CITY OF BELLBROOK
GREENE COUNTY, OHIO

REGULAR AUDIT

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

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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City Council
City of Bellbrook
15 East Franklin Street, 2nd Floor
Bellbrook, Ohio 45305

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

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

Keith Faber
Auditor of State
Columbus, Ohio

August 23, 2024

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CITY OF BELLBROOK
GREENE COUNTY, OHIO

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Independent Auditor's Report

City of Bellbrook
Greene County
15 East Franklin Street
Bellbrook, OH 45305

To the Members of the City Council and Mayor:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

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

Julian & Grube, Inc.

Julian & Grube, Inc.
June 17, 2024

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2023 by $22,559,401 (net position). Of this amount, $1,029,819 is restricted in use and $18,564,942 is the net investment in capital assets. The remaining unrestricted net position is $2,964,640.

- Total net position decreased $91,646 as a result of current year operations. Net position of governmental activities decreased $451,665 while the net position of business-type activities increased $360,020.

- The City had $5,910,147 in expenses related to governmental activities; $1,001,269 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of $4,908,878 were not adequately offset by general revenues (primarily property taxes and unrestricted grants and entitlements) of $4,457,213.

- The general fund had revenues and other financing sources of $1,553,284 in 2023 and expenditures (including other financing uses) of $1,262,818. The fund balance for the general fund increased from $2,695,368 to $2,985,834.

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's waste collection and water operations are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, police fund, and fire fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

Proprietary Funds

The City maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its waste collection and water operations; both funds are considered major funds.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Government-Wide Financial Analysis

The table that follows provides a summary of the City's net position for 2023 compared to 2022.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	$ 10,183,766	$ 9,893,815	$ 5,300,621	$ 4,733,358	$ 15,484,387	$ 14,627,173
Capital assets, net	6,260,434	6,444,730	13,154,825	13,469,088	19,415,259	19,913,818
Total assets	16,444,200	16,338,545	18,455,446	18,202,446	34,899,646	34,540,991
Deferred outflows of resources						
Pension	2,176,960	1,339,294	448,150	165,877	2,625,110	1,505,171
OPEB	331,794	347,093	64,567	7,036	396,361	354,129
Total deferred outflows of resources	2,508,754	1,686,387	512,717	172,913	3,021,471	1,859,300
Liabilities						
Current liabilities	687,769	902,402	136,718	128,887	824,487	1,031,289
Long-term liabilies:						
Due within one year	292,878	167,013	122,340	108,710	415,218	275,723
Net pension liability	6,313,350	4,074,565	1,090,420	325,559	7,403,770	4,400,124
Net OPEB liability	423,191	670,033	21,693	-	444,884	670,033
Other amounts	106,116	89,697	765,878	834,811	871,994	924,508
Total liabilities	7,823,304	5,903,710	2,137,049	1,397,967	9,960,353	7,301,677
Deferred inflows of resources						
Property taxes	3,881,000	3,364,696	-	-	3,881,000	3,364,696
Leases	311,802	324,794	-	-	311,802	324,794
Pension	658,046	1,800,140	9,760	409,477	667,806	2,209,617
OPEB	532,105	433,230	8,650	115,231	540,755	548,461
Total deferred inflows of resources	5,382,953	5,922,860	18,410	524,708	5,401,363	6,447,568
Net position						
Net investment in capital assets	6,208,379	6,426,568	12,356,563	12,600,111	18,564,942	19,026,679
Restricted	1,029,815	637,366	4	-	1,029,819	637,366
Unrestricted (deficit)	(1,491,497)	(865,572)	4,456,137	3,852,573	2,964,640	2,987,001
Total net position	$ 5,746,697	$ 6,198,362	$ 16,812,704	$ 16,452,684	$ 22,559,401	$ 22,651,046

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2022 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The City has adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, net position was $5,746,697 and $16,812,704 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 38.07% and 71.28% of total assets for the governmental activities and business-type activities, respectively. Capital assets include land, land improvements, utility structures, buildings and improvements, machinery and equipment, vehicles, construction in progress, intangible right to use assets and infrastructure. The net investment in capital assets at December 31, 2023, was $6,208,379 and $12,356,563 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending.

A portion of the City's net position, $1,029,819, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was $2,964,640, consisting of $4,456,137 in the business-type activities and $(1,491,497) in the governmental activities.

The table that follows provides a summary of the change in net position for the City's governmental activities and business-type activities for 2023 compared to 2022.

Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	$ 222,095	$ 125,184	$ 2,692,373	$ 2,135,302	$ 2,914,468	$ 2,260,486
Operating grants and contributions	779,174	662,814	-	358	779,174	663,172
Total program revenues	1,001,269	787,998	2,692,373	2,135,660	3,693,642	2,923,658
General revenues:						
Property and other taxes	3,335,119	3,319,853	-	-	3,335,119	3,319,853
Unrestricted grants and entitlements	704,281	726,907	-	358	704,281	727,265
Investment earnings and fair value adjustment	315,399	26,836	-	-	315,399	26,836
Miscellaneous	102,414	73,337	4,232	2,248	106,646	75,585
Total general revenues	4,457,213	4,146,933	4,232	2,606	4,461,445	4,149,539
Total revenues	5,458,482	4,934,931	2,696,605	2,138,266	8,155,087	7,073,197

- Continued

Change in Net Position (Continued)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Expenses:						
General government	$ 589,920	$ 542,144	$ -	$ -	$ 589,920	$ 542,144
Public safety	4,372,246	3,510,030	-	-	4,372,246	3,510,030
Transportation	849,363	709,068	-	-	849,363	709,068
Community environment	69,605	53,678	-	-	69,605	53,678
Recreation	27,408	7,512	-	-	27,408	7,512
Interest and fiscal charges	1,605	622	-	-	1,605	622
Waste collection	-	-	588,522	475,023	588,522	475,023
Water	-	-	1,748,064	1,517,656	1,748,064	1,517,656
Total expenses	5,910,147	4,823,054	2,336,586	1,992,679	8,246,733	6,815,733
Change in net position	(451,665)	111,877	360,019	145,587	(91,646)	257,464
Net position at beginning of year	6,198,362	6,086,485	16,452,684	16,307,097	22,651,046	22,393,582
Net position at end of year	$ 5,746,697	$ 6,198,362	$ 16,812,703	$ 16,452,684	$ 22,559,400	$ 22,651,046

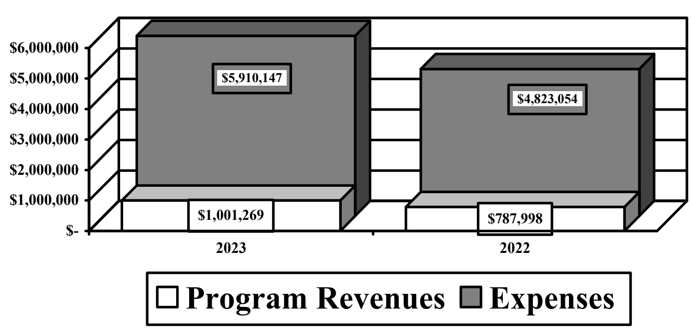
Governmental Activities

Net position for the governmental activities decreased $451,665 or 7.29% in 2023. Total revenues increased in 2023 due to an increase in both program revenues and general revenues. Program revenues include charges for services, operating grants and contributions that are restricted for specific purposes. Revenues were higher in 2023 primarily due to additional grant contributions. The increase in investment earnings and fair value adjustments came from an increase in investment earnings and an increase in fair value for the City's investments. Investment earnings are reported net of any changes in fair value for investments, which resulted in a net positive investment earnings for 2023.

Expenses totaled $5,910,147 in 2023, which represents an increase of $1,087,093 or 22.54% from 2022. This increase is primarily the result of lower than normal expenses in 2022 due to the increase in OPEB expense for the Ohio Public Employees Retirement System (OPERS) in 2023.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. As can be seen in the following table, the City is highly dependent upon its general revenues to support its governmental activities.

Governmental Activities - Program Revenues vs. Total Expenses



The following table shows, for governmental activities, the total cost of services and the net cost of services for 2023 and 2022. That is, it identifies the cost of these services supported by general revenues (such as taxes revenue and unrestricted grants and entitlements).

	Governmental Activities			
	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program expenses:				
General government	$ 589,920	$ 568,683	$ 542,144	$ 540,195
Public safety	4,372,246	3,924,284	3,510,030	3,283,960
Transportation	849,363	330,682	709,068	160,177
Community environment	69,605	56,216	53,678	42,590
Recreation	27,408	27,408	7,512	7,512
Interest and fiscal charges	1,605	1,605	622	622
Total	$ 5,910,147	$ 4,908,878	$ 4,823,054	$ 4,035,056

The dependence upon general revenues for governmental activities is apparent, with 83.06% of expenses supported through taxes and other general revenues in 2023.

Business-type Activities

Business-type activities include the waste collection and water enterprise funds. These programs had revenues, primarily charges for services, of $2,696,605 and expenses of $2,336,586 in 2023. Net position increased by $360,019 or 2.19%. See page 13 for further discussion of the City's enterprise funds.

Financial Analysis of the City's Funds

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

Governmental Funds

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

The City's governmental funds reported a combined fund balance of $4,775,580 which is $104,021 higher than last year's total of $4,671,559. The schedule that follows indicates the fund balances and the total change in fund balances as of December 31, 2023 for all major and non-major governmental funds.

	Fund Balance 12/31/2023	Fund Balance 12/31/2022	Change
Major funds:			
General	$ 2,985,834	$ 2,695,368	$ 290,466
Police	17,964	250,145	(232,181)
Fire	462,931	516,651	(53,720)
Nonmajor governmental funds	1,308,851	1,209,395	99,456
Total	$ 4,775,580	$ 4,671,559	$ 104,021

General Fund

The City's general fund balance increased $290,466 or 10.78%. The following table assists in illustrating the revenues of the general fund.

	2023 Amount	2022 Amount	Percentage Change
Revenues			
Property and other taxes	$ 713,906	$ 709,270	0.65 %
Charges for services	2,009	1,590	26.35 %
Fines, licenses and permits	113,063	111,717	1.20 %
Intergovernmental	279,244	355,400	(21.43) %
Special assessments	2,887	359	704.18 %
Investment income and fair value adjustment	313,230	27,249	1,049.51 %
Rental income	16,341	-	100.00 %
Miscellaneous	93,476	19,363	382.76 %
Total	$ 1,534,156	$ 1,224,948	25.24 %

As the table above illustrates, total general fund revenues increased considerably in 2023. Intergovernmental revenues were higher in the prior year as a result of grant funding from the State of Ohio. Miscellaneous revenues were higher in 2023 due to a fluctuations in reimbursements and rebates. Investment income for the general fund were considerably higher in 2023 due to changes in the fair value of the City's investments.

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

	2023 Amount	2022 Amount	Percentage Change
Expenditures			
General government	$ 422,824	$ 466,755	(9.41) %
Community environment	66,868	67,283	(0.62) %
Recreation	26,576	9,106	191.85 %
Capital outlay	612,392	-	100.00 %
Debt service	24,158	2,141	1,028.35 %
Total	$ 1,152,818	$ 545,285	111.42 %

Total general fund expenditures for 2023 were much higher than in the prior year. This is a result of the City spending more on infrastructure, vehicles, and equipment.

Police Fund

The police fund is a major governmental fund and is used to account for property taxes and other revenues restricted for police department operations. This fund had revenues and other financing sources of $1,789,326 and expenditures of $2,021,057 in 2023. These amounts were comparable to the prior year, except for a slight increase in expenditures due to wages and benefits costs. The total change in fund balance for the year was a decrease of $232,181 or 92.82%.

Fire Fund

The fire fund, a major governmental fund, is used to account for property taxes and other revenues restricted for fire department operations. This fund had revenues and other financing source of $1,389,118 and expenditures of $1,442,838 in 2023. These amounts were comparable to the prior year. The total change in fund balance for the year was an decrease of $53,720 or 10.40%.

Enterprise Funds

The City's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. Both of the City's enterprise funds are reported as major funds; the waste collection fund and water fund.

Operating revenues for both funds were increased considerably due to an increase in charges for services for the water and waste collection fund in 2023. Expenses for the waste collection fund remained comparable to the prior year. For the water fund expenses were generally consistent as well, except for an increase in personal services costs. This was due to the increase in pension and OPEB expense, as discussed on page 10. Net position for the water fund increased $290,060 while net position for the waste collection fund increased $69,960.

Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly. Budgetary information is presented for the general fund and the street maintenance and repair major special revenue fund.

In the general fund, original and final budgeted revenues were $1,976,183. Actual revenues of $1,432,434 were $543,749 or 27.52% less than the final budgeted amount. This variance is mostly due to a decrease allocation of local government support from the State.

The final budget expenditures and other financing uses in the general fund were $2,127,976, which represents an increase of $13,500 compared to the original budget expenditures and other financing uses. Actual budget basis expenditures and other financing uses totaled $1,405,541, or $722,435 (33.95%) less than the final budget.

Capital Assets and Debt Administration

Capital Assets

The following table shows 2023 balances compared to 2022. Additional detail can be found in Note 5 in the notes to the basic financial statements.

Capital Assets at December 31
(Net of Depreciation/Amortization)

	Governmental Activities		Business-Type Activities		Total	
	2023	Restated 2022	2023	2022	2023	2022
Land	$ 262,230	$ 262,230	$ 604,370	$ 604,370	$ 866,600	$ 866,600
Construction in progress	97,250	-	-	-	97,250	-
Land improvements	146,954	160,179	3,341	5,101	150,295	165,280
Utility structures	-	-	9,304,449	9,544,465	9,304,449	9,544,465
Buildings and improvements	1,396,839	1,460,107	2,937,389	3,072,716	4,334,228	4,532,823
Machinery and equipment	71,164	82,198	153,063	37,794	224,227	119,992
Intangible Right to use: Leased Equipment	12,593	17,558	12,594	17,558	25,187	35,116
Intangible Right to use: Software	43,064	36,115	-	-	43,064	36,115
Vehicles	192,286	265,363	139,619	187,084	331,905	452,447
Infrastructure	4,038,054	4,197,095	-	-	4,038,054	4,197,095
Totals	$ 6,260,434	$ 6,480,845	$ 13,154,825	$ 13,469,088	$ 19,415,259	$ 19,949,933

The City's largest governmental capital asset category is infrastructure, which consists of roadways and road improvements. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 64.50% of the City's total governmental capital assets.

The City's largest business-type capital asset category is utility structures (water mains and wells). The net book value of the City's utility structures (cost less accumulated depreciation) represents approximately 70.73% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2023 and 2022.

	Governmental Activities		Business-type Activities	
	2023	Restated 2022	2023	2022
OPWC loans	-	-	784,975	850,815
Lease payable	13,287	18,162	13,287	18,162
SBITA payable	38,768	36,115	-	-
Total long-term obligations	$ 52,055	$ 54,277	$ 798,262	$ 868,977

See Note 10 in the notes to the basic financial statements for detail on the City's long-term obligations.

Economic Conditions and Outlook

The City of Bellbrook is among four cities in Ohio (out of a total of over 250 cities) that do not levy a local income tax. This means that the gain or loss of jobs in the local economy has little impact upon revenues in the General Fund. Bellbrook is a suburban, residential community with virtually no manufacturing businesses and a limited number of service and retail operations.

The largest source of revenue is property taxes, primarily generated from single-family housing. Residential development boomed in the 1980's and 1990's but has moderated recently as land available for residential building has become more limited in Bellbrook.

The State of Ohio, in an effort to balance their budget, has decreased several forms of state aid that the City currently receives. These cuts began to impact the City's finances in 2011, but the full effect of their impact is now being felt. The State's current and next proposed biennial budgets do not include further reductions at this time.

Police and fire department operations are funded in majority by their own property tax levies; however the police fund requires a significant subsidy from the General Fund, as there is not sufficient fund balance in the Police Fund, and the Fire Fund is drawing significantly from its fund balance. Major capital costs are paid from the capital outlay department of the General Fund. Service Department costs are funded by the water and street funds with some capital construction costs such as street reconstruction paid from the capital outlay department of the general Fund as well as the Gasoline Tax and State Motor Vehicle License tax Funds..

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Rob Schommer, City Manager/Finance Director, 15 East Franklin Street, Bellbrook, Ohio 45305.

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CITY OF BELLBROOK, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	$ 4,990,379	$ 4,956,996	$ 9,947,375
Cash with fiscal agents	175,749	-	175,749
Receivables:			
Property taxes	3,939,780	-	3,939,780
Accounts	106,685	264,460	371,145
Leases	317,611	-	317,611
Accrued interest	22,062	-	22,062
Intergovernmental	539,653	-	539,653
Materials and supplies inventory	54,723	58,916	113,639
Prepayments	37,121	20,245	57,366
Net pension asset	3	4	7
Capital assets:			
Nondepreciable capital assets	359,480	604,370	963,850
Depreciable capital assets, net	5,900,954	12,550,455	18,451,409
Total capital assets, net	6,260,434	13,154,825	19,415,259
Total assets	16,444,200	18,455,446	34,899,646
Deferred outflows of resources:			
Pension	2,176,960	448,150	2,625,110
OPEB	331,794	64,567	396,361
Total deferred outflows of resources	2,508,754	512,717	3,021,471
Total assets and deferred outflows of resources	18,952,954	18,968,163	37,921,117
Liabilities:			
Accounts payable	38,751	65,229	103,980
Contracts payable	3,573	-	3,573
Accrued wages and benefits payable	60,009	18,679	78,688
Due to other governments	47,662	10,061	57,723
Accrued interest payable	986	-	986
Deposits held and due to others	111,915	-	111,915
Unearned revenue	424,873	42,749	467,622
Long-term liabilities:			
Due within one year	292,878	122,340	415,218
Due in more than one year:			
Net pension liability	6,313,350	1,090,420	7,403,770
Net OPEB liability	423,191	21,693	444,884
Other amounts due in more than one year	106,116	765,878	871,994
Total liabilities	7,823,304	2,137,049	9,960,353
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	3,881,000	-	3,881,000
Leases	311,802	-	311,802
Pension	658,046	9,760	667,806
OPEB	532,105	8,650	540,755
Total deferred inflows of resources	5,382,953	18,410	5,401,363
Net position:			
Net investment in capital assets	6,208,379	12,356,563	18,564,942
Restricted for:			
Streets and highways	1,022,854	-	1,022,854
Public safety programs	6,958	-	6,958
Pension & OPEB	3	4	7
Unrestricted (deficit)	(1,491,497)	4,456,137	2,964,640
Total net position	$ 5,746,697	$ 16,812,704	$ 22,559,401

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELLBROOK, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

		Program Revenues	
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**
Governmental activities:			
General government	$ 589,920	$ 21,237	$ -
Public safety	4,372,246	185,379	262,583
Transportation	849,363	2,090	516,591
Community environment	69,605	13,389	-
Recreation	27,408	-	-
Interest and fiscal charges	1,605	-	-
Total governmental activities	5,910,147	222,095	779,174
Business-type activities:			
Waste collection	588,522	658,482	-
Water	1,748,064	2,033,891	-
Total business-type activities	2,336,586	2,692,373	-
Total	$ 8,246,733	$ 2,914,468	$ 779,174

General revenues:
Taxes:
Property taxes
License taxes
Grants and entitlements not restricted to specific programs
Investment earnings and fair value adjustment
Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (568,683)	$ -	$ (568,683)
(3,924,284)	-	(3,924,284)
(330,682)	-	(330,682)
(56,216)	-	(56,216)
(27,408)	-	(27,408)
(1,605)	-	(1,605)
(4,908,878)	-	(4,908,878)
-	69,960	69,960
-	285,827	285,827
-	355,787	355,787
(4,908,878)	355,787	(4,553,091)
3,295,624	-	3,295,624
39,495	-	39,495
704,281	-	704,281
315,399	-	315,399
102,414	4,232	106,646
4,457,213	4,232	4,461,445
(451,665)	360,019	(91,646)
6,198,362	16,452,684	22,651,046
$ 5,746,697	$ 16,812,703	$ 22,559,400

CITY OF BELLBROOK, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Police	Fire	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	$ 2,991,914	$ 39,356	$ 465,266	$ 1,493,843	$ 4,990,379
Receivables:					
Property taxes	975,372	1,625,124	1,256,048	83,236	3,939,780
Accounts	19,979	-	86,706	-	106,685
Leases	317,611	-	-	-	317,611
Accrued interest	22,062	-	-	-	22,062
Intergovernmental	124,216	127,938	59,641	227,858	539,653
Materials and supplies inventory	-	2	1	54,720	54,723
Prepayments	19,368	8,506	8,557	690	37,121
Restricted assets:					
Cash with fiscal agents	-	-	-	175,749	175,749
Total assets	$ 4,470,522	$ 1,800,926	$ 1,876,219	$ 2,036,096	$ 10,183,763
Liabilities:					
Accounts payable	$ 34,296	$ 765	$ 2,320	$ 1,370	$ 38,751
Contracts payable	3,573	-	-	-	3,573
Accrued wages and benefits payable	7,103	32,430	20,476	-	60,009
Due to other governments	3,584	24,830	16,555	2,693	47,662
Deposits held and due to others	44,382	-	-	67,533	111,915
Unearned revenue	-	-	-	424,873	424,873
Total liabilities	92,938	58,025	39,351	496,469	686,783
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	961,000	1,601,000	1,237,000	82,000	3,881,000
Delinquent property tax revenue not available	14,372	24,124	19,048	1,236	58,780
Accrued interest not available	2,772	-	-	-	2,772
Miscellaneous revenue not available	-	-	61,264	-	61,264
Leases	311,802	-	-	-	311,802
Intergovernmental revenue not available	101,804	99,813	56,625	147,540	405,782
Total deferred inflows of resources	1,391,750	1,724,937	1,373,937	230,776	4,721,400
Fund balances:					
Nonspendable	19,368	8,508	8,558	55,410	91,844
Restricted	-	9,456	454,373	1,097,969	1,561,798
Committed	-	-	-	5,276	5,276
Assigned	153,452	-	-	150,196	303,648
Unassigned	2,813,014	-	-	-	2,813,014
Total fund balances	2,985,834	17,964	462,931	1,308,851	4,775,580
Total liabilities, deferred inflows of resources and fund balances	$ 4,470,522	$ 1,800,926	$ 1,876,219	$ 2,036,096	$ 10,183,763

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF BELLBROOK, OHIO

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

Total governmental fund balances		$ 4,775,580
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		6,260,434
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Delinquent property taxes receivable	$ 58,780	
Accounts receivable	61,264	
Intergovernmental receivable	405,782	
Accrued interest receivable	2,772	
Total		528,598
On the statement of net position interest is accrued on outstanding SBITAs, whereas in governmental funds, interest is accrued when due.		(986)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	3	
Deferred outflows of resources	2,176,960	
Deferred inflows of resources	(658,046)	
Net pension liability	(6,313,350)	
Total		(4,794,433)
The net OPEB liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	331,794	
Deferred inflows of resources	(532,105)	
Net OPEB liability	(423,191)	
Total		(623,502)
Long-term liabilities are not due and payable in the current period and therefore are not reported in governmental funds.		
Leases payable	(13,287)	
SBITA	(38,768)	
Compensated absences payable	(346,939)	
Total		(398,994)
Net position of governmental activities		$ 5,746,697

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELLBROOK, OHIO

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

	General	Police	Fire	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property and other taxes	$ 713,906	$ 1,412,090	$ 1,126,408	$ 96,606	$ 3,349,010
Charges for services	2,009	41,050	129,215	2,090	174,364
Fines, licenses and permits	113,063	-	-	6,958	120,021
Intergovernmental	279,244	215,794	124,869	773,472	1,393,379
Special assessments	2,887	-	-	-	2,887
Investment income and fair value adjustment	313,230	-	-	73	313,303
Rental income	16,341	-	-	-	16,341
Other	93,476	4,222	3,073	4,492	105,263
Total revenues	1,534,156	1,673,156	1,383,565	883,691	5,474,568
Expenditures:					
Current:					
General government	422,824	-	-	-	422,824
Public safety	-	2,009,868	1,433,220	320,692	3,763,780
Transportation	-	-	-	428,933	428,933
Community environment	66,868	-	-	-	66,868
Recreation	26,576	-	-	-	26,576
Capital outlay	612,392	6,170	5,553	34,610	658,725
Debt service:					
Principal retirement	23,868	5,255	3,950	-	33,073
Interest and fiscal charges	290	214	115	-	619
Total expenditures	1,152,818	2,021,507	1,442,838	784,235	5,401,398
Excess (deficiency) of revenues over (under) expenditures	381,338	(348,351)	(59,273)	99,456	73,170
Other financing sources (uses):					
Transfers in	-	110,000	-	-	110,000
Transfers (out)	(110,000)	-	-	-	(110,000)
Inception of SBITAs	19,128	6,170	5,553	-	30,851
Total other financing sources (uses)	(90,872)	116,170	5,553	-	30,851
Net change in fund balances	290,466	(232,181)	(53,720)	99,456	104,021
Fund balance at beginning of year	2,695,368	250,145	516,651	1,209,395	4,671,559
Fund balance at end of year	$ 2,985,834	$ 17,964	$ 462,931	$ 1,308,851	$ 4,775,580

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELLBROOK, OHIO

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

Net change in fund balances - total governmental funds		$ 104,021
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	$ 336,524	
Current year depreciation/amortization	(556,935)	
Total		(220,411)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Delinquent property taxes	(13,891)	
Intergovernmental revenues	9,318	
Miscellaneous	(13,609)	
Investment income	2,096	
Total		(16,086)
Inception of SBITAs are reported as other financing sources in the governmental funds; however, in the statement of activities, they are not reported as revenues since they increase liabilities on the statement of net position.		(30,851)
Repayment of principal on debt obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		33,073
In the statement of activities, interest is accrued on outstanding SBITAs, whereas in governmental funds, an interest expenditure is reported when due.		(986)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	452,759	
OPEB	9,196	
Total		461,955
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(711,788)	
OPEB	37,799	
Total		(673,989)
Some compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(108,391)
Change in net position of governmental activities		$ (451,665)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELLBROOK, OHIO

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

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
Property and other taxes	$ 807,000	$ 807,000	$ 713,906	$ (93,094)
Charges for services	1,500	1,500	2,009	509
Fines, licenses and permits	83,600	83,600	113,934	30,334
Intergovernmental	1,056,583	1,056,583	285,146	(771,437)
Special assessments	500	500	2,887	2,387
Investment income	5,000	5,000	217,309	212,309
Rental income	17,500	17,500	21,513	4,013
Other	4,500	4,500	75,730	71,230
Total revenues	1,976,183	1,976,183	1,432,434	(543,749)
Expenditures:				
Current:				
General government	622,755	515,355	475,118	40,237
Community environment	68,118	69,018	64,195	4,823
Recreation	31,179	41,179	26,916	14,263
Capital outlay	1,392,424	1,392,424	729,312	663,112
Total expenditures	2,114,476	2,017,976	1,295,541	722,435
Excess (deficiency) of revenues over (under) expenditures	(138,293)	(41,793)	136,893	178,686
Other financing sources (uses):				
Transfers (out)	-	(110,000)	(110,000)	-
Total other financing sources (uses)	-	(110,000)	(110,000)	-
Net change in fund balance	(138,293)	(151,793)	26,893	178,686
Fund balance at beginning of year	2,604,517	2,604,517	2,604,517	-
Prior year encumbrances appropriated	143,485	143,485	143,485	-
Fund balance at end of year	$ 2,609,709	$ 2,596,209	$ 2,774,895	$ 178,686

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELLBROOK, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property and other taxes	$ 1,594,000	$ 1,594,000	$ 1,412,090	$ (181,910)
Charges for services.	62,000	62,000	26,785	(35,215)
Fines, licenses and permits	2,250	2,250	(1,641)	(3,891)
Intergovernmental	198,125	198,125	203,600	5,475
Other	3,000	3,000	4,222	1,222
Total revenues	1,859,375	1,859,375	1,645,056	(214,319)
Expenditures:				
Current:				
Public safety	2,068,052	2,113,652	2,018,217	95,435
Total expenditures	2,068,052	2,113,652	2,018,217	95,435
Deficiency of revenues under expenditures	(208,677)	(254,277)	(373,161)	(118,884)
Other financing sources:				
Transfers in	110,000	110,000	110,000	-
Total other financing sources	110,000	110,000	110,000	-
Net change in fund balances	(98,677)	(144,277)	(263,161)	(118,884)
Fund balances at beginning of year	240,481	240,481	240,481	-
Prior year encumbrances appropriated	41,150	41,150	41,150	-
Fund balance at end of year	$ 182,954	$ 137,354	$ 18,470	$ (118,884)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELLBROOK, OHIO

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

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
Property and other taxes	$ 1,232,000	$ 1,232,000	$ 1,126,408	$ (105,592)
Charges for services	100,000	100,000	118,697	18,697
Intergovernmental	114,250	114,250	121,853	7,603
Other	500	500	3,379	2,879
Total revenues	1,446,750	1,446,750	1,370,337	(76,413)
Expenditures:				
Current:				
Public safety	1,460,732	1,460,732	1,425,975	34,757
Total expenditures	1,460,732	1,460,732	1,425,975	34,757
Deficiency of revenues under expenditures	(13,982)	(13,982)	(55,638)	(41,656)
Net change in fund balances	(13,982)	(13,982)	(55,638)	(41,656)
Fund balances at beginning of year	500,948	500,948	500,948	-
Prior year encumbrances appropriated	13,880	13,880	13,880	-
Fund balance at end of year	$ 500,846	$ 500,846	$ 459,190	$ (41,656)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELLBROOK, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds		
	Waste Collection	**Water**	**Total**
Assets:			
Current assets:			
Equity in pooled cash and investments	$ 252,530	$ 4,704,466	$ 4,956,996
Receivables:			
Accounts	-	264,460	264,460
Materials and supplies inventory	-	58,916	58,916
Prepayments	687	19,558	20,245
Total current assets	253,217	5,047,400	5,300,617
Noncurrent assets:			
Net pension asset	-	4	4
Capital assets:			
Nondepreciable capital assets	-	604,370	604,370
Depreciable capital assets, net	-	12,550,455	12,550,455
Total capital assets, net	-	13,154,825	13,154,825
Total noncurrent assets	-	13,154,829	13,154,829
Total assets	253,217	18,202,229	18,455,446
Deferred outflows of resources:			
Pension	15,153	432,997	448,150
OPEB	2,191	62,376	64,567
Total deferred outflows of resources	17,344	495,373	512,717
Liabilities:			
Current liabilities:			
Accounts payable	46,168	19,061	65,229
Accrued wages and benefits payable	1,356	17,323	18,679
Due to other governments	409	9,652	10,061
Compensated absences payable	2,126	49,353	51,479
Unearned revenue	42,749	-	42,749
OPWC loans payable	-	65,840	65,840
Lease Payable	-	5,021	5,021
Total current liabilities	92,808	166,250	259,058
Long-term liabilities:			
Compensated absences payable	-	38,477	38,477
OPWC loans payable	-	719,135	719,135
Lease Payable	-	8,266	8,266
Net pension liability	32,349	1,058,071	1,090,420
Net OPEB liability	644	21,049	21,693
Total long-term liabilities	32,993	1,844,998	1,877,991
Total liabilities	125,801	2,011,248	2,137,049
Deferred inflows of resources:			
Pension	4,247	5,513	9,760
OPEB	252	8,398	8,650
Total deferred inflows of resources	4,499	13,911	18,410
Net position:			
Net investment in capital assets	-	12,356,563	12,356,563
Restricted for Pension & OPEB	-	4	4
Unrestricted	140,261	4,315,876	4,456,137
Total net position	$ 140,261	$ 16,672,443	$ 16,812,704

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELLBROOK, OHIO

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

	Business-type Activities - Enterprise Funds		
	Waste Collection	**Water**	**Total**
Operating revenues:			
Charges for services	$ 658,482	$ 2,033,891	$ 2,692,373
Other operating revenues	-	4,232	4,232
Total operating revenues	658,482	2,038,123	2,696,605
Operating expenses:			
Personal services	-	906,354	906,354
Contract services	588,522	218,695	807,217
Materials and supplies	-	89,517	89,517
Depreciation	-	436,603	436,603
Other	-	96,416	96,416
Total operating expenses	588,522	1,747,585	2,336,107
Operating income	69,960	290,538	360,498
Nonoperating expenses:			
Interest and fiscal charges	-	(478)	(478)
Total nonoperating expenses	-	(478)	(478)
Change in net position	69,960	290,060	360,020
Net position at beginning of year	70,301	16,382,383	16,452,684
Net position at end of year	$ 140,261	$ 16,672,443	$ 16,812,704

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELLBROOK, OHIO

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

	Business-type Activities - Enterprise Funds		
	Waste Collection	**Water**	**Total**
Cash flows from operating activities:			
Cash received from charges for services	$ 670,616	$ 2,003,850	$ 2,674,466
Cash received from other operations	-	4,232	4,232
Cash payments for personal services	(24,114)	(837,455)	(861,569)
Cash payments for contract services	(551,976)	(235,572)	(787,548)
Cash payments for materials and supplies	-	(128,210)	(128,210)
Cash payments for other expenses	-	(96,416)	(96,416)
Net cash provided by operating activities	94,526	710,429	804,955
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	(122,340)	(122,340)
Principal retirement	-	(70,715)	(70,715)
Interest and fiscal charges	-	(478)	(478)
Net cash used in capital and related financing activities	-	(193,533)	(193,533)
Net increase in cash and investments	94,526	516,896	611,422
Cash and investments at beginning of year	158,004	4,187,570	4,345,574
Cash and investments at end of year	$ 252,530	$ 4,704,466	$ 4,956,996
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 69,960	$ 290,538	$ 360,498
Adjustments:			
Depreciation/Amortization	-	436,603	436,603
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Accounts receivable	-	(16,405)	(16,405)
Materials and supplies inventory	-	(38,454)	(38,454)
Prepayments	(687)	(9,447)	(10,134)
Net pension asset	-	5	5
Net OPEB asset	4,369	104,778	109,147
Deferred outflows - pension	(2,582)	(279,691)	(282,273)
Deferred outflows - OPEB	(1,337)	(56,194)	(57,531)
Accounts payable	6,250	(1,494)	4,756
Accrued wages and benefits	1,029	8,093	9,122
Due to other governments	(15)	(4,530)	(4,545)
Compensated absences payable	1,249	14,163	15,412
Unearned revenue	12,134	(13,636)	(1,502)
Net pension liability	19,316	745,545	764,861
Net OPEB liability	644	21,049	21,693
Deferred inflows - OPEB	(4,263)	(102,318)	(106,581)
Deferred inflows - Pension	(11,541)	(388,176)	(399,717)
Net cash provided by operating activities	$ 94,526	$ 710,429	$ 804,955

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Bellbrook, Ohio (the "City") is a home rule municipal corporation under the laws of the State of Ohio and operates under its own Charter. The current Charter, which provides for a Council/Manager form of government, was adopted in 1971 and has subsequently been amended.

The City provides various services including police and fire protection, street maintenance, water utility service, planning, zoning and other general government services. Legislative power is vested in a seven-member council with a separately elected Mayor serving a two-year term and six council members elected to four-year terms. The Council appoints the City Manager/Finance Director and Clerk of Council. The City Manager is Chief Executive Officer and the head of the administrative agencies of the City who appoints all department heads and employees.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Components units are legally separate organizations for which the elected officials of the primary government are accountable. In addition, component units can be governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. No separate government units meet the criteria for inclusion as a component unit.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the primary government, except for its fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

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

Fund Financial Statements - Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

<u>General fund</u> - This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Police fund - This fund accounts for money received and expended for the Police department.

Fire fund - This fund accounts for money received and expended for the Fire department.

The City reports the following major proprietary funds:

Water fund - This fund accounts for the operations of the water system to residential and commercial users in the service area.

Waste collection fund - This fund accounts for the provision of waste collection service to the residents and commercial users located within the City.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements measure and report all assets (both financial and capital), liabilities, deferred inflows/outflows, revenues, expenses, gains and losses using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using a current financial resources measurement focus and are reported on a modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which, for the City’s purposes, is considered to be 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues considered susceptible to accrual are property taxes, franchise fees, state-levied locally shared taxes, fines and forfeitures and fees. These revenues have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, liabilities, and deferred inflows/outflows associated with the operation of these funds are included on the statement of net position.

Proprietary fund operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in total net position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations 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 Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City. 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 issued during the year.

The appropriation ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year. Appropriations are legally required for each fund at the level of personal services or other expenses on a department level.

E. Equity in Pooled Cash and Investments

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

Interest earnings are allocated to the General Fund except for funds derived from contract, trust agreement, grant terms or City policy which require crediting otherwise. Interest revenue credited to the General Fund during 2023 amounted to $313,230, which includes $220,731 assigned from other funds.

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

F. Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and are recorded using the consumption method.

G. Capital Assets

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. During 2023, the City's capitalization threshold was $5,000. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems, and water lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Estimated Useful Life
Land Improvements	10 - 15 years
Buildings & Improvements	50 - 75 years
Machinery & Equipment	5 - 20 years
Intangible Assets	5 years
Vehicles	5 - 20 years
Infrastructure	20 - 50 years
Utility Structures in Service	50 - 75 years

The City is reporting intangible right to use assets related to leased equipment and software. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

H. Compensated Absences

Employees of the City are granted vacation and sick leave in varying amounts. In the event of separation, an employee may be reimbursed for accumulated vacation and sick leave at varying rates.

Vested vacation and sick leave is recorded as an expense in the government-wide financial statements for the period in which such leave was earned. For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date.

I. Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Fund Balance Classifications

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 resources in governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. The nonspendable fund balances for the City includes materials and supplies inventory and prepaid items.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the General Fund, assigned amounts represent intended uses established by Council or a City official delegated that authority by City charter or ordinance. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the end of the financial statements and reported revenues and expenditures/expenses during the reporting period. Actual results may differ from those estimates.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 7 and 8 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 7 and 8 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

M. Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

N. Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

O. Fair Value Measurements

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

P. Accrued Liabilities and Long-Term Obligations

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

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

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 the water and waste collection enterprise funds. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity for the fund. All revenues and expenses not meeting these descriptions are reported as nonoperating revenues and expenses.

R. Unearned Revenue

Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied. At December 31, 2023 this includes grant revenue received before all eligibility requirements have been met and waste collection charges paid in advance.

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

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

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

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

These changes were incorporated in the City's 2023 financial statements. The City recognized $36,115 in governmental activities in subscriptions payable at January 1, 2023; however, this entire amount was offset by the intangible asset, right-to-use subscription assets.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the City.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

NOTE 3 - POOLED CASH AND INVESTMENTS

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

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

Inactive deposits are public deposits that the City has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must 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 in interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

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

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

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

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

NOTE 3 - POOLED CASH AND INVESTMENTS - (Continued)

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

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

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

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

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,

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

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

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

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the combined balance sheet as "equity in pooled cash and investments."

A. Deposits

At December 31, 2023, the bank balance of the City's cash deposits was $3,909,861. As of December 31, 2023, $250,000 of the City's bank balance was covered by the Federal Deposit Insurance Corporation (FDIC) and $3,202,449 was covered by the OPCS and the remaining $457,412 was exposed to custodial credit risk as described below.

NOTE 3 - POOLED CASH AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC. For 2023, the City's financial institutions were approved for a reduced collateral rate of 60 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

The Ohio Revised Code and the City's investment policy authorize the City to invest in the State Treasury Asset Reserve of Ohio, certificates of deposit, repurchase agreements, United States treasury bills and notes, federal agency securities, bankers' acceptances and commercial paper of the highest rating. The city's investment policy applies to all funds and fund types. All deposits are made to authorized public depositories and contracts with such institutions are in accordance with the Ohio Revised Code and the City's investment policy.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours 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 these purposes.

Except for STAR Ohio and the U.S. Government Money Market (NAV), the City's investments are measured using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observed, either directly or indirectly (Level 2 inputs). STAR Ohio 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 an NAV per share that approximates fair value.

NOTE 3 - POOLED CASH AND INVESTMENTS - (Continued)

As of December 31, 2023, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturities Less than 1 year
Fair value:		
Federal Farm Credit Bureau (FFCB)	$ 207,295	$ 207,295
Federal Home Loan Bank (FHLB)	673,395	673,395
Federal Home Loan Mortgage Corporation (FHLMC)	211,126	211,126
U.S. Treasury Notes	652,542	652,542
U.S. Treasury Bills	204,732	204,732
Amortized cost:		
U.S. Government Money Market	4,292	4,292
STAR Ohio	4,123,167	4,123,167
Total	$ 6,076,549	$ 6,076,549

The weighted average maturity of investments is 0.15 years.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from fluctuating interest rates and in accordance with the Ohio Revised Code, the City's investment policy limits investment portfolio maturities to five years or less. The investment policy also requires sufficient liquidity to be maintained in the portfolio and that investments be scheduled to mature concurrently with ongoing cash requirements so that the City's obligations can be met without selling securities.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no investment policy for custodial credit risk beyond the requirements of the Ohio Revised Code.

Credit Risk: It is the City's policy to limit its investments that are not obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. As of December 31, 2023, the City's investment in STAR Ohio and U.S. Government Money Market was rated AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The City's investments in federal agency securities, U.S. Treasury Notes and U.S Treasury Bills were rated AA+ by Standard & Poor's.

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NOTE 3 - POOLED CASH AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2023:

Measurement/ Investment type	Measurement Amount	% of Total
Fair value:		
Federal Farm Credit Bureau (FFCB)	$ 207,295	3.41%
Federal Home Loan Bank (FHLB)	673,395	11.08%
Federal Home Loan Mortgage Corporation (FHLMC)	211,126	3.47%
U.S. Treasury Notes	652,542	10.74%
U.S. Treasury Bills	204,732	3.37%
Amortized cost:		
U.S. Government Money Market	4,292	0.07%
STAR Ohio	4,123,167	67.86%
Total	$ 6,076,549	100.00%

C. Cash with Fiscal Agent

At year-end, the City had $175,749 on deposit with the Greene County Treasurer for permissive funds collected, but not distributed yet to the City. The data regarding insurance and collateralization can be obtained from the Greene County Annual Comprehensive Financial Report for the year ended December 31, 2023. This amount is not included in the City's depository balances.

NOTE 4 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

NOTE 4 - PROPERTY TAXES - (Continued)

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

The full tax rate for all City operations for the year ended December 31, 2023 was $21.25 per $1,000 of assessed value. The assessed values of real and public utility tangible personal property upon which 2022 property tax receipts were based are as follows:

Real property	$ 213,117,890
Public utility property	5,723,790
Total assessed value	$ 218,841,680

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NOTE 5 - CAPITAL ASSETS

A. Governmental Activities

Due to the implementation of GASB Statement No. 96 (see Note 2 for detail), the City has reported capital assets for the right to use leased software which are reflected in the schedule below. Governmental activities capital asset activity for the year ended December 31, 2023, was as follows:

	Restated Balance 12/31/22	Additions	Disposals	Balance 12/31/23
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 262,230	$ -	$ -	$ 262,230
Construction-in-progress	-	97,250	-	97,250
Total capital assets, not being depreciated/amortized	262,230	97,250	-	359,480
Capital assets, being depreciated/amortized:				
Land improvements	474,754	-	-	474,754
Buildings and improvements	3,124,303	-	-	3,124,303
Machinery and equipment	683,345	-	-	683,345
Intangible right to use:				
Leased equipment	24,821	-	-	24,821
Software	36,115	30,851	-	66,966
Vehicles	1,789,921	-	-	1,789,921
Infrastructure	7,724,577	208,423	-	7,933,000
Total capital assets, being depreciated/amortized	13,857,836	239,274	-	14,097,110
Less: accumulated depreciation/amortization				
Land improvements	(314,575)	(13,225)	-	(327,800)
Buildings and improvements	(1,664,196)	(63,268)	-	(1,727,464)
Machinery and equipment	(601,147)	(11,034)	-	(612,181)
Intangible right to use:				
Leased equipment	(7,263)	(4,965)	-	(12,228)
Software	-	(23,902)	-	(23,902)
Vehicles	(1,524,558)	(73,077)	-	(1,597,635)
Infrastructure:	(3,527,482)	(367,464)	-	(3,894,946)
Total accumulated depreciation/amortization	(7,639,221)	(556,935)	-	(8,196,156)
Total capital assets, being depreciated/amortized	6,218,615	(317,661)	-	5,900,954
Governmental activities capital assets, net	$ 6,480,845	$ (220,411)	$ -	$ 6,260,434

NOTE 5 - CAPITAL ASSETS - (Continued)

Depreciation/amortization expense was charged to functions/programs of the governmental activities as follows:

General government	$ 112,916
Public safety	82,117
Transportation	361,902
Total depreciation/amortization expense - governmental activities	$ 556,935

B. Business-Type Activities

Changes in capital assets for the business-type activities for the year ended December 31, 2023 were as follows:

	Balance 12/31/22	Additions	Disposals	Balance 12/31/23
Business-type activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 604,370	$ -	$ -	$ 604,370
Total capital assets, not being depreciated/amortized	604,370	-	-	604,370
Capital assets, being depreciated/amortized:				
Land improvements	31,404	-	-	31,404
Utility structures in service	17,679,415	-	-	17,679,415
Buildings and improvements	5,574,519	-	-	5,574,519
Machinery and equipment	510,915	122,340	-	633,255
Intangible right to use:				
Leased equipment	24,821	-	-	24,821
Vehicles	560,583	-	-	560,583
Total capital assets, being depreciated/amortized	24,381,657	122,340	-	24,503,997
Less: accumulated depreciation/amortization				
Land improvements	(26,303)	(1,760)	-	(28,063)
Utility structures in service	(8,134,950)	(240,016)	-	(8,374,966)
Buildings and improvements	(2,501,803)	(135,327)	-	(2,637,130)
Machinery and equipment	(473,121)	(7,071)	-	(480,192)
Intangible right to use:				
Leased equipment	(7,263)	(4,964)	-	(12,227)
Vehicles	(373,499)	(47,465)	-	(420,964)
Total accumulated depreciation/amortization	(11,516,939)	(436,603)	-	(11,953,542)
Total capital assets, being depreciated/amortized	12,864,718	(314,263)	-	12,550,455
Business-type activities capital assets, net	$ 13,469,088	$ (314,263)	$ -	$ 13,154,825

NOTE 6 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. In 2004, the City joined the Miami Valley Risk Management Association, Inc. (MVRMA), a joint insurance pool. The pool consists of twenty municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability.

The City pays an annual premium to MVRMA for this coverage. The agreement provides that MVRMA will be self-sustaining through member premiums and the purchase of excess and stop-loss insurance. The deductible per occurrence for all types of claims is $2,500. During 2023, MVRMA's per occurrence retention limit for most property claims was $250,000; exceptions included a retention of $10,000 - $350,000 per occurrence for boiler and machinery. Liability had a per occurrence retention limit of $500,000. After the retention limits are reached, excess insurance will cover up to the limits stated below:

General liability	$9,500,000 per occurrence
Automobile liability	$9,500,000 per occurrence
Police professional liability	$9,500,000 per occurrence
Public officials liability	$9,500,000 per occurrence
Boiler and machinery	$100,000,000 per occurrence
Property	$1,000,000,000 per occurrence
Flood	$25,000,000 per occurrence
Earthquake	$25,000,000 per occurrence

Settled claims did not exceed insurance coverage in each of the past three years.

The City is a member of a workers' compensation group rating plan, which allows local governments to group the experience of employers for workers compensation rating purposes. The City pays the State Workers' Compensation System a premium based on salaries paid.

Medical coverage is offered to employees through a self-funded insurance plan. The plan is offered to local governments state-wide through the Jefferson Health Plan (JHP) in Steubenville, Ohio and claims are administered by United Healthcare of Ohio. The City participates in the plan and makes payment to the JHP based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services).

NOTE 7 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability

The net pension liability/asset and the net OPEB liability reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and OPEB are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

The remainder of this note includes the pension disclosures. See Note 8 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The 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.

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

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was $160,701 for 2023. Of this amount, $16,807 is reported as due to other governments.

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

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

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

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

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was $379,732 for 2023. Of this amount, $36,846 is reported as due to other governments.

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

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

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

	OPERS - Traditional	OPERS - Member-Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.00667900%	0.00009100%	0.06112960%	
Proportion of the net pension liability/asset current measurement date	0.00676600%	0.00009500%	0.05690150%	
Change in proportionate share	0.00008700%	0.00000400%	-0.00422810%	
Proportionate share of the net pension liability	$ 1,998,679	$ -	$ 5,405,091	$ 7,403,770
Proportionate share of the net pension asset	-	(7)	-	(7)
Pension expense	333,648	(1)	548,690	882,337

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	Member-Directed	OP&F	Total
Deferred outflows of resources				
Differences between expected and actual experience	$ 66,388	$ 31	$ 81,071	$ 147,490
Net difference between projected and actual earnings on pension plan investments	569,688	2	786,913	1,356,603
Changes of assumptions	21,114	1	487,517	508,632
Changes in employer's proportionate percentage/ difference between employer contributions	26,074	-	45,879	71,953
Contributions subsequent to the measurement date	160,647	54	379,732	540,433
Total deferred outflows of resources	$ 843,911	$ 88	$ 1,781,112	$ 2,625,111

	OPERS - Traditional	OPERS - Member-Directed	OP&F	Total
Deferred inflows of resources				
Differences between expected and actual experience	$ -	$ -	$ 123,145	$ 123,145
Changes of assumptions	-	-	105,398	105,398
Changes in employer's proportionate percentage/ difference between employer contributions	9,760	-	429,503	439,263
Total deferred inflows of resources	$ 9,760	$ -	$ 658,046	$ 667,806

$540,433 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2024.

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Member-Directed	OP&F	Total
Year Ending December 31:				
2024	$ 90,758	$ 3	$ 16,754	$ 107,515
2025	135,985	4	191,227	327,216
2026	167,688	4	217,710	385,402
2027	279,073	2	370,179	649,254
2028	-	2	(52,536)	(52,534)
Thereafter	-	19	-	19
Total	$ 673,504	$ 34	$ 743,334	$ 1,416,872

Actuarial Assumptions - OPERS

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

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

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

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

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

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2022 was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	$ 2,993,955	$ 1,998,679	$ 1,170,789
Member-Directed Plan	(5)	(7)	(10)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Experience study assumptions were performed by OP&F's prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful live of the participants which was 5.81 years at December 31, 2022.

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Valuation date	1/1/22 with actuarial liabilities rolled forward to 12/31/22
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

Health Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

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

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

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Note: assumptions are geometric.
* levered 2x
** Numbers are net of expected inflation.

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

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

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	$ 7,130,358	$ 5,405,091	$ 3,970,876

NOTE 8 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

See Note 7 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

The 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.

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.

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $22 for 2023. Of this amount, $2 is reported as due to other governments.

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

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

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

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

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

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

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

The City's contractually required contribution to OP&F was $9,186 for 2023. Of this amount, $891 is reported as due to other governments.

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

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

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

	OPERS	OP&F	Total
Proportion of the net OPEB liability/asset prior measurement date	0.0062200%	0.0611296%	
Proportion of the net OPEB liability current measurement date	0.0063060%	0.0569015%	
Change in proportionate share	0.0000860%	-0.0042281%	
Proportionate share of the net OPEB liability	$ 39,762	$ 405,122	$ 444,884
OPEB expense	(68,427)	(2,633)	(71,060)

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	OPERS	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ -	$ 24,175	$ 24,175
Net difference between projected and actual earnings on OPEB plan investments	78,969	34,747	113,716
Changes of assumptions	38,835	201,889	240,724
Changes in employer's proportionate percentage/ difference between employer contributions	1,608	6,930	8,538
Contributions subsequent to the measurement date	22	9,186	9,208
Total deferred outflows of resources	$ 119,434	$ 276,927	$ 396,361

	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 9,918	$ 79,882	$ 89,800
Changes of assumptions	3,196	331,354	334,550
Changes in employer's proportionate percentage/ difference between employer contributions	1,937	114,468	116,405
Total deferred inflows of resources	$ 15,051	$ 525,704	$ 540,755

$9,208 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2024.

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	OPERS	OP&F	Total
Year Ending December 31:			
2024	$ 13,120	$ (41,786)	$ (28,666)
2025	28,469	(37,098)	(8,629)
2026	24,624	(27,286)	(2,662)
2027	38,148	(17,262)	20,886
2028	-	(40,756)	(40,756)
Thereafter	-	(93,775)	(93,775)
Total	$ 104,361	$ (257,963)	$ (153,602)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

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NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75% including wage inflation
Prior Measurement date	2.75 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

Discount Rate - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	$ 135,327	$ 39,762	$ (39,097)

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	$ 37,268	$ 39,762	$ 42,566

Actuarial Assumptions - OP&F

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

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

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

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.27%
Prior measurement date	2.84%
Cost of Living Adjustments	2.20% simple per year

Health Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

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

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

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Note: assumptions are geometric.
* levered 2x
** Numbers are net of expected inflation.

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

Discount Rate - For 2022, the total OPEB liability was calculated using the discount rate of 4.27%. For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65% was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27%.

NOTE 8 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	$ 498,870	$ 405,122	$ 325,975

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

NOTE 9 - LEASES RECEIVABLES

The City is reporting leases receivable of $317,611 in the general fund. For fiscal year 2023, the City recognized lease revenue of $12,992, which is reported in rental income, and interest revenue of $16,250 in the governmental funds.

The City has entered into the following lease agreement as follows:

Purpose	Fund	Lease Commencement Date	Years	Lease End Date	Payment Method
Cell Tower	General	2009	38	2047	Monthly

Lease payments will be paid into the general fund. The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2024	$ 3,838	$ 16,250	$ 20,088
2025	4,034	16,053	20,087
2026	4,241	15,847	20,088
2027	4,458	15,630	20,088
2028	4,686	15,402	20,088
2029-2033	38,405	72,077	110,482
2034-2038	61,525	60,004	121,529
2039-2043	92,420	41,262	133,682
2044-2047	104,004	13,634	117,638
Total	$ 317,611	$ 266,159	$ 583,770

NOTE 10 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 96 (see Note 2 for detail), the City has reported obligations for SBITA payable which are reflected in the schedule below. During 2023, the following activity occurred in governmental activities long-term obligations

Governmental activities:	Restated Balance 12/31/22	Increase	Decrease	Balance 12/31/23	Amounts Due in One Year
Lease Payable	$ 18,162	$ -	$ (4,875)	$ 13,287	$ 5,022
SBITA Payable	36,115	30,851	(28,198)	38,768	22,543
Compensated Absences	238,548	270,530	(162,138)	346,939	265,313
Net Pension Liability	4,074,565	2,238,785	-	6,313,350	-
Net OPEB Liability	670,033	18,069	(264,911)	423,191	-
Total Governmental Activities	$ 5,037,423	$ 2,558,235	$ (460,122)	$ 7,135,535	$ 292,878

The City pays obligations related to employee compensation from the fund benefitting from their service.

Lease Payable - The City has entered into a lease agreement for the use of right to use equipment. The lease payments will be paid from the general fund, the police fund and the fire fund.

The City has entered into a lease agreement with the following terms:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Copiers	2021	5	2026	Monthly

The following is a schedule of future lease payments under the lease agreement:

Fiscal Year	Principal	Interest	Total
2024	$ 5,022	$ 330	$ 5,352
2025	5,175	177	5,352
2026	3,090	32	3,122
Total	$ 13,287	$ 539	$ 13,826

SBITA Payable - The City has entered into software agreements for the right to use software. Due to the implementation of GASB Statement No. 96, the City reports an intangible capital asset and corresponding liability for the future scheduled payments under the agreements.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The City has entered into SBITA agreements with the following terms:

Purpose	Subscription Commencement Date	Years	Subscription End Date	Payment Method
iWorQ - Code Enforcement	2022	2	2024	Annual
Granicus	2023	4	2027	Annual
Zencity	2022	3	2025	Annual

Fiscal Year	Principal	Interest	Total
2024	$ 22,543	$ 1,097	$ 23,640
2025	7,718	457	8,175
2026	8,507	240	8,747
Total	$ 38,768	$ 1,794	$ 40,562

During 2023, the following activity occurred in the business-type activities long-term obligations:

Business-type activities:	Balance 12/31/22	Increase	Decrease	Balance 12/31/23	Amounts Due in One Year
Ohio Public Works Commission loans from direct borrowing:					
Water treatment plant improvement - 2010 - 0.00%	$ 589,815	$ -	$ (56,173)	$ 533,642	$ 56,173
Upper hillside water main - 2018 - 0.00%	261,000	-	(9,667)	251,333	9,667
Total OPWC loans	850,815	-	(65,840)	784,975	65,840
Other Obligations:					
Lease payable	18,162	-	(4,875)	13,287	5,022
Compensated Absences	74,544	53,508	(38,096)	89,956	51,479
Net Pension Liability	325,559	764,861	-	1,090,420	-
Net OPEB Liability	-	21,693	-	21,693	-
Total Other Obligations	418,265	840,062	(42,971)	1,215,356	56,501
Total Business-type Activities	$ 1,269,080	$ 840,062	$ (108,811)	$ 2,000,331	$ 122,341

OPWC Loans - The OPWC loans are considered direct borrowing. The City has pledged future Water Fund revenues to repay and Ohio Public Works Commission (OPWC) loan related to the Upper hillside water main improvements. The loan is payable solely from the Water Fund revenues and is payable through 2049 at an interest rate of 0.00%.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

During 2010, the City entered into another OPWC loan agreement for the purpose of financing construction costs associated with the City's water treatment plant improvements. The loan is payable solely from the Water Fund revenues and is payable through 2032 at an interest rate of 0.00%.

In the event of default, the OPWC may (1) charge an 8% default interest rate form the date of the default to the date of the payment and charge the City of all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

The following is a schedule of future OPWC payments under the OPWC agreements:

Year Ending December 31,	OPWC Loans Principal	OPWC Loans Interest
2024	65,840	-
2025	65,840	-
2026	65,839	-
2027	65,840	-
2028	65,839	-
2029 - 2033	301,111	-
2034 - 2038	48,333	-
2039 - 2043	48,333	-
2044 - 2048	48,334	-
2049	9,666	-
Total	$ 784,975	$ -

Lease Payable - The City has entered into a lease agreement for the use of right to use equipment. The lease payments will be paid from the water fund.

The City has entered into a lease agreement with the following terms:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Copiers	2021	5	2026	Monthly

The following is a schedule of future lease payments under the lease agreement:

Fiscal Year	Principal	Interest	Total
2024	$ 5,021	$ 331	$ 5,352
2025	5,175	177	5,352
2026	3,091	31	3,122
Total	$ 13,287	$ 539	$ 13,826

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

A. Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2023, the City's total debt margin was $22,978,376 and the unvoted debt margin was $12,036,292.

NOTE 11 - JOINTLY GOVERNED ORGANIZATIONS

A. Miami Valley Risk Management Association

The City is a member of the Miami Valley Risk Management Association (MVRMA) which is a jointly governed organization established as a joint insurance pool. As of December 31, 2023, MVRMA had twenty-one members. MVRMA covers all property, crime, liability, boiler and machinery and public liability insurance. MVRMA is intended to provide broad based coverage up to established limits with increased emphasis on safety and loss prevention.

MVRMA is a corporation governed by a twenty one member board of trustees consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own book of account. Budgeting and financing of MVRMA is subject to the approval of the board. As of December 31, 2023, the member cities were: Beavercreek, Bellbrook, Blue Ash, Centerville, Englewood, Fairfield, Indian Hill, Kettering, Madeira, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington and Wyoming.

Member contributions are calculated annually to produce a sufficient sum of money within the self-insurance pool to fund administrative expenses and to create adequate reserves for claims. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA.

B. Jefferson Health Plan

The City is a member of the Center for Local Government Benefits Pool (CLGBP) which is a member of the Jefferson Health Plan (JHP). JHP is a jointly governed organization established as a joint insurance pool. As of December 31, 2023, JHP had over 100 members. JHP provides medical, dental and prescription benefit coverage.

JHP is governed by a nine member board of trustees elected from all members. The board is responsible for the business and financial affairs of the JHP. Member contributions are calculated annually to produce a sufficient sum of money within the self-insurance pool to fund administrative expenses and to create adequate reserves for claims. The City has no explicit and measurable equity interest in JHP and no ongoing financial responsibility to JHP.

NOTE 12 - CONTINGENT LIABILITIES

A. Grants

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

NOTE 12 - CONTINGENT LIABILITIES – (Continued)

B. Litigation

The City is not party to any legal proceedings that, in the opinion of management, will have a material adverse effect on the financial condition of the City.

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,

(d) Encumbrances are recorded as the equivalent of expenditures (budget basis) as opposed to part of restricted, committed or assigned fund balance (GAAP basis).

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

Net Change in Fund Balance

	General	Police	Fire
Budget basis	$ 26,893	$ (263,161)	$ (55,638)
Net adjustment for revenue accruals	101,722	28,100	13,228
Net adjustment for expenditure accruals	(48,307)	(24,176)	(22,939)
Net adjustment for other sources/uses	19,128	6,170	5,553
Adjustment for encumbrances	191,030	20,886	6,076
GAAP basis	$ 290,466	$ (232,181)	$ (53,720)

NOTE 14 - FUND BALANCE

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

Fund balance	General	Police	Fire	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies	$ -	$ 2	$ 1	$ 54,720	$ 54,723
Prepayments	19,368	8,506	8,557	690	37,121
Total nonspendable	19,368	8,508	8,558	55,410	91,844
Restricted:					
Public safety programs	-	9,456	454,373	17,130	480,959
Transportation	-	-	-	1,080,839	1,080,839
Total restricted	-	9,456	454,373	1,097,969	1,561,798
Committed:					
Transportation	-	-	-	5,276	5,276
Total committed	-	-	-	5,276	5,276
Assigned:					
General government	16,544	-	-	-	16,544
Recreation	860	-	-	-	860
Capital improvements	136,048	-	-	150,196	286,244
Total assigned	153,452	-	-	150,196	303,648
Unassigned	2,813,014	-	-	-	2,813,014
Total fund balances	$ 2,985,834	$ 17,964	$ 462,931	$ 1,308,851	$ 4,775,580

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NOTE 15 - OTHER COMMITMENTS

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

Fund	Year-End Encumbrances
General fund	$ 153,452
Police fund	20,702
Fire fund	5,456
Nonmajor governmental funds	166,550
Total	$ 346,160

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BELLBROOK, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Traditional Plan:				
City's proportion of the net pension liability	0.006766%	0.006679%	0.006473%	0.006075%
City's proportionate share of the net pension liability	$ 1,998,679	$ 581,100	$ 958,510	$ 1,200,765
City's covered payroll	$ 1,048,371	$ 971,893	$ 917,736	$ 861,100
City's proportionate share of the net pension liability as a percentage of its covered payroll	190.65%	59.79%	104.44%	139.45%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	96.62%	86.88%	82.17%
Member Directed Plan:				
City's proportion of the net pension asset	0.000095%	0.000091%	0.000098%	0.008933%
City's proportionate share of the net pension asset	$ 7	$ 17	$ 18	$ 338
City's covered payroll	$ 650	$ 570	$ 590	$ 53,110
City's proportionate share of the net pension asset as a percentage of its covered payroll	1.08%	2.98%	3.05%	0.64%
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%	188.21%	118.84%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.006172%	0.006757%	0.006951%	0.007040%	0.007348%	0.007348%
$ 1,690,386	$ 1,060,042	$ 1,578,452	$ 1,219,417	$ 886,251	$ 866,233
$ 837,229	$ 892,915	$ 1,003,092	$ 967,708	$ 990,742	$ 1,157,285
201.90%	118.72%	157.36%	126.01%	89.45%	74.85%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
0.019282%	0.020795%				
$ 439	$ 726				
$ 110,220	$ 104,480				
0.40%	0.69%				
113.42%	124.46%				

CITY OF BELLBROOK, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
City's proportion of the net pension liability	0.05690150%	0.06112960%	0.06427800%	0.06285270%
City's proportionate share of the net pension liability	$ 5,405,091	$ 3,819,024	$ 4,381,889	$ 4,234,094
City's covered payroll	$ 1,562,082	$ 1,608,292	$ 1,608,731	$ 1,538,581
City's proportionate share of the net pension liability as a percentage of its covered payroll	346.02%	237.46%	272.38%	275.19%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	75.03%	70.65%	69.89%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.06575100%	0.06792400%	0.06945100%	0.06922900%	0.06936800%	0.06936800%
$ 5,367,019	$ 4,168,790	$ 4,398,957	$ 4,453,550	$ 3,593,567	$ 3,378,453
$ 1,517,265	$ 1,513,225	$ 1,493,116	$ 1,436,377	$ 1,410,189	$ 1,236,558
353.73%	275.49%	294.62%	310.05%	254.83%	273.21%
63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

CITY OF BELLBROOK, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Traditional Plan:				
Contractually required contribution	$ 160,647	$ 146,772	$ 136,065	$ 128,483
Contributions in relation to the contractually required contribution	(160,647)	(146,772)	(136,065)	(128,483)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,147,479	$ 1,048,371	$ 971,893	$ 917,736
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
Member Directed Plan:				
Contractually required contribution	$ 54	$ 65	$ 57	$ 59
Contributions in relation to the contractually required contribution	(54)	(65)	(57)	(59)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 540	$ 650	$ 570	$ 590
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2019	2018	2017	2016	2015	2014
	$ 120,554	$ 117,212	$ 116,079	$ 120,371	$ 116,125	$ 118,889
	(120,554)	(117,212)	(116,079)	(120,371)	(116,125)	(118,889)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 861,100	$ 837,229	$ 829,136	$ 925,931	$ 967,708	$ 990,742
	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

	$ 5,311	$ 11,022
	(5,311)	(11,022)
	$ -	$ -
	$ 53,110	$ 110,220
	10.00%	10.00%

CITY OF BELLBROOK, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 379,732	$ 323,343	$ 330,993	$ 334,338
Contributions in relation to the contractually required contribution	(379,732)	(323,343)	(330,993)	(334,338)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,837,109	$ 1,562,082	$ 1,608,292	$ 1,608,731
Contributions as a percentage of covered payroll	20.70%	20.70%	20.58%	20.78%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 320,155	$ 312,865	$ 312,758	$ 315,794	$ 296,912	$ 290,039
(320,155)	(312,865)	(312,758)	(315,794)	(296,912)	(290,039)
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,538,581	$ 1,517,265	$ 1,513,225	$ 1,493,116	$ 1,436,377	$ 1,410,189
20.81%	20.62%	20.67%	21.15%	20.67%	20.57%

CITY OF BELLBROOK, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	2023	2022	2021	2020	2019	2018	2017
City's proportion of the net OPEB liability/asset	0.006306%	0.006220%	0.006032%	0.006009%	0.006507%	0.007110%	0.007232%
City's proportionate share of the net OPEB liability/(asset)	$ 39,762	$ (194,820)	$ (107,465)	$ 829,999	$ 848,359	$ 772,094	$ 730,483
City's covered payroll	$ 1,049,021	$ 972,463	$ 918,326	$ 914,210	$ 947,449	$ 892,915	$ 1,003,092
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	3.79%	20.03%	11.70%	90.79%	89.54%	86.47%	72.82%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BELLBROOK, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	2023	2022	2021	2020	2019	2018	2017
City's proportion of the net OPEB liability	0.05690150%	0.06112960%	0.06427800%	0.06285270%	0.06575100%	0.06792400%	0.06945100%
City's proportionate share of the net OPEB liability	$ 405,122	$ 670,033	$ 681,036	$ 620,842	$ 598,764	$ 3,848,461	$ 3,296,683
City's covered payroll	$ 1,562,082	$ 1,608,292	$ 1,608,731	$ 1,538,581	$ 1,517,265	$ 1,513,225	$ 1,493,116
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	25.93%	41.66%	42.33%	40.35%	39.46%	254.32%	220.79%
Plan fiduciary net position as a percentage of the total OPEB liability	52.59%	46.86%	45.42%	47.08%	46.57%	14.13%	15.96%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BELLBROOK, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 22	$ 26	$ 23	$ 23
Contributions in relation to the contractually required contribution	(22)	(26)	(23)	(23)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,148,019	$ 1,049,021	$ 972,463	$ 918,326
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 2,124	$ 4,409	$ 8,929	$ 20,053	$ 19,345	$ 19,806
(2,124)	(4,409)	(8,929)	(20,053)	(19,345)	(19,806)
$ -	$ -	$ -	$ -	$ -	$ -
$ 914,210	$ 947,449	$ 829,136	$ 925,931	$ 967,708	$ 990,742
0.23%	0.47%	1.08%	2.17%	2.00%	2.00%

CITY OF BELLBROOK, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 9,186	$ 7,811	$ 8,041	$ 8,044
Contributions in relation to the contractually required contribution	(9,186)	(7,811)	(8,041)	(8,044)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,837,109	$ 1,562,082	$ 1,608,292	$ 1,608,731
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 7,693	$ 7,587	$ 7,566	$ 7,741	$ 7,266	$ 7,135
(7,693)	(7,587)	(7,566)	(7,741)	(7,266)	(7,135)
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,538,581	$ 1,517,265	$ 1,513,225	$ 1,493,116	$ 1,436,377	$ 1,410,189
0.50%	0.50%	0.50%	0.52%	0.51%	0.51%

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- There were no changes in assumptions for 2023.

(Continued)

PENSION

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed from 2.84% to 4.27% and (b) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

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

City of Bellbrook
Greene County
15 East Franklin Street
Bellbrook, OH 45305

To the Members of the City Council and Mayor:

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

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Julian & Grube, Inc.

Julian & Grube, Inc.
June 17, 2024

OHIO AUDITOR OF STATE
KEITH FABER

CITY OF BELLBROOK

GREENE 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 9/5/2024

65 East State Street, Columbus, Ohio 43215
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