPEB

Wage Inflation:	
2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions - OP&F OPEB

Blended Discount Rate:	
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

Changes in Benefit Terms - OPERS OPEB

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 2021.

Changes in Benefit Terms - OP&F OPEB

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

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OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Celina
Mercer County
225 North Main Street
Celina, Ohio 45822

To the City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Celina, Mercer County, (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 8, 2023, wherein we noted we noted the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the City.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed 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's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

September 8, 2023

SCHEDULE OF FINDINGS
DECEMBER 31, 2022

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

FINDING NUMBER 2022-001

Financial Reporting – Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Government Accounting Standards Board (GASB) Cod. 2200.158 and .159 as well as paragraphs 75 and 76 of Government Accounting Standards Board (GASB) Statement No. 34, as amended by GASB Statements No. 37 and 65, provide the focus of governmental and proprietary fund financial statements is on major funds. Fund statements should present the financial information of each major fund in a separate column. Non-major funds should be aggregated and displayed in a single column. The reporting government's main operating fund (the general fund or its equivalent) should always be reported as a major fund. Other individual governmental and enterprise funds should be reported in separate columns as major funds based on these criteria:

a. The total of assets and deferred outflows of resources, the total of liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding element(s) total (total assets and deferred outflows of resources, total liabilities and deferred inflows of resources, and so forth) for all funds of that category or type (that is, total governmental or total enterprise funds), and
b. The same element(s) that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and enterprise funds combined.

Due to an oversight in the major fund calculations, the City’s financial statements did not report the American Rescue Plan Act Fund as a major fund. In addition, the City’s financial reporting controls failed to identify the error. The City's 2022 financial statements originally presented the American Rescue Plan Act Fund under “Nonmajor Governmental Funds” even though it met the above noted criteria to be presented as a major fund. This resulted in Other Governmental Funds being overstated in beginning fund balance of $800, liabilities of $1,097,021, and assets of $1,091,239 and understated in revenues of ($6,582) and ending fund balance of ($5,782). The City adjusted their financial statements to properly reflect the City's major funds.

In addition, we identified an additional immaterial misstatement of $15,345 that we brought to the City's attention that was not adjusted on the financial statements.

FINDING NUMBER 2022-001
(Continued)

The City should establish and implement financial statement reporting review control procedures to verify that all funds meeting the GASB requirements to be reported as a major fund, are presented as such on the financial statements. In addition, the City should establish and implement procedures to verify that management and Council review the errors identified during the audit to verify similar errors are not made in future periods.

Officials' Response

We did not receive a response from Officials to this finding.

OHIO AUDITOR OF STATE
KEITH FABER

CITY OF CELINA

MERCER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 10/12/2023

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