



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CITY OF EAST LIVERPOOL, OHIO
COLUMBIANA COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023



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Members of Council
City of East Liverpool
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East Liverpool, Ohio 43920

We have reviewed the *Independent Auditor's Report* of the City of East Liverpool, Columbiana County, prepared by Clark, Schaefer, Hackett & Co., 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 East Liverpool is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 25, 2024

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of East Liverpool, Ohio:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, 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, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 28, 2024

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City of East Liverpool, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

The management's discussion and analysis of the City of East Liverpool'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 financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2023 are:

- The City-wide net position increased during 2023 due primarily to increases in current assets and deferred outflows of resources related to pension and OPEB and decreases in deferred inflows of resources related to pension and OPEB.
- Capital asset additions in 2023 included construction in progress on the new City Garage, Dresden Ave re-pavement project, and various water and sewer projects, a pickleball court, infrastructure, building improvements, and purchases of various equipment and vehicles.

Using This Financial Report

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major 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 dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Reporting the City of East Liverpool as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2023?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net position and the changes in net position. The changes in net position are important because they tell the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City's capital assets will also need to be evaluated.

City of East Liverpool, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
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The *Statement of Net Position* and the *Statement of Activities* are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position
- Program Revenue and Expenses
- General Revenues
- Net Position Beginning of Year and Year's End

Reporting the City of East Liverpool's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins with the discussion of the modified accrual statements. Fund financial statements provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to City residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of East Liverpool, the major funds are the general, police, fire, water, sewer and incinerator funds.

Governmental Funds

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

Proprietary Funds

The City maintains two different types 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's major enterprise funds are the water, sewer and incinerator funds.

Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The internal service fund accounts for any unanticipated run-off claims.

City of East Liverpool, Ohio
Management's Discussion and Analysis
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Unaudited

The City as a Whole

The *Statement of Net Position* looks at the City as a whole. Table 1 provides a summary of the City's net position for 2023 compared to 2022.

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$8,438,903	\$7,388,834	\$8,336,227	\$8,515,245	\$16,775,130	\$15,904,079
Noncurrent Assets:						
Net Pension Asset	9,143	15,860	11,365	18,740	20,508	34,600
Net OPEB Asset	0	287,867	0	340,210	0	628,077
Capital Assets, Net	16,339,700	16,661,450	10,755,255	10,728,656	27,094,955	27,390,106
<i>Total Assets</i>	<u>24,787,746</u>	<u>24,354,011</u>	<u>19,102,847</u>	<u>19,602,851</u>	<u>43,890,593</u>	<u>43,956,862</u>
Deferred Outflows of Resources						
Pension	3,193,444	1,844,131	1,321,143	423,827	4,514,420	2,267,958
OPEB	617,643	583,005	196,919	0	814,562	583,005
<i>Total Deferred Outflows of Resources</i>	<u>3,811,087</u>	<u>2,427,136</u>	<u>1,518,062</u>	<u>423,827</u>	<u>5,328,982</u>	<u>2,850,963</u>
Liabilities						
Current and Other Liabilities	1,163,342	845,952	383,709	268,956	1,547,051	1,114,908
Long-Term Liabilities:						
Due Within One Year	364,712	342,988	641,221	555,507	1,005,933	898,495
Due in More than One Year						
Net Pension Liability	9,262,612	5,306,270	3,292,723	1,002,295	12,555,335	6,308,565
Net OPEB Liability	549,101	782,171	66,307	0	615,408	782,171
Other Amounts	1,919,406	1,876,650	2,042,655	2,468,699	3,962,061	4,345,349
<i>Total Liabilities</i>	<u>13,259,173</u>	<u>9,154,031</u>	<u>6,426,615</u>	<u>4,295,457</u>	<u>19,685,788</u>	<u>13,449,488</u>
Deferred Inflows of Resources						
Property Taxes	1,594,171	1,575,588	0	0	1,594,171	1,575,588
Payments in Lieu of Taxes	27,410	27,300	0	0	27,410	27,300
Pension	982,260	3,196,814	48,519	1,290,545	1,030,612	4,487,359
OPEB	626,307	703,420	23,643	385,613	649,950	1,089,033
<i>Total Deferred Inflows of Resources</i>	<u>3,230,148</u>	<u>5,503,122</u>	<u>72,162</u>	<u>1,676,158</u>	<u>3,302,143</u>	<u>7,179,280</u>
Net Position						
Net Investment in Capital Assets	14,334,468	15,058,042	8,052,108	7,762,236	22,386,576	22,820,278
Restricted:						
Capital Projects	1,311,052	881,916	0	0	1,311,052	881,916
Debt Service	306,186	308,590	0	0	306,186	308,590
Street Maintenance and Repair	834,225	875,922	0	0	834,225	875,922
Community Development	87,589	127,312	0	0	87,589	127,312
Other Purposes	1,109,544	610,530	0	0	1,109,544	610,530
Unclaimed Monies	20,285	19,223	0	0	20,285	19,223
Pension and OPEB Plans	9,143	303,727	11,365	358,950	20,508	662,677
Unrestricted (Deficit)	(5,902,980)	(6,061,268)	6,058,659	5,933,877	155,679	(127,391)
<i>Total Net Position</i>	<u>\$12,109,512</u>	<u>\$12,123,994</u>	<u>\$14,122,132</u>	<u>\$14,055,063</u>	<u>\$26,231,644</u>	<u>\$26,179,057</u>

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Management's Discussion and Analysis
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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2023. 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.

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.

By comparing assets and deferred outflows of resources and liabilities and deferred inflows of resources, one can see the overall position of the City has increased when compared with the prior year as evidenced by the increase in governmental net position.

Total current and other assets for governmental activities increased due mainly to an increase in cash and cash equivalents. Net capital assets for governmental activities decreased due to current year deletions and depreciation and amortization exceeding annual additions. The increase in long-term liabilities can be attributed to increases in the net pension liability.

Total current and other assets for business-type activities decreased mainly due to the decrease in cash and cash equivalents. Net capital assets for business-type activities increased as a result of current year current year additions exceeding depreciation and deletions. The increase in long-term liabilities for business-type activities was due to an increase in the net pension liability.

City of East Liverpool, Ohio
Management's Discussion and Analysis
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Table 2 shows the changes in net position for the years ended December 31, 2023 and December 31, 2022.

Table 2 - Changes in Net Position

	Governmental		Business-Type		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
<i>Program Revenues:</i>						
Charges for Services and Assessments	\$493,916	\$844,914	\$6,267,349	\$5,706,428	\$6,761,265	\$6,551,342
Operating Grants and Contributions	970,964	2,065,001	0	756	970,964	2,065,757
Capital Grants and Contributions	723,417	73,755	39,994	86,180	763,411	159,935
Total Program Revenues	2,188,297	2,983,670	6,307,343	5,793,364	8,495,640	8,777,034
<i>General Revenues:</i>						
Property Taxes	1,680,778	1,517,801	0	0	1,680,778	1,517,801
Income Tax	4,338,357	4,108,119	0	0	4,338,357	4,108,119
Permissive Motor Vehicle License Tax	170,480	167,004	0	0	170,480	167,004
Hotel Taxes	2,013	1,814	0	0	2,013	1,814
Grants and Entitlements not						
Restricted to Specific Programs	43,578	136,671	0	0	43,578	136,671
Payment in Lieu of Taxes	28,020	102,166	0	0	28,020	102,166
Investment Earnings/Interest	558,136	37	189,595	64,783	747,731	64,820
Other	225,774	256,454	173,167	57,622	398,941	314,076
Total General Revenues	7,047,136	6,290,066	362,762	122,405	7,409,898	6,412,471
Total Revenues	9,235,433	9,273,736	6,670,105	5,915,769	15,905,538	15,189,505
Program Expenses:						
General Government	1,677,222	1,638,086	0	0	1,677,222	1,638,086
Security of Persons and Property	4,400,156	3,555,582	0	0	4,400,156	3,555,582
Transportation	2,368,264	1,796,052	0	0	2,368,264	1,796,052
Public Health and Welfare	22,864	9,869	0	0	22,864	9,869
Leisure Time Activities	169,744	122,550	0	0	169,744	122,550
Community and			0	0		
Economic Development	281,323	563,807	0	0	281,323	563,807
Intergovernmental	251,321	229,935	0	0	251,321	229,935
Interest	79,021	75,796	0	0	79,021	75,796
Water	0	0	3,261,109	2,589,331	3,261,109	2,589,331
Sewer	0	0	1,465,914	1,159,110	1,465,914	1,159,110
Incinerator	0	0	1,361,911	970,418	1,361,911	970,418
Storm Sewer	0	0	427,080	362,866	427,080	362,866
Swimming Pool	0	0	84,484	54,244	84,484	54,244
Off Street Parking	0	0	2,538	1,387	2,538	1,387
Total Program Expenses	9,249,915	7,991,677	6,603,036	5,137,356	15,852,951	13,129,033
Excess Revenues over Expenses	(14,482)	1,282,059	67,069	778,413	52,587	2,060,472
Special Item - Transfer of Court Operations	0	(292,070)	0	0	0	(292,070)
Change in Net Position	(14,482)	989,989	67,069	778,413	52,587	1,768,402
<i>Net Position Beginning of Year</i>	<i>12,123,994</i>	<i>11,134,005</i>	<i>14,055,063</i>	<i>13,276,650</i>	<i>26,179,057</i>	<i>24,410,655</i>
Net Position End of Year	\$12,109,512	\$12,123,994	\$14,122,132	\$14,055,063	\$26,231,644	\$26,179,057

City of East Liverpool, Ohio
Management's Discussion and Analysis
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Governmental Activities

Funding for the governmental activities comes from several different sources, with the most significant being the municipal income tax. Other prominent sources of revenue are property taxes, grants and entitlements, charges for services, operating grants and contributions and capital grants.

The City's income tax rate is 1.5 percent. Both residents of the City and nonresidents who work inside the City are subject to the income tax.

Charges for services program revenue decreased due to the transfer of municipal court operations in 2022, resulting in a reduction in revenues related to the court's processes. Operating grants and contributions decreased because of a decrease in State and Federal grant monies. Capital grants and contributions increased due to ODOT grants.

Expenses for general government represent the overhead costs of running the City and the support services provided for the other governmental activities. These include the costs of council, the mayor, administration, law, and finance.

Security of persons and property, which includes police and fire services, represents the largest expense items of the governmental activities. The police department is funded through the police special revenue fund. The department operates full time, 24 hours a day, 365 days a year with 13 officers and a full-time police chief.

The fire department employs 14 employees, including the fire chief. The City is committed to maintaining a very efficient department. Regular meetings, drills and training sessions are held. There is a strong emphasis on equipment with financial planning in place for replacement on a regular basis of worn equipment. The department's functions include firefighting, emergency medical service including paramedic service, fire prevention education and investigation.

Another major expense of the City in 2023 was transportation, or the street maintenance and repair department. The street department employs 6 full time employees who provide the City and its citizens many services which include road salting, leaf and debris pickup, paint striping and alley profiling.

City of East Liverpool, Ohio
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Table 3 presents a summary for governmental activities, the total cost of services and the net cost of providing these services.

Table 3
Cost of Services

	Governmental Activities			
	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services
	2023	2022	2023	2022
General Government	\$1,677,222	\$1,638,086	\$1,246,939	\$822,958
Security of Persons and Property	4,400,156	3,555,582	4,117,826	2,805,145
Transportation	2,368,264	1,796,052	1,036,086	971,519
Public Health and Welfare	22,864	9,869	(82,414)	(6,524)
Leisure Time Activities	169,744	122,550	147,529	90,056
Community and Economic Development	281,323	563,807	265,310	19,122
Intergovernmental	251,321	229,935	251,321	229,935
Interest	79,021	75,796	79,021	75,796
Total	\$9,249,915	\$7,991,677	\$7,061,618	\$5,008,007

The City's Funds

The City of East Liverpool uses fund accounting as mandated by governmental legal requirements. The intent of accounting and reporting using this method is to demonstrate compliance with these finance related requirements. Information about the City's governmental funds begins with the balance sheet.

Governmental Funds

The City's funds are accounted for using the modified accrual basis of accounting. The City focuses on its governmental funds to provide a financial picture on activities as they provide information on how the City did over a period of one year as well as where the City's funds stood at December 31, 2023. The information provided is useful to determine the City's available balances.

The City's major governmental funds are the general fund and the police and fire special revenue funds. The general fund had an increase in fund balance due mainly to an increase in cash and cash equivalents and income tax revenues and receivables. The police special revenue fund had a decrease in fund balance due to a decrease in cash and cash equivalents as a result of department expenditures exceeding revenues and transfers in. Despite increased transfers in, the fire special revenue fund had a decrease in fund balance due to decreases in intergovernmental revenues and increased operational expenditures.

Business-Type Funds

As mentioned earlier, the City's major business-type funds are water, sewer and incinerator. The largest sources of operating revenue for these funds in 2023 were charges for services. The water and sewer funds had an increase in net position due to an increase cash and cash equivalents and deferred outflows related to pension and OPEB and a decrease in deferred inflows related to pension and OPEB. The incinerator fund had a decrease in net position due to operating expenses exceeding operating revenues during 2023.

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General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. The general fund supports many major activities such as the legislative and executive, judicial, public health and planning activities. Some police, fire, and street activities are also funded with general fund dollars. By ordinance, these funds are transferred from the general fund to the police, fire, and street funds.

For the general fund, actual revenues were higher than the final budgeted revenues due mainly to higher than estimated income tax, interest, and miscellaneous revenues. There was an increase in actual expenditures and other financing uses compared to the final budget. This increase was due to higher than expected intergovernmental expenditures.

Capital Assets and Debt Administration

Capital Assets

Total governmental capital assets decreased due to deletions and depreciation outpacing additions during the year. Business-type capital assets increased as a result of current year additions outpacing deletions and annual depreciation. Current year deletions for governmental and business-type activities included machinery and equipment and buildings and improvements. For additional information see Note 10 to the basic financial statements.

Debt

At December 31, 2023, outstanding debt is composed of installment loans, Ohio Public Works Commission (OPWC) loans, Ohio Water Development Authority (OWDA) loans, State Infrastructure Bank (SIB) loans, financed purchases, leases and police and fire pension liability. For additional information see Note 13 to the basic financial statements.

Current Financial Related Activities

The City continues to strive to provide the services its citizen's desire while maintaining costs. This is a challenge the City's administration deals with. The City is also continuing to upgrade its capital assets and infrastructure in an effort to make improvements when possible. During 2023, the City performed construction work on various paving and infrastructure improvement projects, purchased various equipment and vehicles, made improvements to buildings and continued to make water and sewer infrastructure improvements.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends or invests. If you have any questions about this report or need financial information, contact the City Auditor, Marilyn Bosco at 126 West 6th Street, East Liverpool, Ohio 43920, by telephone at (330) 385-4224, or by email at auditormb@gmail.com.

City of East Liverpool, Ohio

Statement of Net Position

December 31, 2023

	Governmental Activities	Business-Type Activities *	Total *	Component Unit
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,964,383	\$7,226,472	\$11,190,855	\$20,036
Inventory Held for Resale	0	0	0	15,407
Materials and Supplies Inventory	57,080	64,221	121,301	0
Accounts Receivable	255,573	1,024,505	1,280,078	0
Due from Component Unit	29,626	0	29,626	0
Intergovernmental Receivable	681,817	96	681,913	34,715
Prepaid Items	42,279	20,933	63,212	2,406
Hotel Taxes Receivable	227	0	227	0
Income Taxes Receivable	1,445,141	0	1,445,141	0
Property Taxes Receivable	1,918,251	0	1,918,251	0
Permissive Motor Vehicle License Tax Receivable	11,300	0	11,300	0
Payment in Lieu of Taxes Receivable	27,410	0	27,410	0
Loans Receivable	5,816	0	5,816	0
Net Pension Asset (See Note 11)	9,143	11,365	20,508	1,418
Nondepreciable Capital Assets	2,367,605	593,493	2,961,098	0
Depreciable Capital Assets, Net	13,972,095	10,161,762	24,133,857	12,598
<i>Total Assets</i>	<u>24,787,746</u>	<u>19,102,847</u>	<u>43,890,593</u>	<u>86,580</u>
Deferred Outflows of Resources				
Pension	3,193,444	1,321,143	4,514,420	207,250
OPEB	617,643	196,919	814,562	24,826
<i>Total Deferred Outflows of Resources</i>	<u>3,811,087</u>	<u>1,518,062</u>	<u>5,328,982</u>	<u>232,076</u>
Liabilities				
Accounts Payable	175,143	169,532	344,675	15,644
Contracts Payable	329,909	15,628	345,537	0
Accrued Wages	82,040	35,846	117,886	5,461
Due to Primary Government	0	0	0	29,626
Intergovernmental Payable	66,890	32,408	99,298	10,858
Accrued Interest Payable	17,983	33,153	51,136	0
Vacation Benefits Payable	142,982	97,142	240,124	5,794
Unearned Revenue	348,395	0	348,395	0
Long-Term Liabilities:				
Due Within One Year	364,712	641,221	1,005,933	382
Due In More Than One Year:				
Net Pension Liability (See Note 11)	9,262,612	3,292,723	12,555,335	410,955
Net OPEB Liability (See Note 12)	549,101	66,307	615,408	8,276
Other Amounts	1,919,406	2,042,655	3,962,061	5,453
<i>Total Liabilities</i>	<u>13,259,173</u>	<u>6,426,615</u>	<u>19,685,788</u>	<u>492,449</u>
Deferred Inflows of Resources				
Property Taxes	1,594,171	0	1,594,171	0
Payment in Lieu of Taxes	27,410	0	27,410	0
Pension	982,260	48,519	1,030,612	1,361
OPEB	626,307	23,643	649,950	2,850
<i>Total Deferred Inflows of Resources</i>	<u>3,230,148</u>	<u>72,162</u>	<u>3,302,143</u>	<u>4,211</u>
Net Position				
Net Investment in Capital Assets	14,334,468	8,052,108	22,386,576	12,216
Restricted for:				
Capital Projects	1,311,052	0	1,311,052	0
Debt Service	306,186	0	306,186	0
Street Maintenance and Repair	834,225	0	834,225	0
Community Development	87,589	0	87,589	0
Other Purposes	1,109,544	0	1,109,544	20,382
Unclaimed Monies	20,285	0	20,285	0
Pension and OPEB Plans	9,143	11,365	20,508	1,418
Unrestricted (Deficit)	(5,902,980)	6,058,659	155,679	(212,020)
<i>Total Net Position</i>	<u>\$12,109,512</u>	<u>\$14,122,132</u>	<u>\$26,231,644</u>	<u>(\$178,004)</u>

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

City of East Liverpool, Ohio
Statement of Activities
For the Year Ended December 31, 2023

	Program Revenues			
	Expenses	Charges for Services and Assessments	Operating Grants and Contributions	Capital Grants, Contributions, and Assessments
Governmental Activities:				
General Government	\$1,677,222	\$199,540	\$140,207	\$90,536
Security of Persons and Property	4,400,156	16,308	266,022	0
Transportation	2,368,264	157,258	547,819	627,101
Public Health and Welfare	22,864	88,362	16,916	0
Leisure Time Activities	169,744	16,435	0	5,780
Community and Economic Development	281,323	16,013	0	0
Intergovernmental	251,321	0	0	0
Interest	79,021	0	0	0
<i>Total Governmental Activities</i>	<u>9,249,915</u>	<u>493,916</u>	<u>970,964</u>	<u>723,417</u>
Business-Type Activities:				
Water	3,261,109	3,077,031	0	96
Sewer	1,465,914	1,635,608	0	10,603
Incinerator	1,361,911	1,137,442	0	0
Storm Sewer	427,080	411,853	0	0
Swimming Pool	84,484	5,415	0	29,295
Off Street Parking	2,538	0	0	0
<i>Total Business-Type Activities</i>	<u>6,603,036</u>	<u>6,267,349</u>	<u>0</u>	<u>39,994</u>
<i>Total - Primary Government</i>	<u>\$15,852,951</u>	<u>\$6,761,265</u>	<u>\$970,964</u>	<u>\$763,411</u>
Component Unit				
City of East Liverpool Board of Health	<u>\$456,661</u>	<u>\$61,829</u>	<u>\$344,839</u>	<u>\$0</u>

General Revenues

Property Taxes Levied for:

- General Purposes
- Fire Department
- Police Department
- Street Maintenance and Repair
- General Obligation Bond Retirement
- Capital Improvements

Income Tax Levied for:

- General Purposes
- Capital Improvements
- Permissive Motor Vehicle License Tax
- Hotel Taxes

Grants and Entitlements not Restricted to
Specific Programs

- Payment in Lieu of Taxes
- Investment Earnings/Interest
- Other

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	City of East Liverpool Board of Health
(\$1,246,939)	\$0	(\$1,246,939)	\$0
(4,117,826)	0	(4,117,826)	0
(1,036,086)	0	(1,036,086)	0
82,414	0	82,414	0
(147,529)	0	(147,529)	0
(265,310)	0	(265,310)	0
(251,321)	0	(251,321)	0
(79,021)	0	(79,021)	0
(7,061,618)	0	(7,061,618)	0
0	(183,982)	(183,982)	0
0	180,297	180,297	0
0	(224,469)	(224,469)	0
0	(15,227)	(15,227)	0
0	(49,774)	(49,774)	0
0	(2,538)	(2,538)	0
0	(295,693)	(295,693)	0
(7,061,618)	(295,693)	(7,357,311)	0
(49,993)	0	0	(49,993)
206,475	0	206,475	0
686,755	0	686,755	0
75,034	0	75,034	0
426,154	0	426,154	0
103,288	0	103,288	0
183,072	0	183,072	0
4,034,751	0	4,034,751	0
303,606	0	303,606	0
170,480	0	170,480	0
2,013	0	2,013	0
43,578	0	43,578	0
28,020	0	28,020	0
558,136	189,595	747,731	0
225,774	173,167	398,941	1,000
7,047,136	362,762	7,409,898	1,000
(14,482)	67,069	52,587	(48,993)
12,123,994	14,055,063	26,179,057	(129,011)
\$12,109,512	\$14,122,132	\$26,231,644	(\$178,004)

City of East Liverpool, Ohio

*Balance Sheet
Governmental Funds
December 31, 2023*

	General	Police	Fire	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$629,718	\$62,098	\$60,519	\$3,024,738	\$3,777,073
Materials and Supplies Inventory	0	0	0	57,080	57,080
Accounts Receivable	109,697	147	0	141,562	251,406
Intergovernmental Receivable	49,179	5,166	34,195	622,903	711,443
Prepaid Items	9,759	14,244	13,229	5,047	42,279
Income Taxes Receivable	1,336,756	0	0	108,385	1,445,141
Property Taxes Receivable	232,033	50,572	751,518	884,128	1,918,251
Permissive Motor Vehicle License Tax Receivable	0	0	0	11,300	11,300
Hotel Taxes Receivable	170	0	0	57	227
Payment in Lieu of Taxes Receivable	0	0	0	27,410	27,410
Loans Receivable	0	0	0	5,816	5,816
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	132,285	0	23,346	1,024	156,655
<i>Total Assets</i>	<u>2,499,597</u>	<u>132,227</u>	<u>882,807</u>	<u>4,889,450</u>	<u>8,404,081</u>
Liabilities					
Accounts Payable	2,934	2,390	7,941	27,532	40,797
Contracts Payable	512	0	0	325,047	325,559
Accrued Wages	20,484	27,625	27,837	6,094	82,040
Intergovernmental Payable	8,578	20,493	33,976	3,843	66,890
Deposits Held Payable from Restricted Assets	111,000	0	23,346	0	134,346
Unearned Revenue	0	0	0	348,395	348,395
<i>Total Liabilities</i>	<u>143,508</u>	<u>50,508</u>	<u>93,100</u>	<u>710,911</u>	<u>998,027</u>
Deferred Inflows of Resources					
Property Taxes	192,852	42,049	624,511	734,759	1,594,171
Payment In Lieu of Taxes	0	0	0	27,410	27,410
Unavailable Revenue	884,963	10,198	161,202	554,644	1,611,007
<i>Total Deferred Inflows of Resources</i>	<u>1,077,815</u>	<u>52,247</u>	<u>785,713</u>	<u>1,316,813</u>	<u>3,232,588</u>
Fund Balances					
Nonspendable	31,044	14,244	13,229	62,127	120,644
Restricted	0	15,228	0	2,768,787	2,784,015
Committed	0	0	0	20,587	20,587
Assigned	98,950	0	0	10,225	109,175
Unassigned (Deficit)	1,148,280	0	(9,235)	0	1,139,045
<i>Total Fund Balances</i>	<u>1,278,274</u>	<u>29,472</u>	<u>3,994</u>	<u>2,861,726</u>	<u>4,173,466</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,499,597</u>	<u>\$132,227</u>	<u>\$882,807</u>	<u>\$4,889,450</u>	<u>\$8,404,081</u>

See accompanying notes to the basic financial statements

City of East Liverpool, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2023*

Total Governmental Fund Balances		\$4,173,466
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		16,339,700
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds:		
Income Taxes	782,656	
Delinquent Property Taxes	324,080	
Intergovernmental	253,598	
Fees, Licenses and Permits	109,651	
Opioid Settlements	73,522	
Contributions and Donations	67,500	
Total	1,611,007	1,611,007
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		30,472
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		(17,983)
Vacation benefits payable are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.		(142,982)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Installment Loans	(336,152)	
SIB Loans	(900,725)	
Financed Purchases Payable	(436,117)	
Leases Payable	(7,191)	
Compensated Absences Payable	(111,170)	
Police and Fire Pension Payable	(492,763)	
Total	(2,284,118)	(2,284,118)
The net pension asset, net pension liability and net OPEB liability are not due and payable in the current period and therefore the assets, liabilities, and related deferred inflows/outflows are not reported in governmental funds:		
Net Pension Asset	9,143	
Deferred Outflows - Pension	3,193,444	
Deferred Outflows - OPEB	617,643	
Net Pension Liability	(9,262,612)	
Net OPEB Liability	(549,101)	
Deferred Inflows - Pension	(982,260)	
Deferred Inflows - OPEB	(626,307)	
Total	(7,600,050)	<u><u>(7,600,050)</u></u>
<i>Net Position of Governmental Activities</i>		<u><u>\$12,109,512</u></u>

See accompanying notes to the basic financial statements

City of East Liverpool, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Police	Fire	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$203,977	\$44,425	\$661,160	\$777,611	\$1,687,173
Income Taxes	3,840,266	0	0	287,837	4,128,103
Hotel Taxes	1,510	0	0	503	2,013
Permissive Motor Vehicle License Tax	0	0	0	170,480	170,480
Payment in Lieu of Taxes	0	0	0	28,020	28,020
Intergovernmental	18,879	81,739	38,628	1,581,669	1,720,915
Investment Earnings/Interest	541,221	0	0	16,915	558,136
Fees, Licenses and Permits	239,780	0	0	157,258	397,038
Fines and Forfeitures	1,083	19,927	0	810	21,820
Opioid Settlements	0	0	0	14,840	14,840
Charges for Services	0	83,778	86,525	2,562	172,865
Contributions and Donations	0	0	1,500	68,416	69,916
Other	90,172	464	57,445	1,429	149,510
<i>Total Revenues</i>	<u>4,936,888</u>	<u>230,333</u>	<u>845,258</u>	<u>3,108,350</u>	<u>9,120,829</u>
Expenditures					
Current:					
General Government	1,512,731	0	0	142,791	1,655,522
Security of Persons and Property	0	1,690,955	1,984,879	157,400	3,833,234
Transportation	0	0	0	1,263,751	1,263,751
Public Health and Welfare	0	0	0	22,864	22,864
Leisure Time Activities	125,722	0	0	0	125,722
Community and Economic Development	101,468	0	0	165,839	267,307
Intergovernmental	251,321	0	0	0	251,321
Capital Outlay	0	0	0	1,005,162	1,005,162
Debt Service:					
Principal Retirement	24,389	22,132	21,584	237,910	306,015
Interest	3,096	8,614	14,475	53,790	79,975
<i>Total Expenditures</i>	<u>2,018,727</u>	<u>1,721,701</u>	<u>2,020,938</u>	<u>3,049,507</u>	<u>8,810,873</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,918,161</u>	<u>(1,491,368)</u>	<u>(1,175,680)</u>	<u>58,843</u>	<u>309,956</u>
Other Financing Sources (Uses)					
Installment Loans Issued	0	0	0	350,000	350,000
Transfers In	0	1,470,000	1,100,000	2,200	2,572,200
Transfers Out	(2,572,200)	0	0	0	(2,572,200)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,572,200)</u>	<u>1,470,000</u>	<u>1,100,000</u>	<u>352,200</u>	<u>350,000</u>
<i>Net Change in Fund Balances</i>	345,961	(21,368)	(75,680)	411,043	659,956
<i>Fund Balances Beginning of Year</i>	<u>932,313</u>	<u>50,840</u>	<u>79,674</u>	<u>2,450,683</u>	<u>3,513,510</u>
<i>Fund Balances End of Year</i>	<u>\$1,278,274</u>	<u>\$29,472</u>	<u>\$3,994</u>	<u>\$2,861,726</u>	<u>\$4,173,466</u>

See accompanying notes to the basic financial statements

City of East Liverpool, 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 \$659,956

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. This is the amount by which depreciation/amortization exceeded capital outlay in the current period:

Capital Asset Additions	973,729	
Current Year Depreciation/Amortization	(1,295,479)	
Total		(321,750)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent Property Taxes	(6,395)	
Income Taxes	210,254	
Intergovernmental	(2,872)	
Fees, Licenses and Permits	(11,332)	
Opioid Settlements	73,522	
Charges for Services	(174,837)	
Contributions and Donations	(50,000)	
Total		38,340

Other financing sources, such as installment loans issued, in the governmental funds increase long-term liabilities in the statement of net position: (350,000)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 306,015

Some expenses reported in the statement of activities, such as accrued interest, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 954

Some expenses require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated Absences	(20,495)	
Vacation Benefits Payable	10,460	
Total		(10,035)

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

Pension	613,726	
OPEB	10,281	
Total		624,007

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

Pension	(1,012,918)	
OPEB	46,673	
Total		(966,245)

The internal service fund used by management to charge the individual funds is reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. 4,276

Net Position of Governmental Activities (\$14,482)

See accompanying notes to the basic financial statements

City of East Liverpool, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$173,307	\$213,673	\$203,977	(\$9,696)
Income Taxes	3,099,962	3,822,000	3,823,318	1,318
Hotel Taxes	2,190	2,700	1,537	(1,163)
Intergovernmental	19,575	24,600	26,454	1,854
Interest	206,015	254,000	258,379	4,379
Fees, Licenses and Permits	197,267	256,313	239,743	(16,570)
Fines and Forfeitures	1,622	2,000	1,083	(917)
Other	39,924	49,339	90,172	40,833
<i>Total Revenues</i>	<u>3,739,862</u>	<u>4,624,625</u>	<u>4,644,663</u>	<u>20,038</u>
Expenditures				
Current:				
General Government	1,150,736	1,355,679	1,322,940	32,739
Leisure Time Activities	115,099	135,483	126,083	9,400
Community and Economic Development	90,872	111,783	104,667	7,116
Intergovernmental	63,117	59,238	255,384	(196,146)
Debt Service:				
Principal Retirement	21,589	25,423	24,389	1,034
Interest	3,470	4,133	3,096	1,037
<i>Total Expenditures</i>	<u>1,444,883</u>	<u>1,691,739</u>	<u>1,836,559</u>	<u>(144,820)</u>
<i>Excess of Revenues Over Expenditures</i>	2,294,979	2,932,886	2,808,104	(124,782)
Other Financing Uses				
Transfers Out	(2,420,379)	(3,002,560)	(2,859,265)	143,295
<i>Net Change in Fund Balance</i>	(125,400)	(69,674)	(51,161)	18,513
<i>Fund Balance Beginning of Year</i>	388,823	388,823	388,823	0
Prior Year Encumbrances Appropriated	69,506	69,506	69,506	0
<i>Fund Balance End of Year</i>	<u>\$332,929</u>	<u>\$388,655</u>	<u>\$407,168</u>	<u>\$18,513</u>

See accompanying notes to the basic financial statements

City of East Liverpool, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$41,068	\$42,945	\$44,425	\$1,480
Intergovernmental	76,949	81,465	81,539	74
Fines and Forfeitures	4,782	5,000	19,780	14,780
Charges for Services	63,883	66,802	83,778	16,976
Other	3,921	4,100	464	(3,636)
<i>Total Revenues</i>	<u>190,603</u>	<u>200,312</u>	<u>229,986</u>	<u>29,674</u>
Expenditures				
Current:				
Security of Persons and Property	1,813,861	1,890,593	1,771,718	118,875
Debt Service:				
Principal Retirement	21,680	22,597	22,132	465
Interest	8,309	8,660	8,614	46
<i>Total Expenditures</i>	<u>1,843,850</u>	<u>1,921,850</u>	<u>1,802,464</u>	<u>119,386</u>
<i>Excess of Revenues Under Expenditures</i>	(1,653,247)	(1,721,538)	(1,572,478)	149,060
Other Financing Sources				
Transfers In	1,516,569	1,584,860	1,470,000	(114,860)
<i>Net Change in Fund Balance</i>	(136,678)	(136,678)	(102,478)	34,200
<i>Fund Balance Beginning of Year</i>	34,495	34,495	34,495	0
Prior Year Encumbrances Appropriated	104,877	104,877	104,877	0
<i>Fund Balance End of Year</i>	<u>\$2,694</u>	<u>\$2,694</u>	<u>\$36,894</u>	<u>\$34,200</u>

See accompanying notes to the basic financial statements

City of East Liverpool, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$413,763	\$610,975	\$661,160	\$50,185
Intergovernmental	55,532	82,000	76,980	(5,020)
Charges for Services	130,922	193,324	86,525	(106,799)
Contributions and Donations	135	200	1,500	1,300
Other	34	50	57,445	57,395
<i>Total Revenues</i>	<u>600,386</u>	<u>886,549</u>	<u>883,610</u>	<u>(2,939)</u>
Expenditures				
Current:				
Security of Persons and Property	1,376,505	2,021,138	2,060,386	(39,248)
Debt Service:				
Principal Retirement	14,700	21,584	21,584	0
Interest	9,858	14,475	14,475	0
<i>Total Expenditures</i>	<u>1,401,063</u>	<u>2,057,197</u>	<u>2,096,445</u>	<u>(39,248)</u>
<i>Excess of Revenues Under Expenditures</i>	(800,677)	(1,170,648)	(1,212,835)	(42,187)
Other Financing Sources				
Transfers In	744,939	1,100,000	1,100,000	0
<i>Net Change in Fund Balance</i>	(55,738)	(70,648)	(112,835)	(42,187)
<i>Fund Balance Beginning of Year</i>	95,124	95,124	95,124	0
Prior Year Encumbrances Appropriated	49,015	49,015	49,015	0
<i>Fund Balance End of Year</i>	<u>\$88,401</u>	<u>\$73,491</u>	<u>\$31,304</u>	<u>(\$42,187)</u>

See accompanying notes to the basic financial statements

City of East Liverpool, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2023

	Enterprise					Internal Service
	Water	Sewer	Incinerator	Other Enterprise Funds	Total	
Assets						
<i>Current Assets</i>						
Equity in Pooled Cash and Cash Equivalents	\$4,168,309	\$2,063,354	\$439,900	\$554,909	\$7,226,472	\$30,655
Accounts Receivable	506,503	266,144	168,694	83,164	1,024,505	4,167
Intergovernmental Receivable	96	0	0	0	96	0
Materials and Supplies Inventory	58,192	6,029	0	0	64,221	0
Prepaid Items	10,488	6,349	3,616	480	20,933	0
<i>Total Current Assets</i>	<u>4,743,588</u>	<u>2,341,876</u>	<u>612,210</u>	<u>638,553</u>	<u>8,336,227</u>	<u>34,822</u>
<i>Non-Current Assets</i>						
Restricted Assets:						
Net Pension Asset	5,702	3,093	2,065	505	11,365	0
Nondepreciable Capital Assets	193,798	385,095	7,300	7,300	593,493	0
Depreciable Capital Assets, Net	7,649,870	1,272,897	913,246	325,749	10,161,762	0
<i>Total Non-Current Assets</i>	<u>7,849,370</u>	<u>1,661,085</u>	<u>922,611</u>	<u>333,554</u>	<u>10,766,620</u>	<u>0</u>
<i>Total Assets</i>	<u>12,592,958</u>	<u>4,002,961</u>	<u>1,534,821</u>	<u>972,107</u>	<u>19,102,847</u>	<u>34,822</u>
Deferred Outflows of Resources						
Pension	663,959	359,846	290,175	110,333	1,424,313	0
OPEB	98,802	53,637	36,070	8,996	197,505	0
<i>Total Deferred Outflows of Resources</i>	<u>762,761</u>	<u>413,483</u>	<u>326,245</u>	<u>119,329</u>	<u>1,621,818</u>	<u>0</u>
Liabilities						
<i>Current Liabilities</i>						
Accounts Payable	109,792	8,716	34,859	16,165	169,532	0
Contracts Payable	0	0	7,814	7,814	15,628	4,350
Accrued Wages	16,530	12,559	6,757	0	35,846	0
Intergovernmental Payable	11,999	14,515	5,429	465	32,408	0
Accrued Interest Payable	23,864	4,282	4,222	785	33,153	0
Vacation Benefits Payable	41,191	38,568	14,049	3,334	97,142	0
OWDA Loans Payable	312,998	9,837	0	0	322,835	0
Financed Purchases Payable	36,564	52,904	136,669	45,512	271,649	0
Compensated Absences Payable	26,605	8,643	9,603	1,886	46,737	0
<i>Total Current Liabilities</i>	<u>579,543</u>	<u>150,024</u>	<u>219,402</u>	<u>75,961</u>	<u>1,024,930</u>	<u>4,350</u>
<i>Long-Term Liabilities (net of current portion)</i>						
OWDA Loans Payable	1,249,242	447,870	0	0	1,697,112	0
Financed Purchases Payable	89,823	28,313	122,340	88,966	329,442	0
Compensated Absences Payable	12,101	4,000	0	0	16,101	0
Net Pension Liability	1,652,080	896,859	598,330	145,454	3,292,723	0
Net OPEB Liability	33,268	18,058	12,050	2,931	66,307	0
<i>Total Long-Term Liabilities</i>	<u>3,036,514</u>	<u>1,395,100</u>	<u>732,720</u>	<u>237,351</u>	<u>5,401,685</u>	<u>0</u>
<i>Total Liabilities</i>	<u>3,616,057</u>	<u>1,545,124</u>	<u>952,122</u>	<u>313,312</u>	<u>6,426,615</u>	<u>4,350</u>
Deferred Inflows of Resources						
Pension	139,801	9,401	1,874	613	151,689	0
OPEB	12,667	6,414	4,183	965	24,229	0
<i>Total Deferred Inflows of Resources</i>	<u>152,468</u>	<u>15,815</u>	<u>6,057</u>	<u>1,578</u>	<u>175,918</u>	<u>0</u>
Net Position						
Net Investment in Capital Assets	6,095,902	1,119,558	656,238	180,410	8,052,108	0
Restricted for Pension Plans	5,702	3,093	2,065	505	11,365	0
Unrestricted	3,485,590	1,732,854	244,584	595,631	6,058,659	30,472
<i>Total Net Position</i>	<u>\$9,587,194</u>	<u>\$2,855,505</u>	<u>\$902,887</u>	<u>\$776,546</u>	<u>\$14,122,132</u>	<u>\$30,472</u>

See accompanying notes to the basic financial statements.

City of East Liverpool, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Enterprise					Internal Service
	Water	Sewer	Incinerator	Other Enterprise Funds	Total	
Operating Revenues						
Charges for Services	\$3,077,031	\$1,635,608	\$1,137,442	\$417,268	\$6,267,349	\$0
Other	157,381	11,862	478	3,446	173,167	76,264
<i>Total Operating Revenues</i>	<u>3,234,412</u>	<u>1,647,470</u>	<u>1,137,920</u>	<u>420,714</u>	<u>6,440,516</u>	<u>76,264</u>
Operating Expenses						
Personal Services	1,295,247	837,614	608,772	150,286	2,891,919	0
Contractual Services	917,306	222,592	399,715	86,025	1,625,638	71,988
Materials and Supplies	521,514	197,167	151,486	188,177	1,058,344	0
Depreciation	439,479	172,545	149,153	33,291	794,468	0
Other	36,029	27,906	40,800	49,435	154,170	0
<i>Total Operating Expenses</i>	<u>3,209,575</u>	<u>1,457,824</u>	<u>1,349,926</u>	<u>507,214</u>	<u>6,524,539</u>	<u>71,988</u>
<i>Operating Income (Loss)</i>	<u>24,837</u>	<u>189,646</u>	<u>(212,006)</u>	<u>(86,500)</u>	<u>(84,023)</u>	<u>4,276</u>
Non-Operating Revenues (Expenses)						
Investment Earnings/Interest	189,595	0	0	0	189,595	0
Special Assessments	0	10,603	0	0	10,603	0
Loss on Disposal of Capital Assets	(1,205)	0	0	0	(1,205)	0
Interest	(50,329)	(8,088)	(11,988)	(6,887)	(77,292)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>138,061</u>	<u>2,515</u>	<u>(11,988)</u>	<u>(6,887)</u>	<u>121,701</u>	<u>0</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>162,898</u>	<u>192,161</u>	<u>(223,994)</u>	<u>(93,387)</u>	<u>37,678</u>	<u>4,276</u>
Capital Contributions	96	0	0	29,295	29,391	0
Transfers In	261,917	0	0	0	261,917	0
Transfers Out	0	(171,617)	(18,300)	(72,000)	(261,917)	0
<i>Change in Net Position</i>	<u>424,911</u>	<u>20,544</u>	<u>(242,294)</u>	<u>(136,092)</u>	<u>67,069</u>	<u>4,276</u>
<i>Net Position Beginning of Year</i>	<u>9,162,283</u>	<u>2,834,961</u>	<u>1,145,181</u>	<u>912,638</u>	<u>14,055,063</u>	<u>26,196</u>
<i>Net Position End of Year</i>	<u>\$9,587,194</u>	<u>\$2,855,505</u>	<u>\$902,887</u>	<u>\$776,546</u>	<u>\$14,122,132</u>	<u>\$30,472</u>

See accompanying notes to the basic financial statements.

City of East Liverpool, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Enterprise					Internal Service
	Water	Sewer	Incinerator	Other Enterprise Funds	Total	
Increase (Decrease) in Cash and Cash Equivalents						
Cash Flows from Operating Activities						
Cash Received from Customers	\$2,909,849	\$1,637,649	\$1,137,511	\$411,402	\$6,096,411	\$0
Other Cash Receipts	157,381	22,465	478	3,446	183,770	72,097
Cash Payments to Employees for Services	(1,348,320)	(832,580)	(573,813)	(120,280)	(2,874,993)	(74,089)
Cash Payments for Goods and Services	(1,437,453)	(435,972)	(539,588)	(266,023)	(2,679,036)	0
Other Cash Payments	(36,238)	(27,906)	(40,800)	(49,435)	(154,379)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>245,219</u>	<u>363,656</u>	<u>(16,212)</u>	<u>(20,890)</u>	<u>571,773</u>	<u>(1,992)</u>
Cash Flows from Noncapital Financing Activities						
Transfers In	261,917	0	0	0	261,917	0
Transfers Out	0	(171,617)	(18,300)	(72,000)	(261,917)	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>261,917</u>	<u>(171,617)</u>	<u>(18,300)</u>	<u>(72,000)</u>	<u>0</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities						
OWDA Loans Issued	0	64,755	0	0	64,755	0
Financed Purchases Issued	114,120	0	191,343	0	305,463	0
Principal Paid on OWDA Loans	(323,358)	(42,762)	0	0	(366,120)	0
Interest Paid on OWDA Loans	(50,727)	(5,063)	0	0	(55,790)	0
Principal Paid on Financed Purchases	(41,072)	(50,956)	(213,723)	(43,729)	(349,480)	0
Interest Paid on Financed Purchases	(1,440)	(4,773)	(14,706)	(7,181)	(28,100)	0
Capital Contributions	96	0	0	29,295	29,391	0
Payments for Capital Acquisitions	(340,271)	(127,272)	(248,644)	(21,546)	(737,733)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(642,652)</u>	<u>(166,071)</u>	<u>(285,730)</u>	<u>(43,161)</u>	<u>(1,137,614)</u>	<u>0</u>
Cash Flows from Investing Activities						
Investment Earnings/Interest	189,595	0	0	0	189,595	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>54,079</u>	<u>25,968</u>	<u>(320,242)</u>	<u>(136,051)</u>	<u>(376,246)</u>	<u>(1,992)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,114,230</u>	<u>2,037,386</u>	<u>760,142</u>	<u>690,960</u>	<u>7,602,718</u>	<u>32,647</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$4,168,309</u>	<u>\$2,063,354</u>	<u>\$439,900</u>	<u>\$554,909</u>	<u>\$7,226,472</u>	<u>\$30,655</u>

(continued)

City of East Liverpool, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2023

	Enterprise					Internal Service
	Water	Sewer	Incinerator	Other Enterprise Funds	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating Income (Loss)	\$24,837	\$189,646	(\$212,006)	(\$86,500)	(\$84,023)	\$4,276
Adjustments:						
Depreciation	439,479	172,545	149,153	33,291	794,468	0
<i>(Increase) Decrease in Assets:</i>						
Accounts Receivable	(158,912)	(6,446)	67	(5,867)	(171,158)	(4,167)
Intergovernmental Receivable	(28)	0	0	688	660	0
Materials and Supplies Inventory	(25,638)	144	0	0	(25,494)	0
Prepaid Items	(24)	(1,015)	(325)	(43)	(1,407)	0
Net Pension Asset	821	276	43	(94)	1,046	0
<i>Decrease in Deferred Outflows:</i>						
Pension	305,694	165,869	144,592	62,100	678,255	0
OPEB	67,805	36,809	24,735	6,156	135,505	0
<i>Increase (Decrease) in Liabilities:</i>						
Accounts Payable	18,781	(2,402)	13,028	6,967	36,374	0
Contracts Payable	0	0	514	514	1,028	(2,101)
Accrued Wages	(129)	786	1,114	0	1,771	0
Intergovernmental Payable	(477)	4,929	(795)	143	3,800	0
Vacation Leave Payable	1,700	3,053	(143)	0	4,610	0
Compensated Absences Payable	6,394	(1,370)	240	(212)	5,052	0
Net Pension Liability	76,667	28,419	8,040	(5,987)	107,139	0
Net OPEB Liability	(1,744)	(947)	(631)	(153)	(3,475)	0
<i>Decrease in Deferred Inflows:</i>						
Pension	(364,012)	(149,392)	(93,783)	(20,790)	(627,977)	0
OPEB	(145,995)	(77,248)	(50,055)	(11,103)	(284,401)	0
<i>Total Adjustments</i>	<u>220,382</u>	<u>174,010</u>	<u>195,794</u>	<u>65,610</u>	<u>655,796</u>	<u>(6,268)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$245,219</u>	<u>\$363,656</u>	<u>(\$16,212)</u>	<u>(\$20,890)</u>	<u>\$571,773</u>	<u>(\$1,992)</u>

Noncash Capital Financing Activities

At December 31, 2023 the Incinerator and Storm Sewer funds had contracts payable of \$7,300 and \$7,300, respectively, and the Water and Storm Sewer funds had accounts payable of \$59,139 and \$10,800, respectively, related to payment for capital acquisitions.

See accompanying notes to the basic financial statements.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Note 1 – Description of the City and Reporting Entity

The City of East Liverpool, Ohio, (the City) is a body politic, incorporated as a municipal corporation under the laws of the State of Ohio established for the purpose of exercising the rights and privileges conveyed to it by the laws of the State of Ohio. The City is located in Columbiana County in Eastern Ohio on the Ohio River. The City is the second largest city in Columbiana County and was established in 1934.

The City operates under a Council-Mayor form of government. Legislative power is vested in an eight member Council, each elected for two-year terms, and other elected officials including a Mayor, Auditor, Treasurer and Law Director. The Mayor is elected to a four-year term. The Mayor appoints the department directors and public members of various boards and commissions.

Reporting Entity

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of East Liverpool, this includes police and fire protection, emergency medical, recreation (including parks), planning, zoning, street maintenance and repair, water and water pollution control, sanitation, and general administrative services.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Discretely Presented Component Units – The component unit columns in the financial statements identifies the financial data of the City's component unit, the City of East Liverpool Board of Health. It is reported separately to emphasize that it is legally separate from the City. Information for the component unit is presented in Note 22.

City of East Liverpool Board of Health – The City of East Liverpool Board of Health was created as a legally separate organization under chapter 3709 of the Ohio Revised Code. Among its various duties, the Board provides for the prompt diagnosis and control of communicable diseases. The Board may also inspect businesses where food is manufactured, handled, stored, or offered for sale. The Board is operated by a board with all members being appointed by the City. The City provides funding to the Board, thus the City can impose will on the Board, and the Board imposes a financial burden to the City. Therefore, the Board is considered a discretely presented component unit of the City of East Liverpool. Separately issued financial statements can be obtained from The City of East Liverpool Board of Health at 126W. 6th Street, East Liverpool, Ohio 43920.

The City is involved with the Columbiana Metropolitan Housing Authority and the Ohio Mid-Eastern Governments Association, which are defined as jointly governed organizations. These organizations are presented in Note 15 to the basic financial statements.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The City's funds are classified as either governmental or proprietary.

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

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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

Police Fund The police fund accounts for and reports restricted property taxes levied for the operation of its police department.

Fire Fund The fire fund accounts for and reports restricted property taxes levied for the operation of its fire department.

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The following are the City's major proprietary funds:

Enterprise Fund Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City has three major enterprise funds.

Water Fund The water fund accounts for the provision of water service to the residents and commercial users located within the City.

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

Incinerator Fund The incinerator fund accounts for the provision of trash disposal for the residents and commercial users located within the City.

Other enterprise funds include the swimming pool fund which accounts for concession sales and user charges, the off street parking fund which accounts for monies from parking tickets, permits and meter collections and the storm sewer fund which accounts for the provision of storm sewer service to the residents and commercial users located within the City.

Internal Service Funds Internal service funds account for and report the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund accounts for any unanticipated run-off claims.

Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources, generally, are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e.,

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

Basis of Accounting

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

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property tax, income tax, state-levied locally shared taxes, fines and forfeitures, interest, and grants.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
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Unearned Revenue

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition have not been met because the amounts have not yet been earned. The City recognizes unearned revenue from grants received before the eligibility requirements are met.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported in the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include payments in lieu of taxes, property taxes, pension, OPEB and unavailable revenue. Payments in lieu of taxes and 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 on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, fees, licenses and permits, opioid settlements, intergovernmental monies and contributions and donations. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Cash and Cash Equivalents

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

Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings/interest revenue credited to the general fund during 2023 amounted to \$541,221, which includes \$490,307 assigned from other City funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies, fire deposits and foreclosure bonds. Restricted assets in the enterprise funds represents amounts held in trust by the pension plans for future benefits.

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 enterprise funds are reported both in the business-type activity column of the government-wide statement of net position and in the respective funds.

All capital assets (except for intangible right to use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$1,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

City of East Liverpool, Ohio
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All reported capital assets except for land and construction in progress are depreciated. 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 and amortization is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activity Estimated Lives
Buildings and Improvements	10-50 years	20-50 years
Improvements Other than Buildings	7-25 years	N/A
Machinery and Equipment	5-15 years	5-10 years
Infrastructure	10-30 years	7-50 years
Water and Sewer Lines	N/A	50 years
Intangible Right to Use - Equipment	10	N/A

The City is reporting intangible right to use assets related to lease assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. These intangible right to use are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

The City's infrastructure consists of streets, sidewalks, curbs and culverts and includes infrastructure acquired prior to December 31, 1980.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of resources restricted to capital acquisitions.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Since the City's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

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

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 funds financial statements.

City of East Liverpool, Ohio
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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. 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. Long-term loans and leases are recognized as a liability on the governmental fund financial statements when due.

Fund Balance

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

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

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

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

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

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

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

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for drug law enforcement, police law enforcement, enforcement and education programs, and fire prevention. Restricted net position for pension plans represent the corresponding restricted asset amounts held in trust by the pension plans for future benefits.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the City, these revenues are charges for services for water, sewer, incinerator, swimming pool, and parking services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the funds. All revenues and expenses not meeting these definitions are reported as non-operating.

Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating 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.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
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Estimates

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

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 resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level within each department in the general fund and at the object level for all other funds. Budgetary modifications may only be made by ordinance of the City Council at the legal level of control.

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

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

Leases

The City serves as a lessee in a noncancellable lease. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Note 3 – Fund Balances

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

Fund Balances	General	Police	Fire	Other Governmental Funds	Total
<u>Nonspendable:</u>					
Inventory	\$0	\$0	\$0	\$57,080	\$57,080
Prepays	9,759	14,244	13,229	5,047	42,279
Unclaimed Monies	21,285	0	0	0	21,285
<i>Total Nonspendable</i>	<u>31,044</u>	<u>14,244</u>	<u>13,229</u>	<u>62,127</u>	<u>120,644</u>
<u>Restricted:</u>					
Transportation	0	0	0	1,103,421	1,103,421
Public Health and Safety	0	15,228	0	87,395	102,623
Police Pension	0	0	0	6,717	6,717
Fire Pension	0	0	0	6,713	6,713
Economic Development	0	0	0	119,834	119,834
Debt Service	0	0	0	230,969	230,969
Capital Improvements	0	0	0	1,213,738	1,213,738
<i>Total Restricted</i>	<u>0</u>	<u>15,228</u>	<u>0</u>	<u>2,768,787</u>	<u>2,784,015</u>
<u>Committed:</u>					
Economic Development	0	0	0	20,587	20,587
<u>Assigned:</u>					
Recreation	1,060	0	0	10,225	11,285
Purchases on Order:					
Contractual Services	97,890	0	0	0	97,890
<i>Total Assigned</i>	<u>98,950</u>	<u>0</u>	<u>0</u>	<u>10,225</u>	<u>109,175</u>
Unassigned (Deficit)	1,148,280	0	(9,235)	0	1,139,045
Total Fund Balance	<u><u>\$1,278,274</u></u>	<u><u>\$29,472</u></u>	<u><u>\$3,994</u></u>	<u><u>\$2,861,726</u></u>	<u><u>\$4,173,466</u></u>

Note 4 – Budgetary Basis of Accounting

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

City of East Liverpool, Ohio
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The major differences between the budget basis and the GAAP basis are:

1. Revenues and other financing sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Unrecorded cash represents amounts received and/or spent but not included as revenue and/or expenditure on the budgetary statements, but is reported on the operating statements prepared using GAAP).
3. Expenditures and other financing uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
4. Budgetary revenues and expenditures of the playground fund are reclassified to the general fund for GAAP reporting.
5. Encumbrances are treated as expenditures (budget) rather than as restricted, committed, or assigned of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

Net Change in Fund Balance

	General	Police	Fire
GAAP Basis	\$345,961	(\$21,368)	(\$75,680)
Adjustment for Revenue Accruals	(8,892)	(347)	38,352
Beginning Unrecorded Cash	12	0	0
Ending Unrecorded Cash	(282,845)	0	0
Adjustment for Expenditure Accruals	(2,591)	(55,559)	(22,946)
Perspective Difference:			
Playground Fund	(2,250)	0	0
Adjustment for Encumbrances	(100,556)	(25,204)	(52,561)
Budget Basis	(\$51,161)	(\$102,478)	(\$112,835)

Note 5 – Deposits and Investments

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

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

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

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

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

Interim monies held by the City can be deposited or invested in the following securities:

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

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

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

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

Note 6 – Receivables

Receivables at December 31, 2023, consisted primarily of municipal income taxes, property taxes, hotel taxes, accounts, loans, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables except for delinquent property taxes, loans receivable, and accounts receivable for opioid settlements are expected to be collected in one year. Property taxes, although ultimately collectible, include some portions of delinquencies that will not be collected within one year.

Loans receivable presented in the other governmental funds represents a low interest loan for development projects and home improvements granted to eligible City residents under Federal Grant programs. The loan bears interest at an annual rate of five percent. The loan is to be repaid over fifteen years. Loans expected to be collected in more than one year are \$5,816.

Property Taxes

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

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

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

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

The full tax rate for all City operations for the year ended December 31, 2023, was \$19.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

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	<u>Assessed Value</u>
Real Estate:	
Residential/Agricultural	\$73,966,200
Commercial/Industrial	25,549,330
Public Utility Personal Property	<u>13,590,520</u>
Total	<u><u>\$113,106,050</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2023, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2023 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Municipal Income Taxes

The City levies a municipal income tax of one and one half percent on all income earned within the City as well as on income of residents earned outside of the City. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a declaration annually.

Additional increases in the City’s income tax rate would require voter approval. The income tax, by ordinance, was allocated, after expenditures for collections, 7.5 percent to the capital improvements fund and the remainder to the general fund.

Payments in Lieu of Taxes

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

Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the City reported \$74,062 as an accounts receivable related to opioid settlement monies in the OneOhio special revenue fund in the accompanying financial statements. Collections of these settlement monies are expected to extend through 2038 with \$8,412 expected to be collected in 2024.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Intergovernmental Receivable

A summary of the governmental activities' principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Ohio Department of Transportation Project	\$290,228
Gasoline Tax	254,523
Homestead and Rollback	83,916
Hazard Mitigation Grant	32,245
Other Amounts	20,905
Total Intergovernmental Receivables	\$681,817

At December 31, 2023 the water fund had an intergovernmental receivable for \$96 related to reimbursements from the Bureau of Worker's Compensation.

Due from Component Unit

During 2023, the City loaned the City of East Liverpool Board of Health (the Board) \$29,626 to cover negative cash balances until grant revenues are revived. This loan is expected to be repaid in one year.

Note 7 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2023, the City contracted with U.S. Specialty Insurance Company for its property and liability insurance. Minor Insurance serves as the City's agent.

During 2023, the City purchased the following insurance coverage:

Coverage	Limit
Building and Contents	\$7,664,242
Inland Marine	2,507,124
Automobile Liability	1,000,000
Crime Insurance	30,000
Employee Dishonesty	50,000
Forgery or Alteration	25,000
Computer Fraud	25,000
Excess Liability	5,000,000
Wrongful Acts Liability	1,000,000
Employee Benefits Liability:	
Per Employee	1,000,000
Aggregate	1,000,000
General Liability:	
Per Occurrence	1,000,000
Aggregate	3,000,000
Law Enforcement Liability	1,000,000

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

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Employee Insurance Benefits

During 2023, the City elected to provide medical insurance to employees through a health savings account (HSA) program. The HSA is \$140.42 for single and \$275.84 for family, which is funded by the City.

Note 8 – Contingencies

Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experiences, management believes such refunds, if any, would not be material.

Litigation

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time; however, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2023.

Note 9 – Other Employee Benefits

Compensated Absences

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn vacation and sick leave at different rates depending upon length of service and type of employment. Vacation leave benefits are lost at year end if employees do not use these balances during the year unless prior approval has been obtained from the department head. Upon retirement or death, employees are paid to a maximum of 480 hours for accumulated unused sick leave.

Insurance

The City provides life insurance and accidental death and dismemberment insurance to all union employees as well as all non-union employees, including elected officials. The amount of the life insurance policy for the union employees is \$2,000 plus an amount paid by the employees' union to equal the employees' annual salary. Non-union employees' life insurance is based on their annual salary. The police and fire employees receive a \$25,000 policy.

The City contracts with United Health for medical, prescription, dental, and vision insurances for all employees and elected officials. The City pays monthly premiums up to a maximum amount, per union agreements. The additional premium costs are paid by the employee. City premiums are paid from the same funds that pay the employees' salaries.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Deferred Compensation

City employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 456 and is considered an other employee benefit plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Note 10 – Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Deductions	Balance 12/31/2023
Governmental Activities				
<i>Capital Assets, not being depreciated</i>				
Land	\$1,868,569	\$0	\$0	\$1,868,569
Construction in Progress	0	499,036	0	499,036
<i>Total Capital Assets, not being depreciated</i>	<u>1,868,569</u>	<u>499,036</u>	<u>0</u>	<u>2,367,605</u>
<i>Capital Assets, being depreciated/amortized</i>				
Buildings and Improvements	469,075	9,808	0	478,883
Improvements Other than Buildings	345,756	0	0	345,756
Machinery and Equipment	5,496,717	414,460	(6,097)	5,905,080
Infrastructure	20,230,917	50,425	0	20,281,342
Intangible Right to Use - Equipment**	18,697	0	0	18,697
<i>Total Capital Assets, being depreciated/amortized</i>	<u>26,561,162</u>	<u>474,693</u>	<u>(6,097)</u>	<u>27,029,758</u>
<i>Less Accumulated Depreciation/Amortization:</i>				
Buildings and Improvements	(320,039)	(7,264)	0	(327,303)
Improvements Other than Buildings	(283,067)	(4,646)	0	(287,713)
Machinery and Equipment	(3,708,495)	(336,869)	6,097	(4,039,267)
Infrastructure	(7,451,010)	(940,865)	0	(8,391,875)
Intangible Right to Use - Equipment**	(5,670)	(5,835)	0	(11,505)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(11,768,281)</u>	<u>(1,295,479) *</u>	<u>6,097</u>	<u>(13,057,663)</u>
<i>Total Capital Assets being depreciated/amortized, Net</i>	<u>14,792,881</u>	<u>(820,786)</u>	<u>0</u>	<u>13,972,095</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$16,661,450</u>	<u>(\$321,750)</u>	<u>\$0</u>	<u>\$16,339,700</u>

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

* Depreciation/amortization expense was charged to governmental activities as follows:

General Government	\$43,640
Security of Persons and Property	147,845
Transportation	1,050,995
Leisure Time Activities	40,783
Community and Economic Development	<u>12,216</u>
Total Depreciation/Amortization Expense	<u><u>\$1,295,479</u></u>

** Of the current year depreciation/amortization total of \$1,295,475, \$5,835 is presented as general government expense on the statement of activities related to the City's intangible asset of a copier, which is included as an Intangible Right to Use Lease.

Capital asset activity for business-type activities for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Deductions	Balance 12/31/2023
Business-Type Activities				
<i>Capital Assets, not being depreciated</i>				
Land	\$25,771	\$0	\$0	\$25,771
Construction in Progress	541,820	25,902	0	567,722
<i>Total Capital Assets, not being depreciated</i>	<u>567,591</u>	<u>25,902</u>	<u>0</u>	<u>593,493</u>
<i>Capital Assets, being depreciated</i>				
Buildings and Improvements	5,456,598	17,201	(2,273)	5,471,526
Machinery and Equipment	6,940,080	740,754	0	7,680,834
Infrastructure	9,259,836	38,415	0	9,298,251
Water Lines	3,429,245	0	0	3,429,245
Sewer Lines	2,923,362	0	0	2,923,362
<i>Total Capital Assets, being depreciated</i>	<u>28,009,121</u>	<u>796,370</u>	<u>(2,273)</u>	<u>28,803,218</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(3,777,458)	(108,853)	1,068	(3,885,243)
Machinery and Equipment	(4,691,332)	(428,613)	0	(5,119,945)
Infrastructure	(5,572,718)	(183,748)	0	(5,756,466)
Water Lines	(1,316,060)	(49,570)	0	(1,365,630)
Sewer Lines	(2,490,488)	(23,684)	0	(2,514,172)
<i>Total Accumulated Depreciation</i>	<u>(17,848,056)</u>	<u>(794,468) *</u>	<u>1,068</u>	<u>(18,641,456)</u>
<i>Total Capital Assets being depreciated, Net</i>	<u>10,161,065</u>	<u>1,902</u>	<u>(1,205)</u>	<u>10,161,762</u>
<i>Business-Type Activities Capital Assets, Net</i>	<u><u>\$10,728,656</u></u>	<u><u>\$27,804</u></u>	<u><u>(\$1,205)</u></u>	<u><u>\$10,755,255</u></u>

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

* Depreciation expense was charged to business-type activities as follows:

Water	\$439,479
Sewer	172,545
Incinerator	149,153
Off Street Parking	32,117
Storm Sewer	<u>1,174</u>
Total	<u>\$794,468</u>

Note 11 – Defined Benefit Pension Plans

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

Net Pension Liability (Asset)/Net OPEB Liability

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

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

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

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

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

The proportionate share of each plan’s unfunded benefits is presented as a *net pension asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable*. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

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

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 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

City of East Liverpool, Ohio
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For The Year Ended December 31, 2023

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

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

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

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

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
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Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	
	Traditional	Combined
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
 2023 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	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 is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2023, the City’s contractually required contribution was \$414,256 for the traditional plan, and \$5,076 for the combined plan. Of these amounts, \$37,905 is reported as an intergovernmental payable for the traditional plan, and \$465 for the combined plan.

Ohio Police & Fire Pension Fund (OP&F)

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

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.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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

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

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

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

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

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

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

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

City of East Liverpool, Ohio
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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$426,812 for 2023. Of this amount, \$43,882 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2023 the specific liability of the City was \$492,763 payable in semi-annual payments through the year 2035.

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

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

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.02011082%	0.00870110%	0.06963440%	
Prior Measurement Date	<u>0.02126784%</u>	<u>0.00878112%</u>	<u>0.07136030%</u>	
Change in Proportionate Share	<u>-0.00115702%</u>	<u>-0.00008002%</u>	<u>-0.00172590%</u>	
Proportionate Share of the:				
Net Pension Liability	\$5,940,742	\$0	\$6,614,593	\$12,555,335
Net Pension Asset	0	(20,508)	0	(20,508)
Pension Expense	675,083	3,337	725,379	1,403,799

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

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$197,326	\$1,261	\$99,216	\$297,803
Changes of assumptions	62,758	1,358	596,614	660,730
Net difference between projected and actual earnings on pension plan investments	1,693,299	7,474	963,003	2,663,776
Changes in proportion and differences between City contributions and proportionate share of contributions	0	1,026	44,941	45,967
City contributions subsequent to the measurement date	414,256	5,076	426,812	846,144
Total Deferred Outflows of Resources	\$2,367,639	\$16,195	\$2,130,586	\$4,514,420
Deferred Inflows of Resources				
Differences between expected and actual experience	\$0	\$2,930	\$150,700	\$153,630
Changes of assumptions	0	0	128,983	128,983
Changes in proportion and differences between City contributions and proportionate share of contributions	135,391	253	612,355	747,999
Total Deferred Inflows of Resources	\$135,391	\$3,183	\$892,038	\$1,030,612

\$846,144 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
2024	\$133,956	\$462	(\$9,494)	\$124,924
2025	356,120	1,532	149,147	506,799
2026	498,417	2,069	221,895	722,381
2027	829,499	3,343	480,662	1,313,504
2028	0	59	(30,474)	(30,415)
Thereafter	0	471	0	471
Total	\$1,817,992	\$7,936	\$811,736	\$2,637,664

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Actuarial Assumptions – OPERS

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

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

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) 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 for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of

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return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

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

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$8,899,038	\$5,940,742	\$3,479,976
OPERS Combined Plan	(10,702)	(20,508)	(28,279)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions

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about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple per year

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

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

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

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

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

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

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

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

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

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

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

Note: Assumptions are geometric.

* levered 2.5x

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

Discount Rate For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute.

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Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$8,725,924	\$6,614,593	\$4,859,443

Note 12 – Defined Benefit OPEB Plans

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

Ohio Public Employees Retirement System (OPERS)

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

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.

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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 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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 two percent 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 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$846 for 2023. Of this amount, \$77 is reported as an intergovernmental payable.

Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

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

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

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

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

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

The City's contractually required contribution to OP&F was \$9,904 for 2023. Of this amount, \$1,018 is reported as an intergovernmental payable.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of 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

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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:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.01897350%	0.06963400%	
Prior Measurement Date	<u>0.02005248%</u>	<u>0.07136030%</u>	
Change in Proportionate Share	<u>-0.00107898%</u>	<u>-0.00172630%</u>	
			<u>Total</u>
Proportionate Share of the:			
Net OPEB Liability	\$119,634	\$495,774	\$615,408
OPEB Expense	(275,608)	77,033	(198,575)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$29,585	\$29,585
Changes of assumptions	116,847	247,066	363,913
Net difference between projected and actual earnings on OPEB plan investments	237,592	42,523	280,115
Changes in proportion and differences between City contributions and proportionate share of contributions	0	130,199	130,199
City contributions subsequent to the measurement date	<u>846</u>	<u>9,904</u>	<u>10,750</u>
Total Deferred Outflows of Resources	<u>\$355,285</u>	<u>\$459,277</u>	<u>\$814,562</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$29,841	\$97,757	\$127,598
Changes of assumptions	9,614	405,503	415,117
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>3,566</u>	<u>103,669</u>	<u>107,235</u>
Total Deferred Inflows of Resources	<u>\$43,021</u>	<u>\$606,929</u>	<u>\$649,950</u>

\$10,750 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year Ending December 31:	OPERS	OP&F	Total
2024	\$35,925	\$29,603	\$65,528
2025	86,627	34,750	121,377
2026	74,090	(31,515)	42,575
2027	114,776	(26,248)	88,528
2028	0	(55,948)	(55,948)
Thereafter	0	(108,198)	(108,198)
Total	<u>\$311,418</u>	<u>(\$157,556)</u>	<u>\$153,862</u>

Actuarial Assumptions - OPERS

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

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

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) 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.

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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, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 15.6 percent for 2022.

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

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

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Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability (asset)	\$407,171	\$119,634	(\$117,636)

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$112,133	\$119,634	\$128,071

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Actuarial Assumptions – OP&F

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

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

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

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	4.27 percent
Prior measurement date	2.84 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2036

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

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

City of East Liverpool, Ohio
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For The Year Ended December 31, 2023

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

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

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

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

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

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

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

Discount Rate For 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, for 2022, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent. For 2021, a municipal bond rate of 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.5 which resulted in a blended discount rate of 2.84. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

City of East Liverpool, Ohio
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For The Year Ended December 31, 2023

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

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	\$610,499	\$495,774	\$398,916

Note 13 – Long-Term Obligations

The changes in long-term obligations during the year were as follows:

	Balance 12/31/2022	Issued	Retired	Balance 12/31/2023	Amounts Due In One Year
Governmental Activities					
Installment Loans from Direct Borrowings:					
2018 Ambulance - 9.15%	\$7,359	\$0	(\$7,359)	\$0	\$0
2023 Mangano Building - 4.52%	0	350,000	(13,848)	336,152	17,222
<i>Total Installment Loans</i>	7,359	350,000	(21,207)	336,152	17,222
Ohio Public Works Commission Loans from Direct Borrowings:					
2003 State Route 39 Improvement Loan - 0.00%	11,899	0	(11,899)	0	0
2012 St. Clair Avenue Improvement Loan - 0.00%	9,544	0	(9,544)	0	0
<i>Total Ohio Public Works Commission Loans from Direct Borrowings</i>	21,443	0	(21,443)	0	0
State Infrastructure Bank Loans from Direct Placements:					
2015 River Road Improvement Loan - 3.00%	696,729	0	(84,157)	612,572	86,700
2017 Road Improvement Loan - 3.00%	199,555	0	(37,570)	161,985	38,706
2020 U.S.30/S.R.39 Safety Improvements Loan - 3.00%	146,969	0	(20,801)	126,168	21,430
<i>Total State Infrastructure Bank Loans</i>	1,043,253	0	(142,528)	900,725	146,836
Financed Purchases from Direct Placements:					
2018 Fire Truck - 3.00%	336,854	0	(37,835)	299,019	38,985
2021 Phone System - 2.99%	185,760	0	(48,662)	137,098	50,137
<i>Total Financed Purchases from Direct Placements</i>	522,614	0	(86,497)	436,117	89,122
Leases:					
2022 Auditor Copier - 9.97%	8,739	0	(1,548)	7,191	1,710
Net Pension Liability:					
OPERS	848,092	1,799,927	0	2,648,019	0
OP&F	4,458,178	2,156,415	0	6,614,593	0
<i>Total Net Pension Liability</i>	5,306,270	3,956,342	0	9,262,612	0
Net OPEB Liability:					
OPERS	0	53,327	0	53,327	0
OP&F	782,171	0	(286,397)	495,774	0
<i>Total Net OPEB Liability</i>	782,171	53,327	(286,397)	549,101	0
Compensated Absences					
	90,675	71,315	(50,820)	111,170	75,622
Police and Fire Pension					
	525,555	0	(32,792)	492,763	34,200
Total Governmental Activities	\$8,308,079	\$4,430,984	(\$643,232)	\$12,095,831	\$364,712

City of East Liverpool, Ohio
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	Balance 12/31/2022	Issued	Retired	Balance 12/31/2023	Amounts Due In One Year
Business-Type Activities					
Ohio Water Development Authority Loans from Direct Borrowings:					
2004 Project #4181 Water Loan - 3.35%	\$739,692	\$0	(\$238,419)	\$501,273	\$246,474
2013 Project #6489 Water Loan - 2.00%	311,712	0	(25,603)	286,109	26,118
2013 Project #6488 Sewer Loan - 2.59%	126,664	0	(9,588)	117,076	9,837
2018 Project #8041 Water Loan - 2.90%	776,061	0	(37,277)	738,784	38,366
2018 Project #8266 Water Loan - 0.00%	54,054	0	(20,020)	34,034	0
2018 Project #7975 Water Loan - 0.00%	4,079	0	(2,039)	2,040	2,040
2021 Project #9210 Sewer Loan - 1.68%	90,486	12,594	(19,905)	83,175	0
2021 Project #9431 Sewer Loan - 0.66%	218,564	52,161	(13,269)	257,456	0
<i>Total Ohio Water Development Authority Loans</i>	<u>2,321,312</u>	<u>64,755</u>	<u>(366,120)</u>	<u>2,019,947</u>	<u>322,835</u>
Financed Purchases from Direct Placements:					
2019 Rear Load Packer 4.99%	50,693	0	(24,730)	25,963	25,963
2019 Roll on Roll off 4.99%	71,249	0	(34,757)	36,492	36,492
2019 Sewer Dump Truck 4.93%	49,541	0	(24,174)	25,367	25,367
2021 Street Sweeper 2.70%	213,360	0	(40,429)	172,931	41,521
2022 Sewer Backhoe 4.21%	82,632	0	(26,782)	55,850	27,537
2022 Wheel Loader 3.87%	105,529	0	(33,850)	71,679	35,159
2022 Track Loader 5.13%	72,104	0	(16,697)	55,407	17,553
2023 International Chassis 6.77%	0	191,343	(117,096)	74,247	35,873
2023 Water Backhoe 5.75%	0	114,120	(30,965)	83,155	26,184
<i>Total Financed Purchases from Direct Placements</i>	<u>645,108</u>	<u>305,463</u>	<u>(349,480)</u>	<u>601,091</u>	<u>271,649</u>
Net Pension Liability - OPERS:					
Water	597,523	1,054,557	0	1,652,080	0
Sewer	269,848	627,011	0	896,859	0
Incinerator	134,924	463,406	0	598,330	0
Other Enterprise Funds	0	145,454	0	145,454	0
<i>Total Net Pension Liability - OPERS</i>	<u>1,002,295</u>	<u>2,290,428</u>	<u>0</u>	<u>3,292,723</u>	<u>0</u>
Net OPEB Liability - OPERS:					
Water	0	33,268	0	33,268	0
Sewer	0	18,058	0	18,058	0
Incinerator	0	12,050	0	12,050	0
Other Enterprise Funds	0	2,931	0	2,931	0
<i>Total Net OPEB Liability - OPERS</i>	<u>0</u>	<u>66,307</u>	<u>0</u>	<u>66,307</u>	<u>0</u>
Compensated Absences	57,786	46,213	(41,161)	62,838	46,737
Total Business-Type Activities	<u><u>\$4,026,501</u></u>	<u><u>\$2,773,166</u></u>	<u><u>(\$756,761)</u></u>	<u><u>\$6,042,906</u></u>	<u><u>\$641,221</u></u>

Within governmental activities, the City has outstanding installment loans, financed purchases, leases, OPWC loans and SIB loans. These loans are to finance various projects and equipment purchases. The installment loans from direct borrowings are being paid from the capital improvements fund and the street levy fund. The OPWC loans are being paid from the capital improvements fund and the debt service fund. The SIB loans from direct placements are being paid from the capital improvements and street improvements capital project funds, the street levy special revenue fund and the debt service fund. The financed purchases are being paid from the capital improvements fund. The leases are being paid from the general fund.

City of East Liverpool, Ohio
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The City has an outstanding agreement to lease a copier. The future lease payments were discounted based on the interest rate implicit in the lease or using the City's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining lease is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$1,710	\$640
2025	1,888	500
2026	2,085	265
2027	1,508	57
Total	<u>\$7,191</u>	<u>\$1,462</u>

Within business-type activities, the City has outstanding OWDA loans. These loans are to finance various projects and equipment purchases. The OWDA loans are being paid from the water and sewer funds.

In 2018, the City was approved for a \$200,202 Ohio Water Development Authority loan for the raw water intake improvements project. In 2021, the City was also approved by Ohio Water Development Authority for a \$398,109 loan for wastewater treatment plant improvements and a \$282,424 loan for the wastewater lift station generator replacement. These loans have not been finalized and therefore the repayment schedules are not included in the schedule of debt service payments. The balance of these of loans is as follows:

<i>Business-type Activities:</i>	<u>Loan Balance</u>
2018 Project #8266 Water Loan - 0.00%	\$34,034
2021 Project #9210 Sewer Loan - 1.68%	83,175
2021 Project #7975 Sewer Loan - 0.66%	<u>257,456</u>
Total	<u>\$374,665</u>

The City's outstanding OWDA loans from direct borrowings of \$2,019,947 related to business-type activities contain provisions that in the event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

The City has pledged future revenues, net of operating expenses, to repay OWDA loans in the City of East Liverpool water fund. The debt is payable solely from net revenues and are payable through 2039. Annual principal and interest payments on the debt issues are expected to require less than 100 percent of net revenues. In 2023, principal and interest payments on the loans were less than 77 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$1,562,240. Principal and interest paid for the current year and total net revenues were \$374,085 and \$488,403, respectively.

The City has pledged future revenues, net of operating expenses, to repay OWDA loans in the City of East Liverpool sewer fund. The debt is payable solely from net revenues and are payable through 2034. Annual principal and interest payments on the debt issues are expected to require less than 9 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$457,707. Principal and interest paid for the current year and total net revenues were \$45,981 and \$534,707, respectively.

City of East Liverpool, Ohio
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The City also has eleven outstanding financed purchases at December 31, 2023. The fire truck financed purchase will be paid from the capital improvements capital projects fund. The phone system will be paid from the general fund, the police fund, and the street department fund. The rear load packer, roll on roll off, and international chassis business-type activities' will be paid from the incinerator fund. The dump truck and sewer backhoe will be paid from the sewer fund. The street sweeper will be paid from the incinerator, storm sewer and water funds. The wheel loader will be paid from the incinerator and storm sewer fund. The track loader will be paid from the storm sewer fund. The water backhoe will be paid from the water fund.

The compensated absences liability will be paid from the general, police, fire, street, water, sewer, incinerator and storm sewer funds. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the following funds: the general, police, fire, street, water, sewer and incinerator funds. For additional information related to the net pension and net OPEB liabilities see Notes 11 and 12.

As of December 31, 2023, the City's overall legal debt margin was \$10,870,227 and the unvoted legal debt margin was \$5,214,925. Principal and interest requirements to retire the outstanding debt at December 31, 2023, are as follows:

	Governmental Activities							
	From Direct Borrowings		From Direct Placements					
	Installment Loans		SIB Loans		Financed Purchases		Police and Fire Pension	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$17,222	\$15,088	\$146,836	\$25,930	\$89,122	\$12,510	\$34,200	\$20,583
2025	18,072	14,238	151,274	21,490	91,828	9,805	35,668	19,114
2026	18,917	13,393	155,846	16,917	76,697	7,084	37,201	17,582
2027	19,802	12,507	160,556	12,209	42,652	5,429	38,799	15,984
2028	20,696	11,614	121,807	7,679	43,949	4,131	40,465	14,317
2029-2033	119,108	42,441	164,406	4,770	91,869	4,211	229,939	43,976
2034-2038	122,335	12,289	0	0	0	0	76,491	3,222
Totals	<u>\$336,152</u>	<u>\$121,570</u>	<u>\$900,725</u>	<u>\$88,995</u>	<u>\$436,117</u>	<u>\$43,170</u>	<u>\$492,763</u>	<u>\$134,778</u>

	Business-Type Activities			
	From Direct Borrowings		From Direct Placements	
	OWDA Loans		Financed Purchases	
	Principal	Interest	Principal	Interest
2024	\$322,835	\$42,915	\$271,649	\$26,190
2025	331,022	33,556	191,993	13,657
2026	78,175	25,856	92,474	5,076
2027	80,178	23,851	44,975	1,215
2028	82,234	21,798	0	0
2029-2033	443,961	76,194	0	0
2034-2038	277,544	26,432	0	0
2039	29,333	424	0	0
Totals	<u>\$1,645,282</u>	<u>\$251,026</u>	<u>\$601,091</u>	<u>\$46,138</u>

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Note 14 – Internal Activity

Interfund Transfers

Interfund transfers for the year ended December 31, 2023, consisted of the following:

<u>Transfer To</u>	<u>Transfer From</u>				<u>Total</u>
	General	Sewer	Incinerator	Other Enterprise Funds	
Police	\$1,470,000	\$0	\$0	\$0	\$1,470,000
Fire	1,100,000	0	0	0	1,100,000
Other Governmental Funds	2,200	0	0	0	2,200
Water	0	171,617	18,300	72,000	261,917
Grand Total	<u>\$2,572,200</u>	<u>\$171,617</u>	<u>\$18,300</u>	<u>\$72,000</u>	<u>\$2,834,117</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

The transfers from the general fund were to subsidize police, fire, and capital improvements within the City. The transfers from the sewer and incinerator funds to the water enterprise funds were for billing reimbursements.

Internal Balances – Change in Proportionate Share

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

City of East Liverpool, Ohio
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Balances related to the internal proportionate share for pension and OPEB at December 31, 2023, were as follows:

	Pension		OPEB	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Governmental Activities	\$167	\$0	\$0	\$0
Business-Type Activities:				
Water	1,052	102,118	0	586
Sewer	0	82	0	0
Incinerator	50,125	596	288	0
Thompson Park Pool	23,158	241	133	0
Storm Sewer	28,835	300	165	0
<i>Total Enterprise Funds/Business-Type Activities</i>	103,170	103,337	586	586
Elimination from Proprietary Fund Statements	(103,170)	(103,170)	(586)	(586)
Total Business-Type Activities	0	167	0	0
Total	\$167	\$167	\$0	\$0

Note 15 – Jointly Governed Organizations

Columbiana Metropolitan Housing Authority (the Authority)

The Authority is a non-profit organization established to provide adequate public housing for low income individuals and is statutorily created as a separate and distinct political subdivision of the State. The Authority is operated by a five member board of commissioners. Two members are appointed by the Mayor of East Liverpool, one member is appointed by the Columbiana County Commissioners, one member is appointed by the judge of the probate court, and one member is appointed by the judge of the court of common pleas. The board exercises total control over the Authority’s operations including budgeting, appropriating, contracting and designating management. Each member’s degree of control is limited to its representation on the board. The City did not contribute any amounts to the Authority during 2023. Information can be obtained from 325 Moore Street, East Liverpool, Ohio 43920.

Ohio Mid-Eastern Governments Association (OMEGA)

OMEGA is a ten county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum and Tuscarawas counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a seventeen member executive board comprised of members appointed from each participating county and cities within each county. City membership is voluntary. A county commissioner serves as the County’s representative on the board. The board has total control over budgeting, personnel and financial matters. Each member’s degree of control is limited to its representation on the board. Each member currently pays a per capita membership fee based on the most recent United States census. During 2023, OMEGA received \$1,494 from the City of East Liverpool for an annual fee. Information can be obtained from 326 Highland Avenue, PO Box 130, Cambridge, Ohio 43725.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Note 16 – Significant Commitments

Contractual Commitments

As of December 31, 2023, the City had the following contractual construction commitments outstanding:

Vendor Name	Contract Amount	Amount Paid to Date	Remaining Contract
Dallas Dawson	\$800,204	\$246,404	\$553,800
NLS Paving	468,254	104,225	364,029
AWR	400,823	196,403	204,420
Environmental Design	221,329	0	221,329
Diloreto	195,352	103,167	92,185
Omni Pro	76,886	67,698	9,188
Total	\$2,162,848	\$717,897	\$1,444,951

Remaining commitment amounts were encumbered at year-end. \$325,047 in contracts payable for governmental activities has been capitalized. \$7,300 and \$7,300 has been capitalized in the Incinerator and Storm Sewer funds, respectively. \$59,139 and \$10,800 in accounts payable in the Water and Sewer funds, respectively, related to payments for capital acquisitions.

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<i>Governmental Funds:</i>		<i>Proprietary Funds:</i>	
General	\$100,556	Water	\$3,558,585
Police	25,204	Sewer	443,240
Fire	52,561	Incinerator	192,146
Other Governmental Funds	1,439,349	Other Enterprise Funds	299,754
Total Governmental	\$1,617,670	Total Proprietary	\$4,493,725

Note 17 – Closure and Post-closure Care Cost

In 1993, the City agreed to sell the East Liverpool City Landfill to the East Liverpool Landfill, Inc. The landfill and all contractual obligations were subsequently acquired by USA Waste Service, Inc. (USA). USA is in the process of closing the landfill. Under the original sales agreement, the City indemnified the purchaser for all cost incurred with regard to the activities or operations of the landfill prior to 1990.

USA has assured the City that they are closing the landfill at their sole cost and expense. USA has posted all required closure and post-closure bonds with the Environmental Protection Agency (EPA). The City's post-closure liability relating to the pre-1990 operations, if any, cannot be determined.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Note 18 – Asset Retirement Obligations

The Governmental Accounting Standard Board’s (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their waste water treatment facilities. Any ARO associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

Note 19 – Change in Accounting Principles

For 2023, the City implemented Governmental Accounting Standards Board (GASB) No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The City did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The City did not have any contracts that met the GASB 96 definition of a SBITA, other than short-term SBITAs.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

For 2023, the City also implemented the guidance in GASB’s Implementation Guide No. 2021-1, *Implementation Guidance Update—2021* (other than question 5.1).

Note 20 – Compliance

The following accounts had expenditures plus encumbrances in excess of appropriations, contrary to Ohio Revised Code Section 5705.41.

	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<i>General Fund:</i>			
Intergovernmental	\$59,238	\$255,384	(\$196,146)
<i>Fire Fund:</i>			
Security of Persons and Property	2,021,138	2,060,386	(39,248)

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Although the budgetary violation was not corrected by year end, management has indicated that this will be closely monitored to ensure no future violations.

Note 21 – COVID-19

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

Note 22 – The City of East Liverpool Board of Health

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the City of East Liverpool Board of Health (the Board) as a body corporate and politic. A five-member Board and a Health Commissioner govern the Board. Consistent with the provisions of Ohio Revised Code Section 3709.36, the Board is a legally separate organization. The Mayor appoints the Board. Among its various duties, the Board provides for the prompt diagnosis and control of communicable diseases. The Board may also inspect businesses where food is manufactured, handled, stored, or offered for sale. The Board is operated by a board with all members being appointed by the City. The City provides funding to the Board, thus the City can impose will on the Board, and the Board imposes a financial burden to the City. Therefore, the Board is considered a discretely presented component unit of the City of East Liverpool.

Summary of Significant Accounting Policies

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

Basis of Presentation of Government-wide Financial Statements The statement of net position and the statement of activities display information about the Board as a whole. The statement of net position presents the financial condition of the Board at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Board's activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental program is self-financing or draws from the general revenues of the Board.

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

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Basis of Accounting Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the Board of Health receives value without directly giving equal value in return, includes grants and donations. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board of Health must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board of Health on a reimbursement basis.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Board of Health, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Board of Health, deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position.

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

Pensions/Other Postemployment Benefits (OPEB) For purposes of measuring the net pension/OPEB asset/liabilities, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plans. 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.

Prepaid Items Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

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

Leases The Board serves as a lessee in a noncancellable lease. At the commencement of a lease, the Board initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Capital Assets All of the Board’s capital assets are general capital assets generally resulting from expenditures in governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements.

All capital assets (except for intangible right to use lease assets which are discussed below) are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated. The Board maintains a capitalization threshold of \$1,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All capital assets are depreciated, except land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Machinery and Equipment	10 years
Intangible Right to Use Lease - Equipment	10 years

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

Compensated Absences Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the Board will compensate the employees for the benefits through paid time off or some other means. The Board records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Since the Board’s policy limits the accrual of vacation time to one year from the employee’s anniversary date, the outstanding liability is recorded as “vacation benefits payable” on the statement of net position rather than as a long-term liability.

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

Accrued Liabilities and Long-Term Obligations In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans’ fiduciary net position is not sufficient for payment of those benefits.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Net Position Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Board’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted net position for pension plans represent the corresponding restricted asset amounts held in trust by pension plans for future benefits.

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

Deposits and Investments

The City of East Liverpool Auditor is custodian for the Board’s deposits. The City’s deposit and investment pool holds the Board’s assets, valued at the City Auditor’s reported carrying amount.

Receivables

Receivables at December 31, 2023, consisted solely of intergovernmental receivables. A summary of the principal items of intergovernmental receivables is as follows:

	Amount
Workforce Development Grant	\$34,537
Workers' Compensation Refund	178
Total	\$34,715

Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Deductions	Balance 12/31/2023
Capital Assets being Depreciated/Amortized:				
Machinery and Equipment	\$15,917	\$0	\$0	\$15,917
Intangible Right to Use Lease - Equipment	3,319	0	0	3,319
<i>Total Capital Assets being Depreciated/Amortized</i>	19,236	0	0	19,236
Less: Accumulated Depreciation/Amortization:				
Machinery and Equipment	(3,804)	(1,340)	0	(5,144)
Intangible Right to Use Lease - Equipment	(1,162)	(332)	0	(1,494)
<i>Total Accumulated Depreciation/Amortization</i>	(4,966)	(1,672) *	0	(6,638)
<i>Total Capital Assets being Depreciated/Amortized, Net</i>	14,270	(1,672)	0	12,598
<i>Total Capital Assets, Net</i>	\$14,270	(\$1,672)	\$0	\$12,598

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

* Of the current year depreciation total of \$1,672, \$332 is presented as public health services expense on the statement of activities related to the Board's intangible asset of a copier, which is included as an Intangible Right to Use - Lease Asset.

Due to Primary Government

During 2023, the City of East Liverpool loaned the Board \$29,626 to cover negative cash balances in the workforce development grant funds until grant revenues are received. This loan is expected to be paid in one year.

Risk Management

The Board of Health is located in the City of East Liverpool's municipal building. The City contracts with U.S. Specialty Insurance Company for its property and liability insurance. In 2023, the building and contents were insured for a value of \$7,664,242. The City does not charge the Board for a portion of the building property insurance.

The Board pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Other Employee Benefits

Compensated Absences The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn vacation and sick leave at different rates depending upon length of service and type of employment. Vacation leave benefits are lost at year end if employees do not use these balances during the year unless prior approval has been obtained from the department head. Upon retirement or death, employees are paid to a maximum of 480 hours for accumulated unused sick leave.

Employee Insurance Benefits For 2023, employees of the Board received medical insurance benefits through the City of East Liverpool's health savings account (HSA) medical program.

Deferred Compensation Board employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 456 and is considered an other employee benefit plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Grants Amounts grantor agencies pay to the Board are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow; however, based on prior experience, management believes any refunds would be immaterial.

Litigation Management is not aware of any pending litigation.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Long-Term Obligations

A schedule of changes in long-term obligations of the Board during 2023 follows:

	Amount			Amount	
	Outstanding			Outstanding	
	12/31/2022	Additions	Deletions	12/31/2023	Amounts Due In One Year
<i>Governmental Activities</i>					
Other Long-term Obligations					
Net Pension Liability:					
OPERS	\$77,099	\$333,856	\$0	\$410,955	\$0
Net OPEB Liability:					
OPERS	0	8,276	0	8,276	0
Lease Payable	1,207	0	(825)	382	382
Compensated Absences	10,374	57	(4,978)	5,453	0
<i>Total Governmental Activities</i>	<u>\$88,680</u>	<u>\$342,189</u>	<u>(\$5,803)</u>	<u>\$425,066</u>	<u>\$382</u>

Compensated absences and the lease will be paid from the general fund. The Board pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension liability; however, employer pension contributions are made from the general fund.

The Board has an outstanding agreement to lease a copier. The future lease payments using the Board's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. Principal and interest required to retire the lease payable at December 31, 2023 is \$382 and \$15, respectively.

Defined Benefit Pension Plans

Plan descriptions and actuarial information for the Board of Health's defined benefit pension plans are the same as the City's (see Note 11).

For 2023, the Board's contractually required contribution was \$17,716 for the traditional plan and \$351 for the combined plan. Of these amounts, \$4,568 is reported as an intergovernmental payable for the traditional plan and \$51 for the combined plan.

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

The net pension liability (asset) for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability (asset) was based on the Board's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the Board's defined benefit pension plans:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.00139118%	0.00060190%	
Prior Measurement Date	<u>0.00088616%</u>	<u>0.00036588%</u>	
Change in Proportionate Share	<u>0.00050502%</u>	<u>0.00023602%</u>	
Proportionate Share of the:			
Net Pension Liability	\$410,955	\$0	\$410,955
Net Pension Asset	0	(1,418)	(1,418)
Pension Expense	(79,401)	15	(79,386)

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

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$13,650	\$88	\$13,738
Changes of assumptions	4,342	94	4,436
Net difference between projected and actual earnings on pension plan investments	117,135	517	117,652
Changes in proportion and differences between Board contributions and proportionate share of contributions	53,326	31	53,357
Board contributions subsequent to the measurement date	<u>17,716</u>	<u>351</u>	<u>18,067</u>
Total Deferred Outflows of Resources	<u>\$206,169</u>	<u>\$1,081</u>	<u>\$207,250</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$202	\$202
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>552</u>	<u>607</u>	<u>1,159</u>
Total Deferred Inflows of Resources	<u>\$552</u>	<u>\$809</u>	<u>\$1,361</u>

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

\$18,067 reported as deferred outflows of resources related to pension resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2024. 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 Plan	OPERS Combined Plan	Total
Year Ending December 31:			
2024	\$51,457	(\$56)	\$51,401
2025	44,584	20	44,604
2026	34,479	52	34,531
2027	57,381	146	57,527
2028	0	(82)	(82)
Thereafter	0	(159)	(159)
Total	\$187,901	(\$79)	\$187,822

Sensitivity of the Board's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the Board's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the Board's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Board's proportionate share of the net pension liability (asset):			
OPERS Traditional Plan	\$615,597	\$410,955	\$240,730
OPERS Combined Plan	(740)	(1,418)	(1,956)

Defined Benefit OPEB Plan

Plan descriptions and actuarial information for the Board of Health's defined benefit OPEB plan are the same as the City's (see Note 12).

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Board had no contributions or related payables for 2023.

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. The Board's proportion of the net OPEB liability was based on the Board's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

	OPERS
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.00131250%
Prior Measurement Date	0.00083552%
Change in Proportionate Share	0.00047698%
Proportionate Share of the:	
Net OPEB Liability	\$8,276
OPEB Expense	(17,194)

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

	OPERS
Deferred Outflows of Resources	
Changes of assumptions	\$8,084
Net difference between projected and actual earnings on OPEB plan investments	16,436
Changes in proportion and differences between Board contributions and proportionate share of contributions	306
Total Deferred Outflows of Resources	\$24,826
Deferred Inflows of Resources	
Differences between expected and actual experience	\$2,065
Changes of assumptions	665
Changes in proportion and differences between Board contributions and proportionate share of contributions	120
Total Deferred Inflows of Resources	\$2,850

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

	OPERS
Year Ending December 31:	
2024	\$2,784
2025	6,127
2026	5,125
2027	7,940
Total	\$21,976

City of East Liverpool, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Sensitivity of the Board's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the Board's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the Board's 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 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Board's proportionate share of the net OPEB liability (asset)	\$28,166	\$8,276	(\$8,138)

Sensitivity of the Board'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 1.0 percent lower or 1.0 percent higher than the current rate.

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Board's proportionate share of the net OPEB liability	\$7,757	\$8,276	\$8,859

Required Supplementary Information

City of East Liverpool, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Ten Years

	2023	2022	2021	2020
City's Proportion of the Net Pension Liability	0.02011082%	0.02126784%	0.02164032%	0.02343744%
City's Proportionate Share of the Net Pension Liability	\$5,940,742	\$1,850,387	\$3,204,461	\$4,632,571
City's Covered Payroll	\$3,199,721	\$3,086,557	\$3,047,914	\$3,297,557
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	185.66%	59.95%	105.14%	140.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%

Amounts presented for each 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
0.02425920%	0.02484100%	0.02542200%	0.02568700%	0.02613100%	0.02613100%
\$6,644,106	\$3,897,071	\$5,772,904	\$4,449,312	\$3,151,688	\$3,080,502
\$3,413,121	\$3,282,754	\$3,291,092	\$3,192,129	\$3,203,675	\$3,104,947
194.66%	118.71%	175.41%	139.38%	98.38%	99.21%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

City of East Liverpool, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Asset
Ohio Public Employees Retirement System - Combined Plan
Last Six Years (1)

	2023	2022	2021	2020
City's Proportion of the Net Pension Asset	0.00870110%	0.00878112%	0.00899232%	0.00873792%
City's Proportionate Share of the Net Pension Asset	\$20,508	\$34,600	\$25,958	\$18,222
City's Covered Payroll	\$41,543	\$40,029	\$39,629	\$38,893
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	49.37%	86.44%	65.50%	46.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.14%	169.88%	157.67%	145.28%

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

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

See accompanying notes to the required supplementary information.

<u>2019</u>	<u>2018</u>
0.00896064%	0.00983500%
\$10,021	\$13,389
\$39,921	\$40,277
25.10%	33.24%
126.64%	137.28%

City of East Liverpool, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net OPEB (Asset) Liability
Ohio Public Employees Retirement System - OPEB Plan
Last Seven Years (1)

	2023	2022	2021	2020
City's Proportion of the Net OPEB Asset/Liability	0.01897350%	0.02005248%	0.02054880%	0.02221728%
City's Proportionate Share of the Net OPEB (Asset) Liability	\$119,634	(\$628,077)	(\$366,091)	\$3,068,786
City's Covered Payroll	\$3,241,264	\$3,126,986	\$3,107,668	\$3,356,575
City's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	3.69%	-20.09%	-11.78%	91.43%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%

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

Amounts presented for each 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
0.02301504%	0.02362000%	0.02441000%
\$3,000,617	\$2,564,959	\$2,465,494
\$3,477,367	\$3,345,981	\$3,378,667
86.29%	76.66%	72.97%
46.33%	54.14%	54.04%

City of East Liverpool, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Liability
Ohio Police and Fire Pension Fund
Last Ten Years

	2023	2022	2021	2020
City's Proportion of the Net Pension Liability	0.06963440%	0.07136030%	0.07704360%	0.08504090%
City's Proportionate Share of the Net Pension Liability	\$6,614,593	\$4,458,178	\$5,252,130	\$5,728,809
City's Covered Payroll	\$1,791,648	\$1,820,445	\$1,897,762	\$2,055,253
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	369.19%	244.89%	276.75%	278.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.09%	75.03%	70.65%	69.89%

Amounts presented for each 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
0.08329300%	0.07505600%	0.07632500%	0.08334700%	0.08364510%	0.08364510%
\$6,798,911	\$4,606,525	\$4,834,350	\$5,361,771	\$4,333,165	\$4,073,779
\$1,933,886	\$1,668,585	\$1,636,526	\$1,684,876	\$1,679,505	\$1,630,431
351.57%	276.07%	295.40%	318.23%	258.00%	249.86%
63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

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

	2023	2022	2021	2020
City's Proportion of the Net OPEB Liability	0.06963400%	0.07136030%	0.07704360%	0.08504090%
City's Proportionate Share of the Net OPEB Liability	\$495,774	\$782,171	\$816,289	\$840,012
City's Covered Payroll	\$1,971,648	\$1,820,445	\$1,897,762	\$2,055,253
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	25.15%	42.97%	43.01%	40.87%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.59%	46.90%	45.40%	47.08%

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

Amounts presented for each 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
0.08329300%	0.07505600%	0.07632500%
\$758,509	\$4,252,568	\$3,622,976
\$1,933,886	\$1,668,585	\$1,636,526
39.22%	254.86%	221.38%
46.57%	14.13%	15.96%

City of East Liverpool, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Ten Years

	2023	2022	2021	2020
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$414,256	\$447,961	\$432,118	\$426,708
Contributions in Relation to the Contractually Required Contribution	(414,256)	(447,961)	(432,118)	(426,708)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
City Covered Payroll	\$2,958,971	\$3,199,721	\$3,086,557	\$3,047,914
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net Pension Asset - Combined Plan				
Contractually Required Contribution	\$5,076	\$5,816	\$5,604	\$5,548
Contributions in Relation to the Contractually Required Contribution	(5,076)	(5,816)	(5,604)	(5,548)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
City Covered Payroll	\$42,300	\$41,543	\$40,029	\$39,629
Pension Contributions as a Percentage of Covered Payroll	12.00%	14.00%	14.00%	14.00%
Net OPEB Asset/Liability - OPEB Plan (1)				
Contractually Required Contribution	\$846	\$0	\$16	\$805
Contributions in Relation to the Contractually Required Contribution	(846)	0	(16)	(805)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
City Covered Payroll (2)	\$3,001,271	\$3,241,264	\$3,126,986	\$3,107,668
OPEB Contributions as a Percentage of Covered Payroll	0.03%	0.00%	0.00%	0.03%

(1) Information prior to 2016 is not available for the OPEB plan.

(2) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$461,658	\$477,837	\$426,758	\$394,932	\$383,055	\$384,441
(461,658)	(477,837)	(426,758)	(394,932)	(383,055)	(384,441)
\$0	\$0	\$0	\$0	\$0	\$0
\$3,297,557	\$3,413,121	\$3,282,754	\$3,291,092	\$3,192,129	\$3,203,675
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$5,445	\$5,589	\$5,236	\$4,989	\$4,720	\$6,010
(5,445)	(5,589)	(5,236)	(4,989)	(4,720)	(6,010)
\$0	\$0	\$0	\$0	\$0	\$0
\$38,893	\$39,921	\$40,277	\$41,575	\$39,333	\$50,083
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$805	\$973	\$34,148	\$68,493		
(805)	(973)	(34,148)	(68,493)		
\$0	\$0	\$0	\$0		
\$3,356,575	\$3,477,367	\$3,345,981	\$3,378,667		
0.02%	0.03%	1.02%	2.03%		

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

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	\$426,812	\$380,053	\$385,099	\$399,302
Contributions in Relation to the Contractually Required Contribution	<u>(426,812)</u>	<u>(380,053)</u>	<u>(385,099)</u>	<u>(399,302)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$1,980,910	\$1,791,648	\$1,820,445	\$1,897,762
Pension Contributions as a Percentage of Covered Payroll	<u>21.55%</u>	<u>21.21%</u>	<u>21.15%</u>	<u>21.04%</u>
Net OPEB Liability				
Contractually Required Contribution	\$9,904	\$8,958	\$9,102	\$9,489
Contributions in Relation to the Contractually Required Contribution	<u>(9,904)</u>	<u>(8,958)</u>	<u>(9,102)</u>	<u>(9,489)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>22.05%</u>	<u>21.71%</u>	<u>21.65%</u>	<u>21.54%</u>

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$427,070	\$398,411	\$343,665	\$339,721	\$351,147	\$350,049
(427,070)	(398,411)	(343,665)	(339,721)	(351,147)	(350,049)
\$0	\$0	\$0	\$0	\$0	\$0
\$2,055,253	\$1,933,886	\$1,668,585	\$1,636,526	\$1,684,876	\$1,679,505
20.78%	20.60%	20.60%	20.76%	20.84%	20.84%
\$10,277	\$9,669	\$8,343	\$8,183	\$8,425	\$8,397
(10,277)	(9,669)	(8,343)	(8,183)	(8,425)	(8,397)
\$0	\$0	\$0	\$0	\$0	\$0
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
21.28%	21.10%	21.10%	21.26%	21.34%	21.34%

City of East Liverpool, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

Changes in Assumptions – OPERS Pension – Traditional Plan

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

	2022	2019 through 2021	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

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

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as

City of East Liverpool, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

Changes in Assumptions – OPERS Pension – Combined Plan

	2022	2019 through 2021	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

Changes in Assumptions – OP&F Pension

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

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

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

City of East Liverpool, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

Beginning in 2023, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, 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.

Prior to 2023, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

Prior to 2023, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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

City of East Liverpool, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

Changes in Assumptions – OPERS OPEB

Wage Inflation:	
2023 and 2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2023 and 2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

City of East Liverpool, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2023

Changes in Assumptions – OP&F OPEB

Blended Discount Rate:	
2023	4.27 percent
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022 and 2023.

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

Changes in Benefit Terms – OP&F OPEB

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

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**INDEPENDENT AUDITORS' REPORT**

To the City Council
City of East Liverpool, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Liverpool, Ohio (the "City") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 have not been identified

Report on Compliance and Other Matters

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

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 28, 2024

OHIO AUDITOR OF STATE KEITH FABER



CITY OF EAST LIVERPOOL

COLUMBIANA 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 8/6/2024

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

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