

**CITY OF HEATH
LICKING COUNTY
REGULAR AUDIT
JANUARY 1, 2023 – DECEMBER 31, 2023**



OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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800-282-0370

City Council
City of Heath
1287 Hebron Road
Heath, Ohio 43056

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

October 02, 2024

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**CITY OF HEATH
LICKING COUNTY**

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

City of Heath
Licking County
1287 Hebron Road
Heath, Ohio 43056

To City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Heath, Licking County, (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 August 19, 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 purposes 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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Wilson, Shuman & Snow, Inc.

Newark, Ohio
August 19, 2024



CITY OF HEATH

Mark D. Johns
Mayor

Jay R. Morrow
Auditor

David C. Morrison
Director of Law

1287 Hebron Road * Heath, OH 43056 * P: (740) 522-1420 * F: (740) 522-6324 * www.heathohio.gov

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Noncompliance - Transfers	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-002	Noncompliance – Expenditures Exceeding Appropriations	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-003	Material Weakness – Posting Budgetary Information in Accounting System	Corrective Action Taken and Finding is Fully Corrected	N/A

CITY OF HEATH, OHIO

Licking County



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023

Prepared by the City Auditor's Department

Mr. Jay R. Morrow
City Auditor



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LICKING COUNTY, OHIO

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INTRODUCTORY SECTION





CITY OF HEATH

Mark D. Johns
Mayor

Jay R. Morrow
Auditor

David C. Morrison
Director of Law

1287 Hebron Road * Heath, OH 43056 * P: (740) 522-1420 * F: (740) 522-6324 * www.heathohio.gov

August 19, 2024

To the Council and the Citizens of the City of Heath, Ohio:

The City Auditor is pleased to present this Annual Comprehensive Financial Report for the City of Heath (the City) for the year ended December 31, 2023. The report has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

While there is no legal requirement for the preparation of this report, it represents a commitment by the City to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

Accounting Principles Generally Accepted in the United States of America requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Heath's MD&A can be found immediately following the Independent Auditor's Report.

The Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity; Omnibus"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City has no component units but includes the following services as authorized by its charter: police and fire protection, emergency medical response, parks and recreation, planning, zoning, street maintenance, utility billing, income tax collection and other governmental services.

CITY OF HEATH, OHIO

Letter of Transmittal For the Year Ended December 31, 2023

The City of Heath

The City of Heath continues to be a growing community located twenty-five miles east of Ohio’s capital city, Columbus. It is bounded on the north by the City of Newark, the county seat of Licking County. The City's elevation is approximately 830 feet above sea level. Its median temperatures are 75 degrees in summer and 30.2 degrees in winter. State highways 79 and 13 serve as the City's major transportation arteries. The east-west interstate highway I-70 that lies approximately 6 miles south also serves the City. Heath’s 10.5 square mile area serves a residential population of 10,310 (census 2010) and an estimated daytime population of 45,000. The daytime population is concentrated in the State Route 79 corridor, the area of the Central Ohio Aerospace and Technology Center, the Indian Mound Mall, and Southgate and Cross Creek Shopping Centers.

The City of Heath was named after Fletcher Heath an employee of the Pure Oil Company, which was located just west of the City. A railroad freight station located near the company was named the Heath Station. In 1951, when area residents voted to incorporate, they created the Village of Heath. The Village of Heath became Ohio’s 196th city on April 28, 1965.

Historical areas in the City of Heath include the Davis-Shai House, the old Four Mile Lock (part of the Ohio Canal), Moundbuilders State Park, and the Forry Preserve. The latter two include prehistoric Hopewell Indian mound sites. In addition, the W. Thomas Huff Indian artifact collection is on display at city hall.

The City operates under a charter, first adopted by the voters in 1964 and opened for revision by a Charter Commission every ten years. The form of government provided in the Charter is known as the “Mayor-Council Plan”. All elections are non-partisan. The Mayor and the Auditor are elected for overlapping terms every four years. The legislative body of Heath consists of a seven-member Council, three of whom are elected by Ward, and four of whom are elected At-Large for overlapping four year terms. City Council elects a president every two years to preside over meetings. In the event that the office of the Mayor shall become vacant the President of Council shall become Mayor and serve for the unexpired term of the Mayor. City Council appoints the Clerk of Council and the Mayor appoints the City Law Director.

Labor Relations

A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining. The employee profile is as follows:

<u>Number of Employees</u>	<u>Employee Classification</u>
97	Classified employees
9	Elected officials
4	Appointed employees

CITY OF HEATH, OHIO

***Letter of Transmittal
For the Year Ended December 31, 2023***

The City has entered into bargaining agreements with the Fraternal Order of Police, Ohio Labor Council, Inc., International Association of Firefighters Local 2930 and the American Federation of State, County and Municipal Employees, AFL-CIO, Ohio Council 8. Other employees are governed by legislative action of City Council. In the judgment of the City, its employee relations have been and are considered to be good.

Full-time employees are represented by the following bargaining units:

<u>Bargaining Unit</u>	<u>Agreement Expiration Date</u>	<u>Number of Employees Covered</u>
Fraternal Order of Police, Ohio Labor Council (Dispatchers)	March 31, 2026	6
Fraternal Order of Police, Ohio Labor Council (Sergeants/Patrol)	March 31, 2026	20
International Association of Firefighters Local 2930	April 16, 2026	22
American Federation of State, County and Municipal Employees, AFL-CIO, Ohio Council 8	March 31, 2026	42

New police officers are not included in the union until their one-year probationary period is successfully completed. A reserve force of ten persons is authorized by order of the mayor. A thirty member volunteer fire department, operated by the Heath Firefighters Association, is authorized by City Ordinance.

The Administrative Section of the City of Heath Codified Ordinances provides for equal and similar treatment of employees employed by the city but not covered under a collective bargaining agreement. The following classifications are covered by the Administrative Section of the Heath Codified Ordinances:

- 9 Elected Officials
- 1 Appointed Assistant to the Auditor
- 1 Appointed Clerk of Council
- 1 Appointed law advisors
- 1 Exempted classified employees
- 1 Appointed Administrative Assistant
- 6 Department Heads

***Letter of Transmittal
For the Year Ended December 31, 2023***

ECONOMIC OUTLOOK & MAJOR INITIATIVES

After a strong tax collection year in 2022, the city's tax administrator reported that city income tax collections were up over \$1.2 million to more than \$13.65 million for 2023. The Heath-Newark-Licking County Port Authority's Central Ohio Aerospace and Technology Center continues to report strong employment numbers on its campus. Other areas of job employment growth in the city, coupled with continued wage growth of Heath residents, helped produce the strong 2023 tax collection numbers.

During 2023, work continued on the construction on BEHR Process Corporation's new paint manufacturing facility – an estimated \$80 million investment with at least 90 new jobs anticipated. The redevelopment of a former hotel site in the city brought the opening of Ultimate Shine car was on Hebron Rd., and interest for the rest of site continues to be strong.

Housing starts in the Licking County area were once again a hot topic in 2023, with numerous developments looking to come into Heath. A funding agreement with the Heath City School District was an important achievement in the development of a new, multi-use, downtown district in the city. Annexations of land, rezoned for residential development, as well as plan reviews and approvals for new houses on land in the city kept the staff of the city's building and zoning department busy. It is expected that as approvals for developments of this nature continue into 2024 and beyond, the population growth of Heath will be a result.

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance of the following:

1. The City's assets are protected against loss and unauthorized use or disposition.
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

***Letter of Transmittal
For the Year Ended December 31, 2023***

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation.
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and the Auditor's office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

The Auditor's office is responsible for the auditing and analysis of all purchase orders of the City. Personnel of the Auditor's office carefully review purchase orders to ensure the availability of monies in the proper funds and accounts prior to the certification and subsequent payment of approved invoices. The City utilizes a fully automated accounting system as well as an automated system of controls for capital asset accounting and payroll. These systems, coupled with the review and examination performed by the City Auditor's office, ensure that the financial information generated is both accurate and reliable.

Budgetary control is maintained at the object level for each department within each fund via legislation approved by City Council. The various objects are:

- Personal services
- Contractual Services
- Other Expenditures
- Transfers
- Materials and Supplies
- Capital Outlay
- Debt Service:
Principal
Interest

Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year, which coincides with the calendar year.

***Letter of Transmittal
For the Year Ended December 31, 2023***

OTHER INFORMATION

Independent Audit

An audit team from Wilson, Shannon & Snow, Inc. has performed this year's audit. The independent auditor's unmodified opinion has been included in the Independent Auditor's Report which is located at the front of the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Heath, Ohio for its Annual Comprehensive Financial Report for the year ended December 31, 2022. The City has received this award each year since 1994. The GFOA awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities that qualify. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents satisfy all program standards. The report must satisfy both accounting principles generally accepted in the United States of America (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. I believe this, our current report continues to conform to the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and I am submitting it to GFOA.

Public Disclosure

The publication of this report represents an important achievement in the ability of the City of Heath to provide significantly enhanced financial information and accountability to the citizens, its elected officials, City administration and investors. This report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

In addition to the citizens of Heath, the recipients of this report will include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization that requests it. The extensive effort to prepare and distribute this report is indicative of the City Auditor's goal of full disclosure of the City's finances.

***Letter of Transmittal
For the Year Ended December 31, 2023***

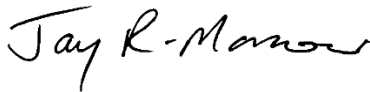
Acknowledgments

Sincere appreciation is extended to the individuals who have contributed their time and effort in gathering data for this report. I am indebted to the following staff members; Aimee Canter, Assistant Auditor; Amanda Hopple, HR Manager; and our Department Heads for the extra effort they put forth in the preparation of this report.

Special acknowledgment is extended to the staff of Donald J. Schonhardt and Associates, Inc. for their guidance in the preparation of this report.

Special thanks to the members of Heath City Council and Mayor Mark Johns whose support is necessary for the City of Heath to conform to reporting requirements established for municipal governments to maintain the sound financial position that the City has enjoyed for many years.

Respectfully,



Jay R. Morrow
City Auditor

CITY OF HEATH, OHIO

***List of Principal Officials
For the Year Ended December 31, 2023***

<i>ELECTED OFFICIALS</i>	<i>OFFICE</i>	<i>TERM EXPIRES</i>	<i>SURETY</i>
Mark D. Johns	Mayor	12/31/2026	
Jay R. Morrow	Auditor	03/31/2024	B
Tim Kelley	Council Member – at Large President of Council	12/31/2023	
Deborah Cole	Council Member at Large President-Pro-Tem	12/31/2023	
James Roberts	Council Member at Large	12/31/2023	
Adam Porter	Council Member - Ward 1	12/31/2025	
Richard Morrow	Council Member - Ward 2	12/31/2025	
Paul Moretti	Council Member - Ward 3	12/31/2025	
Jeffrey Crabill	Council Member at Large	12/31/2023	

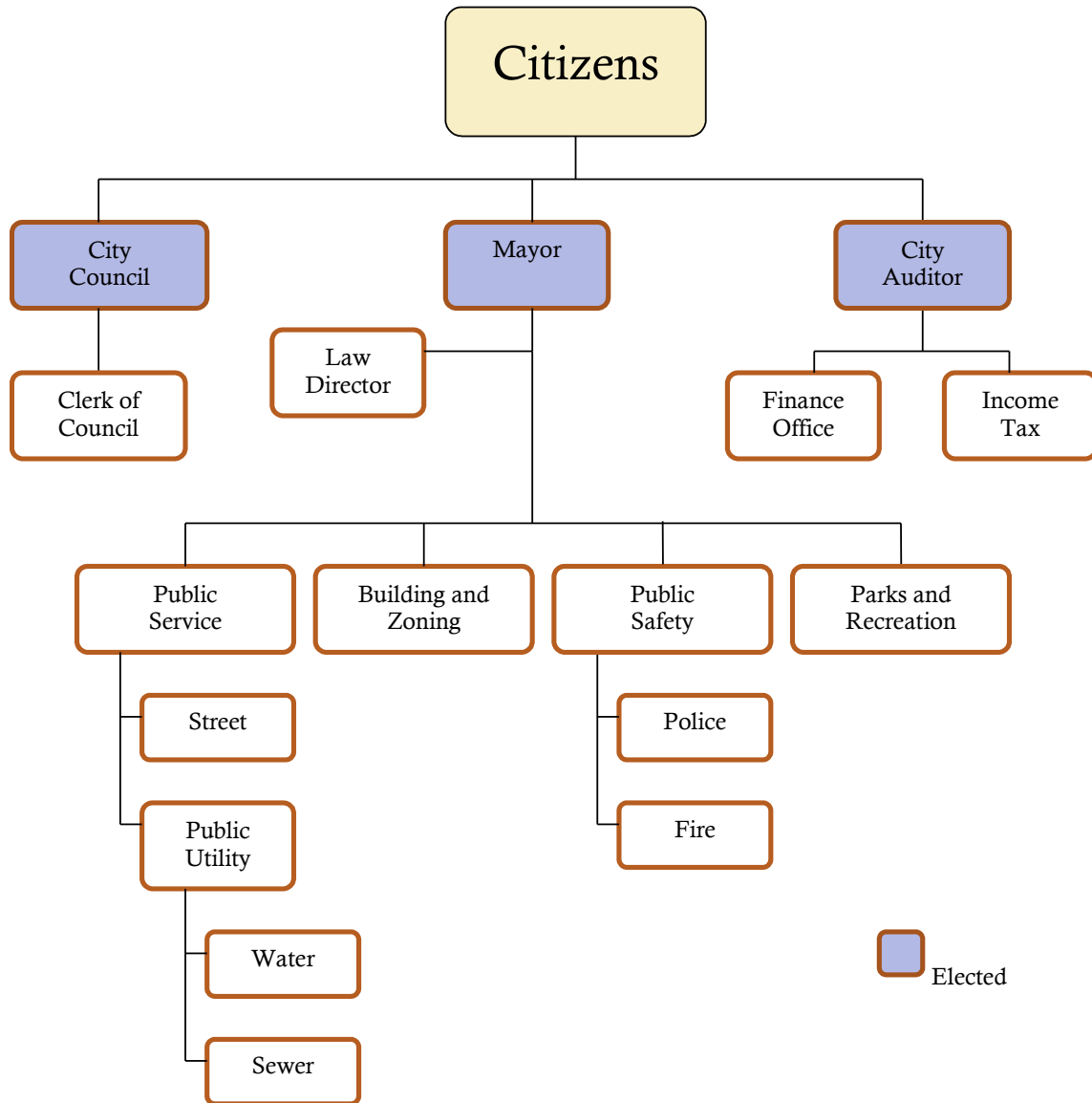
<i>ADMINISTRATIVE PERSONNEL</i>	<i>TITLE</i>	<i>TERM OF OFFICE</i>	<i>SURETY</i>
Bev Shepherd	Income Tax Commissioner	Indefinite	A
David Haren	Police Chief	Indefinite	
Warren McCord	Fire Chief	Indefinite	
John Geller	Utilities Director	Indefinite	
Robert Geller	Street and Parks Superintendent	Indefinite	
Jared Lane	Building and Zoning Inspector	Indefinite	
David C. Morrison	Law Director	Indefinite	
Aimee Canter	Assistant Auditor	Indefinite	
Tracy Dupps	Clerk of Council	Indefinite	
Ginna Peterson	Mayor's Secretary/Administrative Assistant	Indefinite	
Amanda Hoppel	Human Resources Manager	Indefinite	
Charles Kyle	Recreation Director	Indefinite	

(A) \$100,000 Fidelity and Deposit Company of Maryland 06/1/04 - Indefinite
 (B) \$100,000 Ohio Farmers Insurance Company 06/1/04 - Indefinite

City Address:

Heath City Hall
 1287 Hebron Road
 Heath, Ohio 43056
<http://www.heathohio.gov>

**City Organizational Chart
For the Year Ended December 31, 2023**



Boards and Commissions

- | | |
|--------------------------------------|-----------------------------------|
| Parks and Recreation Board | Civil Service Commission |
| Air Pollution Control Board | Planning Commission |
| Board of Zoning and Building Appeals | Reuse Commission / Port Authority |
| | Charter Review Commission |

***Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting***



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Heath
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

City of Heath
Licking County
1287 Hebron Road
Heath, Ohio 43056

To the City Council:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Heath, Licking County, Ohio 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, Street Construction, Maintenance and Repair, and Fire Levy funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shannon & Sons, Inc.

Newark, Ohio
August 19, 2024



***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

The management's discussion and analysis of the City of Heath'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 transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

In total, net position increased \$1,159,071. Net position of governmental activities increased \$613,561 which represents a 1.5% increase from 2022. Net position of business-type activities increased \$545,510 or 2.2% from 2022.

General revenues accounted for \$16.8 million in revenue or 67.1% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for 32.9% of total revenues of \$25 million.

The City had \$18.9 million in expenses related to governmental activities; \$2.8 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$16.8 million assisted in providing for these programs.

Among major funds, the general fund had \$16.4 million in revenues and other financing sources and \$14.4 million in expenditures and other financing uses. The general fund's fund balance increased \$1.9 million to \$9 million.

Net position for enterprise funds increased by \$564,083. Revenues decreased 8.1% and expenses decreased 3.4% in 2023 when compared to 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the City as a whole using accepting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and deferred outflows of resources and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net-position (the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as property tax base, current property tax laws, conditions of the City's streets and continued growth within the City.

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities – Most of the City's program's and services are reported here including security of persons and property, public health and welfare, leisure time activities, community environment, transportation and general government.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water and sewer services are reported as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

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

**Management’s Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses two enterprise funds to account for water and sewer operations. Both of the enterprise funds are reported as major funds.

The internal service fund is an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City’s internal service fund reports on the City’s self-insurance programs for employee medical benefits.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City’s fiduciary fund is a private purpose trust fund used to account for unclaimed monies.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City’s net position between December 31, 2023 and 2022:

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Current and other assets	\$22,507,373	\$22,300,060	\$9,852,856	\$10,870,216	\$32,360,229	\$33,170,276
Net OPEB Asset	0	433,138	0	202,220	0	635,358
Capital assets, Net	41,006,052	40,188,176	21,452,666	19,439,023	62,458,718	59,627,199
Total assets	63,513,425	62,921,374	31,305,522	30,511,459	94,818,947	93,432,833
Deferred Outflows of Resources	6,970,620	3,593,661	915,488	284,206	7,886,108	3,877,867
Net Pension Liability	15,971,289	8,731,291	1,881,846	603,561	17,853,135	9,334,852
Net OPEB Liability	969,921	1,305,058	37,493	0	1,007,414	1,305,058
Long-term debt outstanding	7,071,027	6,955,200	4,956,151	4,507,470	12,027,178	11,462,670
Other liabilities	1,539,363	1,915,835	436,780	412,011	1,976,143	2,327,846
Total liabilities	25,551,600	18,907,384	7,312,270	5,523,042	32,863,870	24,430,426
Deferred Inflows of Resources	3,681,553	6,970,320	59,332	968,725	3,740,885	7,939,045
Net position						
Net investment in Capital Assets	34,979,311	34,078,471	16,351,753	15,064,970	51,331,064	49,143,441
Restricted	6,222,424	7,072,720	0	0	6,222,424	7,072,720
Unrestricted	49,157	(513,860)	8,497,655	9,238,928	8,546,812	8,725,068
Total net position	\$41,250,892	\$40,637,331	\$24,849,408	\$24,303,898	\$66,100,300	\$64,941,229

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

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

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

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

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

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**Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

Changes in Net position – The following table shows the changes in net position for the year 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for Services and Sales	\$1,181,369	\$1,136,655	\$5,022,504	\$5,375,213	\$6,203,873	\$6,511,868
Operating Grants and Contributions	1,068,203	991,379	0	0	1,068,203	991,379
Capital Grants and Contributions	547,556	0	424,513	566,487	972,069	566,487
Total Program Revenues	2,797,128	2,128,034	5,447,017	5,941,700	8,244,145	8,069,734
General revenues:						
Property Taxes	1,775,393	1,723,470	0	0	1,775,393	1,723,470
Income Taxes	13,116,339	11,913,647	0	0	13,116,339	11,913,647
Intergovernmental Revenue, Unrestricted	725,494	600,485	0	0	725,494	600,485
Investment Earnings	970,170	(477,024)	22,456	11,703	992,626	(465,321)
Miscellaneous	195,304	170,639	0	0	195,304	170,639
Total General Revenues	16,782,700	13,931,217	22,456	11,703	16,805,156	13,942,920
Total Revenues	19,579,828	16,059,251	5,469,473	5,953,403	25,049,301	22,012,654
Program Expenses:						
Security of Persons and Property	9,229,742	7,748,063	0	0	9,229,742	7,748,063
Public Health and Welfare Services	0	118,807	0	0	0	118,807
Leisure Time Activities	1,867,831	1,234,154	0	0	1,867,831	1,234,154
Community Environment	639,080	346,997	0	0	639,080	346,997
Basic Utility Services	119,902	1,170,242	0	0	119,902	1,170,242
Transportation	4,979,401	3,102,037	0	0	4,979,401	3,102,037
General Government	1,977,197	1,529,725	0	0	1,977,197	1,529,725
Interest and Fiscal Charges	70,464	12,461	0	0	70,464	12,461
Business Type Activities:	0	0	0	0	0	0
Water	0	0	2,341,438	2,742,437	2,341,438	2,742,437
Sewer	0	0	2,665,175	2,381,662	2,665,175	2,381,662
Total Expenses	18,883,617	15,262,486	5,006,613	5,124,099	23,890,230	20,386,585
Change in Net Assets before transfers	696,211	796,765	462,860	829,304	1,159,071	1,626,069
Transfers	(82,650)	(1,869,841)	82,650	1,869,841	0	0
Total Change in Net Position	613,561	(1,073,076)	545,510	2,699,145	1,159,071	1,626,069
Beginning Net Position	40,637,331	41,710,407	24,303,898	21,604,753	64,941,229	63,315,160
Ending Net Position	\$41,250,892	\$40,637,331	\$24,849,408	\$24,303,898	\$66,100,300	\$64,941,229

Governmental Activities

Net position of the City's governmental activities increased by \$613,561. Revenues increased 21.9% compared with 2022 and expenses increased 23.7%. The large fluctuation in expenses can be attributed to the large negative OPEB expense in 2022. Increases in income tax collections and investment earnings accounted for the majority of the increase in revenues.

***Management’s Discussion and Analysis
For the Year Ended December 31, 2023***

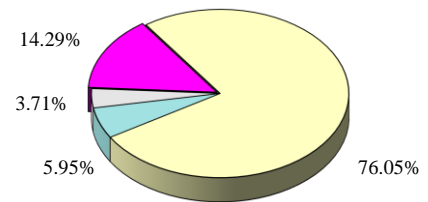
Unaudited

In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

The City also receives an income tax, which is based on 2.0% of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City.

Property taxes and income taxes made up 9.06% and 66.99% respectively of revenues for governmental activities for the City in 2023. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 76.05% of total revenues from general tax revenues:

Revenue Sources	2023	Percent of Total
Intergovernmental Revenue, Unrestricted	\$725,494	3.71%
Program Revenues	2,797,128	14.29%
General Tax Revenues	14,891,732	76.05%
General Other	1,165,474	5.95%
Total Revenue	<u>\$19,579,828</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities increased by \$545,510. The 2.2% increase in net position can be attributed revenues continuing to outpace expenses.

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$17,249,688, which is an increase from last year's balance of \$16,736,245. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2023 and 2022:

	Fund Balance December 31, 2023	Fund Balance December 31, 2022	Increase (Decrease)
General	\$8,981,381	\$7,059,337	\$1,922,044
Street Construction, Maintenance and Repair	1,115,957	2,584,393	(1,468,436)
Fire Levy	1,417,628	1,074,933	342,695
Capital Improvement Fund	2,440,863	2,832,500	(391,637)
Other Governmental	3,293,859	3,185,082	108,777
Total	\$17,249,688	\$16,736,245	\$513,443

General Fund – The City's General Fund balance increased 27.2% from 2022. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2023 Revenues	2022 Revenues	Increase (Decrease)
Taxes	\$12,089,619	\$11,114,464	\$975,155
Intergovernmental Revenue	1,162,779	466,282	696,497
Charges for Services	772,709	672,803	99,906
Licenses and Permits	142,336	156,441	(14,105)
Investment Earnings	956,135	(485,852)	1,441,987
Fines and Forfeitures	7,030	7,605	(575)
All Other Revenue	195,304	170,639	24,665
Total	\$15,325,912	\$12,102,382	\$3,223,530

General Fund revenues increased by 26.6% over 2022. All but two revenue categories posted increases in 2023, led by investment earnings, taxes and intergovernmental revenues.

***Management’s Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

	2023 Expenditures	2022 Expenditures	Increase (Decrease)
Security of Persons and Property	\$6,583,183	\$6,801,744	(\$218,561)
Public Health and Welfare Services	0	118,807	(118,807)
Leisure Time Activities	911,252	630,253	280,999
Community Environment	605,734	372,517	233,217
General Government	1,971,754	1,711,008	260,746
Total	<u>\$10,071,923</u>	<u>\$9,634,329</u>	<u>\$437,594</u>

General Fund expenditures increased by \$437,594 or 4.5% over the prior year. Decreases in security of persons and property and public health and welfare helped soften the increases in other functions. The public health and welfare function was eliminated in 2023 as a result of reduced need after the COVID pandemic.

Street Construction, Maintenance and Repair Fund – The balance in this fund can vary depending upon the level of road projects taking place in a given year. For 2023, the balance in this fund decreased by \$1,468,436 primarily as a result of increased road projects.

Fire Levy Fund – The balance of this fund increased by \$342,695 or 31.9% over the prior year primarily as a result of revenues continuing to outpace expenditures.

Capital Improvement Fund – The balance in this fund can vary depending upon the level of capital projects taking place in a given year. For 2023, the balance in this fund decreased by \$391,637 primarily as a result of transfers out.

GENERAL FUND BUDGETARY 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 variances between the final budget and the actual revenues are solely the result of the City Auditor’s decision to conservatively estimate revenues. The City increased its expenditure budget by \$3.3 million. The majority of the increase was for additional transfers. The increases amongst the various functions were minimal.

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023 the City had \$62,458,718 net of accumulated depreciation invested in land, construction in progress, buildings, improvements other than buildings, machinery and equipment and infrastructure. Of this total, \$41,006,052 was related to governmental activities and \$21,452,666 to the business-type activities. The following table shows 2023 and 2022 balances:

	Governmental Activities		Increase (Decrease)
	2023	2022	
Land	\$9,767,881	\$9,692,881	\$75,000
Total Non-Depreciable Capital Assets	9,767,881	9,692,881	75,000
Buildings	6,607,538	6,635,038	(27,500)
Improvements Other Than Buildings	5,829,246	5,829,246	0
Machinery and Equipment	9,287,401	9,077,386	210,015
Leased Machinery and Equipment	389,115	0	389,115
Infrastructure	36,631,288	35,379,322	1,251,966
Less: Accumulated Depreciation	(27,506,417)	(26,425,697)	(1,080,720)
Total Depreciable Capital Assets, Net	31,238,171	30,495,295	742,876
Totals	\$41,006,052	\$40,188,176	\$817,876

	Business-Type Activities		Increase (Decrease)
	2023	2022	
Land	\$985,374	\$985,374	\$0
Construction in Progress	2,123,894	0	2,123,894
Total Non-Depreciable Capital Assets	3,109,268	985,374	2,123,894
Buildings	17,018,225	17,018,225	0
Improvements Other Than Buildings	4,095,148	4,095,148	0
Machinery and Equipment	7,636,021	6,787,134	848,887
Leased Machinery and Equipment	398,445	0	398,445
Infrastructure	19,848,150	19,848,150	0
Less: Accumulated Depreciation	(30,652,591)	(29,295,008)	(1,357,583)
Total Depreciable Capital Assets, Net	18,343,398	18,453,649	(110,251)
Totals	\$21,452,666	\$19,439,023	\$2,013,643

The largest increase in governmental activities capital assets occurred in the machinery and equipment and infrastructure categories.

Additional information on the City's capital assets can be found in Note 9.

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

Debt

At December 31, 2023, the City had \$5,204,966 in bonds outstanding, \$175,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Governmental Activities:		
General Obligation Bonds	\$5,204,966	\$5,529,452
Installment Loans Payable	60,000	90,000
OPWC Loans	471,637	490,253
Compensated Absences	1,044,286	845,495
Leases Payable	290,138	0
Total Governmental Activities	<u>7,071,027</u>	<u>6,955,200</u>
Business-Type Activities:		
General Obligation Bonds	0	110,473
OWDA Loans	3,978,359	3,841,649
OPWC Loans	511,499	421,931
Compensated Absences	156,544	133,417
Leases Payable	309,749	0
Total Business-Type Activities	<u>4,956,151</u>	<u>4,507,470</u>
Totals	<u><u>\$12,027,178</u></u>	<u><u>\$11,462,670</u></u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which the City lies, is limited to ten mills. At December 31, 2023, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

ECONOMIC FACTORS

Income tax collections for 2023 increased 10.1% from 2022.

In an effort to reduce expenses, capital projects and capital acquisitions were dramatically reduced, and only those items that were really necessary were appropriated. Also affecting the General Fund and budget are the upwardly spiraling health insurance costs.

City Council continues to review the possibility of increasing existing revenue sources.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Auditor's Office by calling (740) 522-1420 or writing to City of Heath Auditor's Office, 1287 Hebron Rd., Heath, Ohio 43056.

CITY OF HEATH, OHIO

**Statement of Net Position
December 31, 2023**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$ 18,500,586	\$ 9,157,113	\$ 27,657,699
Receivables:			
Taxes	3,230,794	0	3,230,794
Accounts	30,155	359,474	389,629
Intergovernmental	788,408	2,344	790,752
Internal Balances	(260,495)	260,495	0
Inventory of Supplies at Cost	130,640	72,054	202,694
Prepaid Items	28,092	1,376	29,468
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	59,193	0	59,193
Non-Depreciable Capital Assets	9,767,881	3,109,268	12,877,149
Depreciable Capital Assets, Net	31,238,171	18,343,398	49,581,569
Total Assets	63,513,425	31,305,522	94,818,947
Deferred Outflows of Resources:			
Pension	6,063,945	804,403	6,868,348
OPEB	906,675	111,085	1,017,760
Total Deferred Outflows of Resources	6,970,620	915,488	7,886,108
Liabilities:			
Accounts Payable	494,895	375,096	869,991
Accrued Wages and Benefits Payable	290,193	46,170	336,363
Intergovernmental Payable	600	10,400	11,000
Claims Payable	224,313	0	224,313
Unearned Revenue	509,762	0	509,762
Accrued Interest Payable	19,600	5,114	24,714
Noncurrent liabilities:			
Due within one year	437,290	661,222	1,098,512
Due in more than one year:			
Net Pension Liability	15,971,289	1,881,846	17,853,135
Net OPEB Liability	969,921	37,493	1,007,414
Other Amounts Due in More Than One Year	6,633,737	4,294,929	10,928,666
Total Liabilities	25,551,600	7,312,270	32,863,870

(Continued)

CITY OF HEATH, OHIO

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	1,857,889	0	1,857,889
Pension	808,164	46,966	855,130
OPEB	1,015,500	12,366	1,027,866
Total Deferred Inflows of Resources:	<u>3,681,553</u>	<u>59,332</u>	<u>3,740,885</u>
Net Position:			
Net Investment in Capital Assets	34,979,311	16,351,753	51,331,064
Restricted For:			
Debt Service	2,139,267	0	2,139,267
Security of Persons	1,659,867	0	1,659,867
Transportation	2,357,728	0	2,357,728
Leisure Time Activities	65,562	0	65,562
Unrestricted	49,157	8,497,655	8,546,812
Total Net Position	<u>\$ 41,250,892</u>	<u>\$ 24,849,408</u>	<u>\$ 66,100,300</u>

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

**Statement of Activities
For the Year Ended December 31, 2023**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 9,229,742	\$ 791,035	\$ 9,883	\$ 0
Leisure Time Activities	1,867,831	273,642	0	0
Community Environment	639,080	52,679	0	0
Basic Utility Services	119,902	0	0	0
Transportation	4,979,401	18,331	1,058,320	547,556
General Government	1,977,197	45,682	0	0
Interest and Fiscal Charges	70,464	0	0	0
Total Governmental Activities	18,883,617	1,181,369	1,068,203	547,556
Business-Type Activities:				
Water	2,341,438	2,532,477	0	424,513
Sewer	2,665,175	2,490,027	0	0
Total Business-Type Activities	5,006,613	5,022,504	0	424,513
Totals	\$ 23,890,230	\$ 6,203,873	\$ 1,068,203	\$ 972,069

General Revenues:

Property Taxes
Municipal Income Taxes
Intergovernmental Revenues, Unrestricted
Investment Earnings
Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (8,428,824)	\$ 0	\$ (8,428,824)
(1,594,189)	0	(1,594,189)
(586,401)	0	(586,401)
(119,902)	0	(119,902)
(3,355,194)	0	(3,355,194)
(1,931,515)	0	(1,931,515)
(70,464)	0	(70,464)
<u>(16,086,489)</u>	<u>0</u>	<u>(16,086,489)</u>
0	615,552	615,552
0	(175,148)	(175,148)
<u>0</u>	<u>440,404</u>	<u>440,404</u>
<u>(16,086,489)</u>	<u>440,404</u>	<u>(15,646,085)</u>
1,775,393	0	1,775,393
13,116,339	0	13,116,339
725,494	0	725,494
970,170	22,456	992,626
195,304	0	195,304
(82,650)	82,650	0
<u>16,700,050</u>	<u>105,106</u>	<u>16,805,156</u>
613,561	545,510	1,159,071
<u>40,637,331</u>	<u>24,303,898</u>	<u>64,941,229</u>
<u>\$ 41,250,892</u>	<u>\$ 24,849,408</u>	<u>\$ 66,100,300</u>

CITY OF HEATH, OHIO

**Balance Sheet
Governmental Funds
December 31, 2023**

	General	Street Construction, Maintenance and Repair	Fire Levy	Capital Improvement
Assets:				
Equity in Pooled Cash and Investments	\$ 8,023,575	\$ 1,205,308	\$ 1,427,719	\$ 2,372,603
Receivables:				
Taxes	1,957,639	0	903,489	88,284
Accounts	13,164	0	0	0
Intergovernmental	261,625	391,350	13,921	0
Interfund Loans Receivables	131,550	0	0	0
Inventory of Supplies, at Cost	36,943	91,535	0	0
Prepaid Items	23,831	641	168	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 10,448,327	\$ 1,688,834	\$ 2,345,297	\$ 2,460,887
Liabilities:				
Accounts Payable	\$ 156,337	\$ 334,790	\$ 40	\$ 0
Accrued Wages and Benefits Payable	178,243	21,017	10,219	0
Intergovernmental Payable	600	0	0	0
Interfund Loans Payable	0	0	0	0
Unearned Revenue	0	0	0	0
Compensated Absences Payable	13,864	0	0	0
Total Liabilities	349,044	355,807	10,259	0
Deferred Inflows of Resources:				
Unavailable Amounts	364,794	217,070	21,155	20,024
Property Tax Levy for Next Fiscal Year	753,108	0	896,255	0
Total Deferred Inflows of Resources	1,117,902	217,070	917,410	20,024
Fund Balances:				
Nonspendable	60,774	92,176	168	0
Restricted	0	1,023,781	1,417,460	0
Committed	0	0	0	2,440,863
Assigned	2,436,825	0	0	0
Unassigned	6,483,782	0	0	0
Total Fund Balances	8,981,381	1,115,957	1,417,628	2,440,863
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,448,327	\$ 1,688,834	\$ 2,345,297	\$ 2,460,887

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 3,914,261	\$ 16,943,466
281,382	3,230,794
0	13,164
121,512	788,408
0	131,550
2,162	130,640
0	24,640
59,193	59,193
<u>\$ 4,378,510</u>	<u>\$ 21,321,855</u>
\$ 3,728	\$ 494,895
80,714	290,193
0	600
131,550	131,550
509,762	509,762
0	13,864
<u>725,754</u>	<u>1,440,864</u>
150,371	773,414
208,526	1,857,889
<u>358,897</u>	<u>2,631,303</u>
2,162	155,280
3,423,525	5,864,766
0	2,440,863
0	2,436,825
(131,828)	6,351,954
<u>3,293,859</u>	<u>17,249,688</u>
<u>\$ 4,378,510</u>	<u>\$ 21,321,855</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2023***

Total Governmental Fund Balances \$ 17,249,688

***Amounts reported for governmental activities in the
statement of net position are different because:***

Capital Assets used in governmental activities are not resources and
therefore are not reported in the funds. 41,006,052

Other long-term assets are not available to pay for current period
expenditures and therefore are reported as deferred inflows of
resources in the funds. 773,414

Long-term liabilities, including bonds payable and interest, are not due
and payable in the current period and therefore are not reported in the funds. (7,076,763)

The net pension liability is not due and payable in the current period;
therefore, the liability and related deferred inflows/outflows are not
reported in governmental funds. (11,794,254)

The 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 is included in governmental activities in the statement of
net position. This is the balance that is recorded in the governmental
activities. 1,092,755

Net Position of Governmental Activities \$ 41,250,892

See accompanying notes to the basic financial statements



CITY OF HEATH, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023**

	General	Street Constuction, Maintenance and Repair	Fire Levy	Capital Improvement
Revenues:				
Taxes	\$ 12,089,619	\$ 0	\$ 852,595	\$ 872,871
Intergovernmental Revenues	1,162,779	668,144	27,842	0
Charges for Services	772,709	310	0	0
Licenses and Permits	142,336	0	0	0
Investment Earnings	956,135	0	6,103	0
Fines and Forfeitures	7,030	0	0	0
All Other Revenue	195,304	18,021	963	0
Total Revenues	<u>15,325,912</u>	<u>686,475</u>	<u>887,503</u>	<u>872,871</u>
Expenditures:				
Current:				
Security of Persons and Property	6,583,183	0	547,943	186,196
Leisure Time Activities	911,252	0	0	411,589
Community Environment	605,734	0	0	0
Basic Utility Services	0	0	0	119,902
Transportation	0	3,512,036	0	2,181,729
General Government	1,971,754	0	0	0
Debt Service:				
Principal Retirement	0	98,977	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>10,071,923</u>	<u>3,611,013</u>	<u>547,943</u>	<u>2,899,416</u>
Excess (Deficiency) of Revenues Over Expenditures	5,253,989	(2,924,538)	339,560	(2,026,545)
Other Financing Sources (Uses):				
Lease Initiated	0	389,115	0	0
Transfers In	1,035,500	1,066,987	3,135	2,677,408
Transfers Out	(4,367,445)	0	0	(1,042,500)
Total Other Financing Sources (Uses)	<u>(3,331,945)</u>	<u>1,456,102</u>	<u>3,135</u>	<u>1,634,908</u>
Net Change in Fund Balances	1,922,044	(1,468,436)	342,695	(391,637)
Fund Balances at Beginning of Year	<u>7,059,337</u>	<u>2,584,393</u>	<u>1,074,933</u>	<u>2,832,500</u>
Fund Balances End of Year	<u>\$ 8,981,381</u>	<u>\$ 1,115,957</u>	<u>\$ 1,417,628</u>	<u>\$ 2,440,863</u>

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 896,304	\$ 14,711,389
453,259	2,312,024
261,099	1,034,118
0	142,336
7,932	970,170
42,106	49,136
12,905	227,193
<u>1,673,605</u>	<u>19,446,366</u>
858,933	8,176,255
454,409	1,777,250
0	605,734
0	119,902
358,135	6,051,900
0	1,971,754
353,616	452,593
84,000	84,000
<u>2,109,093</u>	<u>19,239,388</u>
(435,488)	206,978
0	389,115
626,812	5,409,842
(82,547)	(5,492,492)
<u>544,265</u>	<u>306,465</u>
108,777	513,443
<u>3,185,082</u>	<u>16,736,245</u>
<u>\$ 3,293,859</u>	<u>\$ 17,249,688</u>

CITY OF HEATH, 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 \$ 513,443

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 expense. This is the amount by which capital outlay exceeded depreciation. 923,275

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (105,399)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 133,462

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,241,264

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (1,902,491)

The issuance of long-term debt provides current financial resources while the repayment of principal of long-term debt consumes current financial resources of governmental funds, however, neither effect net position. 63,478

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 13,536

Some expenses reported in the statement of activities, such as change in compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (187,834)

The Internal Service Fund is used to charge the cost of services (e.g. insurance) to individual funds and is not included in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the City's Internal Service Fund is allocated among the governmental activities. (79,173)

Change in Net Position of Governmental Activities \$ 613,561

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 9,211,443	\$ 9,211,443	\$ 12,221,758	\$ 3,010,315
Intergovernmental Revenue	253,046	253,046	1,031,363	778,317
Charges for Services	489,575	489,575	772,359	282,784
Licenses and Permits	88,200	88,200	142,336	54,136
Investment Earnings	100,000	100,000	601,506	501,506
Fines and Forfeitures	8,200	8,200	7,030	(1,170)
All Other Revenues	90,800	90,800	196,195	105,395
Total Revenues	<u>10,241,264</u>	<u>10,241,264</u>	<u>14,972,547</u>	<u>4,731,283</u>
Expenditures:				
Current:				
Security of Persons and Property	7,433,917	7,543,890	6,752,082	791,808
Public Health and Welfare Services	62,000	62,000	59,699	2,301
Leisure Time Activities	1,008,500	1,057,142	992,575	64,567
Community Environment	842,088	842,089	759,817	82,272
General Government	2,084,343	2,290,980	2,023,663	267,317
Total Expenditures	<u>11,430,848</u>	<u>11,796,101</u>	<u>10,587,836</u>	<u>1,208,265</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,189,584)	(1,554,837)	4,384,711	5,939,548
Other Financing Sources (Uses):				
Transfers In	0	0	1,286,845	1,286,845
Transfers Out	(1,685,000)	(4,618,790)	(4,618,790)	0
Total Other Financing Sources (Uses):	<u>(1,685,000)</u>	<u>(4,618,790)</u>	<u>(3,331,945)</u>	<u>1,286,845</u>
Net Change in Fund Balance	(2,874,584)	(6,173,627)	1,052,766	7,226,393
Fund Balance at Beginning of Year	6,827,962	6,827,962	6,827,962	0
Prior Year Encumbrances	213,238	213,238	213,238	0
Fund Balance at End of Year	<u>\$ 4,166,616</u>	<u>\$ 867,573</u>	<u>\$ 8,093,966</u>	<u>\$ 7,226,393</u>

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenue	\$ 650,000	\$ 650,000	\$ 598,459	\$ (51,541)
All Other Revenues	0	0	18,021	18,021
Total Revenues	650,000	650,000	616,480	(33,520)
Expenditures:				
Current:				
Transportation	1,943,580	4,220,369	3,836,211	384,158
Total Expenditures	1,943,580	4,220,369	3,836,211	384,158
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,293,580)	(3,570,369)	(3,219,731)	350,638
Other Financing Sources (Uses):				
Transfers In	595,000	595,000	1,066,987	471,987
Total Other Financing Sources (Uses):	595,000	595,000	1,066,987	471,987
Net Change in Fund Balance	(698,580)	(2,975,369)	(2,152,744)	822,625
Fund Balance at Beginning of Year	2,477,241	2,477,241	2,477,241	0
Prior Year Encumbrances	135,145	135,145	135,145	0
Fund Balance at End of Year	\$ 1,913,806	\$ (362,983)	\$ 459,642	\$ 822,625

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Fire Levy Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 820,320	\$ 820,320	\$ 852,595	\$ 32,275
Intergovernmental Revenue	56,377	56,377	27,842	(28,535)
Investment Earnings	0	0	6,103	6,103
All Other Revenues	100	100	4,098	3,998
Total Revenues	<u>876,797</u>	<u>876,797</u>	<u>890,638</u>	<u>13,841</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>613,504</u>	<u>628,430</u>	<u>585,604</u>	<u>42,826</u>
Total Expenditures	<u>613,504</u>	<u>628,430</u>	<u>585,604</u>	<u>42,826</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	263,293	248,367	305,034	56,667
Fund Balance at Beginning of Year	1,073,941	1,073,941	1,073,941	0
Prior Year Encumbrances	17,957	17,957	17,957	0
Fund Balance at End of Year	<u>\$ 1,355,191</u>	<u>\$ 1,340,265</u>	<u>\$ 1,396,932</u>	<u>\$ 56,667</u>

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Enterprise Funds			
	Water	Sewer	Total Enterprise Funds	
ASSETS:				
Current assets:				
Equity in Pooled Cash and Investments	\$ 4,745,376	\$ 4,411,737	\$ 9,157,113	\$ 1,557,120
Receivables:				
Accounts	176,715	182,759	359,474	16,991
Intergovernmental	0	2,344	2,344	0
Inventory of Supplies at Cost	63,202	8,852	72,054	0
Prepaid Items	752	624	1,376	3,452
Total current assets	4,986,045	4,606,316	9,592,361	1,577,563
Noncurrent assets:				
Non-Depreciable Capital Assets	2,188,555	920,713	3,109,268	0
Depreciable Capital Assets, Net	9,432,061	8,911,337	18,343,398	0
Total noncurrent assets	11,620,616	9,832,050	21,452,666	0
Total Assets	16,606,661	14,438,366	31,045,027	1,577,563
Deferred Outflows of Resources:				
Pension	417,255	387,148	804,403	0
OPEB	57,639	53,446	111,085	0
Total Deferred Outflows of Resources	474,894	440,594	915,488	0
LIABILITIES:				
Current Liabilities:				
Accounts Payable	30,690	344,406	375,096	0
Accrued Wages and Benefits Payable	23,636	22,534	46,170	0
Intergovernmental Payable	0	10,400	10,400	0
Claims Payable	0	0	0	224,313
Accrued Interest Payable	0	5,114	5,114	0
Leases Payable - Current	0	71,165	71,165	0
OWDA Loans Payable - Current	60,267	479,687	539,954	0
OPWC Loans Payable - Current	26,546	3,476	30,022	0
Compensated Absences Payable - Current	10,853	9,228	20,081	0
Total current liabilities	151,992	946,010	1,098,002	224,313

(Continued)

CITY OF HEATH, OHIO

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Enterprise Funds			
	Water	Sewer	Total Enterprise Funds	
Noncurrent liabilities:				
Leases Payable	0	238,584	238,584	0
OWDA Loans Payable	958,347	2,480,058	3,438,405	0
OPWC Loans Payable	431,098	50,379	481,477	0
Compensated Absences Payable	58,116	78,347	136,463	0
Net Pension Liability	976,435	905,411	1,881,846	0
Net OPEB Liability	19,455	18,038	37,493	0
Total noncurrent liabilities	<u>2,443,451</u>	<u>3,770,817</u>	<u>6,214,268</u>	<u>0</u>
Total Liabilities	<u>2,595,443</u>	<u>4,716,827</u>	<u>7,312,270</u>	<u>224,313</u>
Deferred Inflows of Resources:				
Pension	24,369	22,597	46,966	0
OPEB	6,417	5,949	12,366	0
Total Deferred Inflows of Resources	<u>30,786</u>	<u>28,546</u>	<u>59,332</u>	<u>0</u>
NET POSITION:				
Net Investment in Capital Assets	10,144,358	6,207,395	16,351,753	0
Unrestricted	4,310,968	3,926,192	8,237,160	1,353,250
Total net position	<u>\$ 14,455,326</u>	<u>\$ 10,133,587</u>	<u>24,588,913</u>	<u>\$ 1,353,250</u>
			Adjustment to reflect the consolidation of internal fund activities related to the enterprise funds.	
			Net Position of Business-type Activities	
				<u>260,495</u>
				<u>\$ 24,849,408</u>

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

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

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Enterprise Funds			
	Water	Sewer	Total Enterprise Funds	
Operating Revenues:				
Charges for Services	\$ 2,530,269	\$ 2,488,085	\$ 5,018,354	\$ 1,441,500
Other Operating Revenue	2,208	1,942	4,150	386,389
Total Operating Revenues	<u>2,532,477</u>	<u>2,490,027</u>	<u>5,022,504</u>	<u>1,827,889</u>
Operating Expenses:				
Personal Services	972,557	888,096	1,860,653	0
Contractual Services	147,264	1,049,219	1,196,483	0
Materials and Supplies	325,720	129,555	455,275	0
Health Claims Expense	0	0	0	1,925,635
Depreciation	861,140	504,243	1,365,383	0
Total Operating Expenses	<u>2,306,681</u>	<u>2,571,113</u>	<u>4,877,794</u>	<u>1,925,635</u>
Operating Income (Loss)	225,796	(81,086)	144,710	(97,746)
Non-operating Revenue (Expenses):				
Intergovernmental Revenues	424,513	0	424,513	0
Investment Earnings	5,111	17,345	22,456	0
Interest and Fiscal Charges	(25,185)	(85,061)	(110,246)	0
Total Non-operating Revenues (Expenses)	<u>404,439</u>	<u>(67,716)</u>	<u>336,723</u>	<u>0</u>
Income (Loss) Before Transfers	630,235	(148,802)	481,433	(97,746)
Transfers In	82,650	0	82,650	0
Change in Net Position	712,885	(148,802)	564,083	(97,746)
Net Position Beginning of Year	<u>13,742,441</u>	<u>10,282,389</u>	<u>24,024,830</u>	<u>1,450,996</u>
Net Position End of Year	<u>\$ 14,455,326</u>	<u>\$ 10,133,587</u>	<u>24,588,913</u>	<u>\$ 1,353,250</u>
			Change in Net Position - Total Enterprise Funds	564,083
			Adjustment to reflect the consolidation of internal fund activities related to the enterprise funds.	(18,573)
			Change in Net Position - Business-type Activities	<u>\$ 545,510</u>

See accompanying notes to the basic financial statements



CITY OF HEATH, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023**

	Business-Type Activities Enterprise Funds			Governmental- Activities Internal Service Fund
	Water	Sewer	Total	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$2,664,136	\$2,649,151	\$5,313,287	\$0
Cash Received from Interfund Services	0	0	0	1,441,500
Cash Payments for Goods and Services	(645,476)	(1,236,909)	(1,882,385)	(1,837,001)
Cash Payments to Employees	(969,596)	(904,788)	(1,874,384)	0
Other Operating Cash Receipts	2,208	1,377	3,585	369,398
Net Cash Provided (Used) by Operating Activities	1,051,272	508,831	1,560,103	(26,103)
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In from Other Funds	82,650	0	82,650	0
Net Cash Provided by Noncapital Financing Activities	82,650	0	82,650	0
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Principal Paid on General Obligation Bonds	(110,473)	0	(110,473)	0
Ohio Water Development Authority Loan Initiated	0	593,913	593,913	0
Ohio Public Works Commission Loan Initiated	119,590	0	119,590	0
Lease Initiated	0	398,445	398,445	0
Principal Paid on Capital Lease Payable	0	(88,696)	(88,696)	0
Acquisition and Construction of Assets	(1,355,128)	(1,722,593)	(3,077,721)	0
Principal Paid on Ohio Water Development Authority Loans	(58,951)	(400,031)	(458,982)	0
Principal Paid on Ohio Public Works Commission Loans	(26,546)	(3,476)	(30,022)	0
Receipt of Intergovernmental Grant	424,513	0	424,513	0
Interest Paid on All Debt	(27,535)	(79,947)	(107,482)	0
Net Cash Used for Capital and Related Financing Activities	(1,034,530)	(1,302,385)	(2,336,915)	0
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	5,111	17,345	22,456	0
Net Cash Provided for Investing Activities	5,111	17,345	22,456	0
Net Increase (Decrease) in Cash and Cash Equivalents	104,503	(776,209)	(671,706)	(26,103)
Cash and Cash Equivalents at Beginning of Year	4,640,873	5,187,946	9,828,819	1,583,223
Cash and Cash Equivalents at End of Year	\$4,745,376	\$4,411,737	\$9,157,113	\$1,557,120

(Continued)

CITY OF HEATH, OHIO

	Business-Type Activities Enterprise Funds			Governmental- Activities
	Water	Sewer	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash				
<u>Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	\$225,796	(\$81,086)	\$144,710	(\$97,746)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	861,140	504,243	1,365,383	0
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	134,151	161,066	295,217	(16,991)
(Increase) in Intergovernmental Receivable	0	(565)	(565)	0
Decrease in Inventory	8,310	1,236	9,546	0
(Increase) Decrease in Prepaid Items	15,607	9,055	24,662	(9)
Decrease in Net OPEB Asset	103,016	99,204	202,220	0
(Increase) in Deferred Outflows - Pension	(272,473)	(247,724)	(520,197)	0
Decrease in Deferred Outflows - OPEB	(57,639)	(53,446)	(111,085)	0
Decrease in Accounts Payable	(187,389)	(69,771)	(257,160)	0
Increase in Health Claims Payable	0	0	0	88,643
Decrease in Accrued Wages and Benefits Payable	(16,189)	(16,351)	(32,540)	0
Increase in Intergovernmental Payable	0	10,400	10,400	0
Increase in Compensated Absences Payable	11,334	11,793	23,127	0
Decrease in Deferred Inflows - Pension	(356,923)	(344,463)	(701,386)	0
Decrease in Deferred Inflows - OPEB	(105,890)	(102,117)	(208,007)	0
Increase in Net Pension Liability	668,966	609,319	1,278,285	0
Increase in Net OPEB Liability	19,455	18,038	37,493	0
Total Adjustments	825,476	589,917	1,415,393	71,643
Net Cash Provided (Used) by Operating Activities	\$1,051,272	\$508,831	\$1,560,103	(\$26,103)

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2023 the Sewer Fund had a liability of \$301,305 for the purchase of capital assets. The Sewer fund also had a receivable for reimbursable OWDA loan proceeds of \$1,779.

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

**Statement of Net Position
Fiduciary Fund
December 31, 2023**

	Private Purpose Trust
Assets:	
Equity in Pooled Cash and Investments	\$ 27,799
Total Assets	<u>27,799</u>
Liabilities:	
Total Liabilities	<u>0</u>
Net Position:	
Unrestricted	27,799
Total Net Position	<u>\$ 27,799</u>

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

***Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2023***

	Private Purpose Trust
Additions:	
Contributions	\$ 5,814
Total Additions	<u>5,814</u>
Deductions:	
Total Deductions	<u>0</u>
Change in Net Position	5,814
Net Position at Beginning of Year	<u>21,985</u>
Net Position End of Year	<u>\$ 27,799</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Heath, Ohio (the "City") is a home rule municipal corporation created under the laws of the State of Ohio. Heath was first incorporated as a village on March 21, 1952 and achieved city status on April 28, 1965. The City currently operates under and is governed by its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted in 1964.

The financial statements are presented as of December 31, 2023 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity; Omnibus"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, emergency medical, parks, recreation, planning, zoning, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system and a wastewater treatment and collection system which are reported as enterprise funds.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources and fund balances, revenues and expenditures (expenses). The following fund types are used by the City:

Governmental Funds - Governmental funds are those funds through which most governmental functions are typically financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

General Fund – This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Street Construction, Maintenance and Repair Fund – This fund is used to account for state levied and controlled gasoline tax and motor vehicle license fees designated for local street construction, maintenance and repair.

Fire Levy Fund – This fund is used to account for property tax collected and restricted for the operations of the Fire Department.

Capital Improvement Fund – This fund is used to account for the major capital projects undertaken by the City.

Proprietary Funds - All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that 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 balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, whereby the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's two major enterprise funds are:

Water Fund – This fund is used to account for the operation of the City's water service.

Sewer Fund – This fund is used to account for the operation of the City's sanitary sewer service.

Internal Service Fund - This fund is used to account for health insurance services provided to other departments or agencies of the governmental unit on a cost-reimbursement basis.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to account for assets held by the City under a trust agreement for individuals, private organizations or other governments and therefore not available to support the City's own programs. The City's only fiduciary fund is a private-purpose trust that accounts for unclaimed monies.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal Service fund activity is eliminated to avoid “doubling up” revenues and expenses; however, the interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City’s governmental 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 and 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 City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segments or governmental function is self-financing or draws from the general revenues of the City. Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this 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 net position. 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.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for debt service and expenditures related to compensated absences which are recorded only when due.

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. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Property taxes measurable as of December 31, 2023 but which are not intended to finance 2023 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources as further described in Note 6.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

The accrual basis of accounting is utilized for reporting purposes for the government-wide, the proprietary fund and the fiduciary fund financial statements. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is by fund at the object level (personal services, materials and supplies, contractual services, etc.) by department. Budgetary modifications may only be made by ordinance of the City Council.

1. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level and may be modified during the year by Ordinance of City Council. Total fund appropriations may not exceed the current estimated resources certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level. During 2023, several supplemental appropriations were necessary to budget for unanticipated expenditures. Administrative control is maintained through the establishment of more detailed line-item budgets. Funds may be moved from one line-item account to another within the same object without approval of City Council. The City Auditor maintains an accounting of the line-item expenditures to ensure that the total expenditures within a department by object do not exceed approved appropriations. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. The budgetary figures, which appear on the budgetary statements, are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

3. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent year and need not be reappropriated.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and major special revenue funds:

	<u>Net Change in Fund Balance</u>		
	<u>General</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Fire Levy</u>
GAAP Basis (as reported)	\$1,922,044	(\$1,468,436)	\$342,695
Increase (Decrease):			
Accrued Revenues at December 31, 2023 received during 2024	(805,311)	(174,280)	0
Accrued Revenues at December 31, 2022 received during 2023	454,038	104,285	0
Accrued Expenditures at December 31, 2023 paid during 2024	349,044	355,807	10,259
Accrued Expenditures at December 31, 2022 paid during 2023	(566,120)	(229,414)	(20,249)
Change in Inventory	1,184	(3,293)	0
2023 Prepays for 2024	(23,831)	(641)	(168)
2022 Prepays for 2023	92,092	8,894	3,284
Outstanding Encumbrances	(370,374)	(745,666)	(30,787)
Budget Basis	<u>\$1,052,766</u>	<u>(\$2,152,744)</u>	<u>\$305,034</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During year 2023, cash and cash equivalents included amounts in demand deposits, certificates of deposit and Money Market accounts.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each had maintained its own cash and investment account. (See Note 5, "Cash, Cash Equivalents and Investments.")

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application", the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements. Fair value is determined by quoted market prices.

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The consumption method is used to account for inventories. As such, inventories are recognized as expenditures when goods are used. Reported inventories in governmental funds are offset by a nonspendable fund balance.

I. 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. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$7,500.

1. Property, Plant and Equipment - Governmental Activities

Governmental Activities capital assets are those not directly related to the business-type activities. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost or estimated historical cost for assets not purchased in recent years.

Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

Capital assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of governmental activities infrastructure include roads, curbs, sidewalks and storm sewers. These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

2. Property, Plant and Equipment – Business-Type Activities

Proprietary funds capital assets are stated at cost (or estimated historical cost) including architectural and engineering fees where applicable. Contributed capital assets are recorded at acquisition value at the date received. Proprietary funds capital assets are similar to Governmental Activities capital assets with the exception of the infrastructure. Proprietary infrastructure consists of water and sewer lines. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Buildings	15 – 40
Improvements Other Than Buildings	50
Machinery and Equipment	5 – 10
Infrastructure	15 - 100

K. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Swimming Pool Fund, Debt Service Fund, Water Fund
Installment Loans Payable	Debt Service Fund
Leases	Street Construction, Maintenance and Repair Fund, Sewer Fund
Ohio Water Development Authority Loans	Water Fund, Sewer Fund
Ohio Public Works Commission Loans	Debt Service Fund, Water Fund, Sewer Fund
Net Pension/OPEB Liability	General Fund, Street Construction, Maintenance and Repair Fund, Swimming Pool Fund, Fire Pension Fund, Police Pension Fund, Water Fund, Sewer Fund
Compensated Absences	General Fund, Street Construction, Maintenance and Repair Fund, Fire Levy Fund, Water Fund, Sewer Fund

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

For governmental funds, if a portion of unpaid compensated absences has matured as of year end, it is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net position, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

M. Restricted Assets

Cash with fiscal agent is classified as restricted assets on the balance sheet because these funds are being held for specified purposes.

N. Pension/OPEB

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

O. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution and wastewater collection and treatment. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Self-Funded Insurance

The City is self-funded for employee health care benefits. The program is administered by Medical Benefit Administrators Inc., which provides claims review and processing services. Each City fund is charged for its proportionate share of covered employees. The City records a liability in claims payable for incurred but unreported claims at year end based upon an analysis of historical claims and expenses.

Q. Interfund Activity

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

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. In addition, interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements. Only transfers between governmental activities and business-type activities are reported on the statement of activities.

R. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. 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 (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balance (Continued)

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Charter authorizes the City Auditor to assign fund balance.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use unrestricted resources first (committed, assigned and unassigned), then restricted resources as they are needed.

S. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction and improvement of those assets, increased by unspent debt proceeds which existed at December 31, 2023. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports for deferred pension/OPEB amounts. Deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 10 and 11.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows.

In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 10 and 11.

U. Fair Value

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

NOTE 2 – ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principle

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

GASB Statement No. 94 clarifies accounting and financial reporting requirements for public-private and public-public partnership arrangements and availability payment arrangements.

GASB Statement No. 96 provides guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users.

The implementation of these Statements had no effect on beginning net position/fund balance.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 2 – ACCOUNTABILITY AND COMPLIANCE

B. Fund Deficits

There are fund deficits at December 31, 2023 of \$19,158 in the Swimming Pool Fund and of \$112,670 in the Central Parkway Fund (special revenue funds). The General Fund is liable for any cash basis deficits and provides transfers when cash is required. An interfund receivable/payable has been reflected on the fund financial statements.

NOTE 3 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned and unassigned 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 constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Street Construction Maintenance and Repair	Fire Levy	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	\$23,831	\$641	\$168	\$0	\$0	\$24,640
Supplies Inventory	36,943	91,535	0	0	2,162	130,640
Total Nonspendable	60,774	92,176	168	0	2,162	155,280
Restricted:						
Transportation Projects	0	1,023,781	0	0	954,919	1,978,700
Park Maintenance	0	0	0	0	65,562	65,562
Debt Service	0	0	0	0	2,142,694	2,142,694
Law Enforcement	0	0	0	0	239,689	239,689
Fire Department	0	0	1,417,460	0	20,661	1,438,121
Total Restricted	0	1,023,781	1,417,460	0	3,423,525	5,864,766
Committed:						
Capital Improvements	0	0	0	2,440,863	0	2,440,863
Total Committed	0	0	0	2,440,863	0	2,440,863
Assigned:						
Goods and Services	334,101	0	0	0	0	334,101
Projected Budget Deficit	2,102,724	0	0	0	0	2,102,724
Total Assigned	2,436,825	0	0	0	0	2,436,825
Unassigned	6,483,782	0	0	0	(131,828)	6,351,954
Total Fund Balances	\$8,981,381	\$1,115,957	\$1,417,628	\$2,440,863	\$3,293,859	\$17,249,688

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental funds as reported in the government-wide statement of net position. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Other long-term assets not available to pay for current-period expenditures:

Delinquent Income Tax Revenue	\$308,063
Delinquent Property Tax Revenue	14,686
Shared Revenues	450,665
	<u>\$773,414</u>

Long-Term liabilities not reported in the funds:

General Obligation Bonds Payable	\$5,204,966
Installment Loans Payable	60,000
OPWC Loans Payable	471,637
Accrued Interest on Long-Term Debt	19,600
Leases Payable	290,138
Compensated Absences Payable	1,030,422
	<u>\$7,076,763</u>

Net pension and OPEB liabilities/deferred inflows/outflows:

Deferred Outflows - Pension	\$6,063,945
Deferred Outflows - OPEB	906,675
Net Pension Liability	(15,971,289)
Net OPEB Liability	(969,921)
Deferred Inflows - Pension	(808,164)
Deferred Inflows - OPEB	(1,015,500)
	<u>(\$11,794,254)</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	\$2,195,727
Depreciation Expense	(1,272,452)
	<u>\$923,275</u>

Governmental revenues not reported in the funds:

Increase in Delinquent Income Tax Revenue	\$181,398
Decrease in Delinquent Property Tax	(1,055)
Decrease in Shared Revenue	(46,881)
	<u>\$133,462</u>

Contractually required contributions reported as deferred outflows:

Pension	\$1,221,594
OPEB	19,670
	<u>\$1,241,264</u>

Pension and OPEB expense:

Pension	(\$2,029,307)
OPEB	126,816
	<u>(\$1,902,491)</u>

Net amount of long-term debt issuance and bond and lease principal payments:

General Obligation Bond Principal	\$305,000
Issuance of Lease	(389,115)
Lease Payment	98,977
Installment Loan Payment	30,000
OPWC Loan Payments	18,616
	<u>\$63,478</u>

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$187,834)
	<u>(\$187,834)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. Statutes require the classification of funds held by the City into three categories.

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds not needed for immediate use, but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Time certificates of deposit or savings or deposit accounts including, but not limited to passbook accounts;
- Bonds and other obligations of the State of Ohio or Ohio local governments;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

A. Deposits

At year end the carrying amount of the City's deposits was \$14,265,367 and the bank balance was \$14,522,445. Federal depository insurance covered \$500,000 of the bank balance and \$14,022,445 was uninsured and collateralized with securities held in the Ohio Pooled Collateral System.

B. Cash With Fiscal Agent

The City has uninsured and uncollateralized cash in the amount of \$59,193 being held by the Licking County Engineer. This cash is restricted in its use for various road improvement projects.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Investments

The City's investments at December 31, 2023 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
Commercial Paper	\$184,615	A-1	N/A	1.38%	\$184,615	\$0	\$0
FNMA	493,535	AA+	Level 2	3.68%	260,580	232,955	0
FHLB	3,172,652	AA+	Level 2	23.64%	167,827	3,004,825	0
FHLMC	653,264	AA+	Level 2	4.87%	0	653,264	0
FFCB	2,697,503	AA+	Level 2	20.10%	440,593	1,235,055	1,021,855
US Treasury Note	2,694,279	AA+	Level 2	20.08%	184,025	2,371,616	138,638
US Treasury Bill	199,177	AA+	Level 2	1.48%	199,177	0	0
US Treasury Bond	28,494	AA+	Level 2	0.21%	0	28,494	0
Corporate Bonds	329,202	AA+	Level 2	2.45%	0	129,921	199,281
Negotiable C/D's	2,967,410	AAA ¹	Level 2	22.11%	2,254,770	360,611	352,029
Total Investments	\$13,420,131			100.00%	\$3,691,587	\$8,016,741	\$1,711,803

*- Credit rating from Standard & Poor's

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The City has no policy on interest rate risk and is governed by Ohio Revised Code as described under Deposits.

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2023 were levied after October 1, 2022 on assessed values as of January 1, 2022, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised fair value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last reappraisal was completed in 2023. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as the real property taxes described previously.

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

The full tax rate for all City operations for the year ended December 31, 2023 was \$6.40 per \$1,000 of assessed value. The assessed value upon which the 2023 levy was based was \$460,219,020. This amount constitutes \$432,437,120 in real property assessed value and \$27,781,900 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .640% (6.40 mills) of assessed value.

Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the General Fund, Fire Levy Fund, Fire Pension Fund and Police Pension Fund, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is recorded as a deferred inflow of resources.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 6 - TAXES (Continued)

B. Income Tax

The City levies a tax of 2.0% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 1.5% of the tax paid to another municipality to a maximum of the total amount assessed.

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

NOTE 7 - RECEIVABLES

Receivables at December 31, 2023 consisted of taxes, accounts receivables and intergovernmental receivables arising from shared revenues.

NOTE 8 – TRANSFERS AND INTERFUND BALANCES

A. Transfers

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

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$1,035,500	\$4,367,445
Street Construction, Maintenance and Repair	1,066,987	0
Fire Levy Fund	3,135	0
Capital Improvement Fund	2,677,408	1,042,500
Other Governmental Funds	626,812	82,547
Total Governmental Transfers	5,409,842	5,492,492
Proprietary Fund:		
Water Fund	82,650	0
Totals	\$5,492,492	\$5,492,492

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to transfer capital assets. All transfers are considered allowable in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 8 – TRANSFERS AND INTERFUND BALANCES (Continued)

B. Interfund Balances

Individual interfund balances at December 31, 2023 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$131,550	\$0
Other Governmental Funds	0	131,550
Totals	<u>\$131,550</u>	<u>\$131,550</u>

The interfund loan receivable/payable on the Governmental Balance Sheet are loans to the Swimming Pool Fund and the Central Parkway Fund to assist with cash flow issues.

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2023:

Class	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Historical Cost:				
Non-Depreciable Capital Assets:				
Land	\$9,692,881	\$75,000	\$0	\$9,767,881
Subtotal	<u>9,692,881</u>	<u>75,000</u>	<u>0</u>	<u>9,767,881</u>
Depreciable Capital Assets:				
Buildings	6,635,038	0	(27,500)	6,607,538
Improvements other than Buildings	5,829,246	0	0	5,829,246
Machinery and Equipment	9,077,386	265,259	(55,244)	9,287,401
Leased Machinery and Equipment	0	389,115	0	389,115
Infrastructure	35,379,322	1,466,353	(214,387)	36,631,288
Subtotal	<u>56,920,992</u>	<u>2,120,727</u>	<u>(297,131)</u>	<u>58,744,588</u>
Total Cost	<u>\$66,613,873</u>	<u>\$2,195,727</u>	<u>(\$297,131)</u>	<u>\$68,512,469</u>
Accumulated Depreciation:				
Class	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Buildings	(\$4,175,752)	(\$114,421)	\$27,500	(\$4,262,673)
Improvements other than Buildings	(3,867,350)	(117,965)	0	(3,985,315)
Machinery and Equipment	(5,363,489)	(479,201)	55,244	(5,787,446)
Leased Machinery and Equipment	0	(19,456)	0	(19,456)
Infrastructure	(13,019,106)	(541,409)	108,988	(13,451,527)
Total Depreciation	<u>(\$26,425,697)</u>	<u>(\$1,272,452) *</u>	<u>\$191,732</u>	<u>(\$27,506,417)</u>
Net Value:	<u>\$40,188,176</u>			<u>\$41,006,052</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 9 - CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$416,453
Leisure Time Activities	112,167
Community Environment	14,430
Transportation	723,864
General Government	5,538
Total Depreciation Expense	<u>\$1,272,452</u>

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2023:

<i>Historical Cost:</i>	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Non-Depreciable Capital Assets:				
Land	\$985,374	\$0	\$0	\$985,374
Construction in Progress	0	2,123,894	0	2,123,894
Subtotal	<u>985,374</u>	<u>2,123,894</u>	<u>0</u>	<u>3,109,268</u>
Depreciable Capital Assets:				
Buildings	17,018,225	0	0	17,018,225
Improvements Other Than Buildings	4,095,148	0	0	4,095,148
Machinery and Equipment	6,787,134	856,687	(7,800)	7,636,021
Leased Machinery and Equipment	0	398,445	0	398,445
Infrastructure	19,848,150	0	0	19,848,150
Subtotal	<u>47,748,657</u>	<u>1,255,132</u>	<u>(7,800)</u>	<u>48,995,989</u>
Total Cost	<u>\$48,734,031</u>	<u>\$3,379,026</u>	<u>(\$7,800)</u>	<u>\$52,105,257</u>
Accumulated Depreciation:	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Buildings	(\$10,286,322)	(\$707,479)	\$0	(\$10,993,801)
Improvements Other Than Buildings	(2,294,344)	(116,520)	0	(2,410,864)
Machinery and Equipment	(5,587,694)	(145,845)	7,800	(5,725,739)
Leased Machinery and Equipment	0	(19,922)	0	(19,922)
Infrastructure	(11,126,648)	(375,617)	0	(11,502,265)
Total Depreciation	<u>(\$29,295,008)</u>	<u>(\$1,365,383)</u>	<u>\$7,800</u>	<u>(\$30,652,591)</u>
Net Value:	<u>\$19,439,023</u>			<u>\$21,452,666</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The 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 liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for 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.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Effective January 1, 2022, the Combined Plan is no longer available for member selection. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan 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
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	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	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. 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% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$549,755 for 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF 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 OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF 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 and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
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	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$843,980 for 2023.

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

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$6,009,923	\$11,843,212	\$17,853,135
Proportion of the Net Pension Liability-2023	0.020345%	0.124678%	
Proportion of the Net Pension Liability-2022	0.021796%	0.119065%	
Percentage Change	<u>(0.001451%)</u>	<u>0.005613%</u>	
Pension Expense	\$787,243	\$1,470,907	\$2,258,150

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$63,491	\$1,068,216	\$1,131,707
Differences between expected and actual experience	199,624	177,640	377,264
Net difference between projected and actual earnings on pension plan investments	1,713,016	1,724,232	3,437,248
Change in proportionate share	42,379	486,015	528,394
City contributions subsequent to the measurement date	<u>549,755</u>	<u>843,980</u>	<u>1,393,735</u>
Total Deferred Outflows of Resources	<u>\$2,568,265</u>	<u>\$4,300,083</u>	<u>\$6,868,348</u>
Deferred Inflows of Resources			
Changes in assumptions	\$0	\$230,940	\$230,940
Differences between expected and actual experience	0	269,820	269,820
Change in proportionate share	<u>149,986</u>	<u>204,384</u>	<u>354,370</u>
Total Deferred Inflows of Resources	<u>\$149,986</u>	<u>\$705,144</u>	<u>\$855,130</u>

\$1,393,735 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2024	\$167,990	\$328,660	\$496,650
2025	357,154	647,252	1,004,406
2026	504,225	704,602	1,208,827
2027	839,155	1,041,390	1,880,545
2028	<u>0</u>	<u>29,055</u>	<u>29,055</u>
Total	<u>\$1,868,524</u>	<u>\$2,750,959</u>	<u>\$4,619,483</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 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The total pension liability in the December 31, 2022 and December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2022
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2023. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2021
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2022. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets 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 estate rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other Investments	5.00	3.27
Total	100.00 %	

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$9,002,663	\$6,009,923	\$3,520,499

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’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 OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2022, compared with January 1, 2021, are presented below.

	January 1, 2022	January 1, 2021
Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block 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 OPF’s target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

* levered 2.5x

Note: Assumptions are geometric

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2021 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 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	\$15,623,480	\$11,843,212	\$8,700,673

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability (asset) represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting 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 OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This 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 refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

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

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

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring 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, health care is not being funded.

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2023. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution 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 and is limited by the provisions of Sections 115 and 401(h).

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 \$19,670 for 2023.

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

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	\$119,741	\$887,673	\$1,007,414
Proportion of the Net OPEB Liability (Asset) -2023	0.018991%	0.124678%	
Proportion of the Net OPEB Liability (Asset) -2022	<u>0.020285%</u>	<u>0.119065%</u>	
Percentage Change	<u>(0.001294%)</u>	<u>0.005613%</u>	
OPEB Expense	(\$252,245)	\$46,050	(\$206,195)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$116,955	\$442,366	\$559,321
Differences between expected and actual experience	0	52,971	52,971
Net difference between projected and actual earnings on OPEB plan investments	237,811	76,138	313,949
Change in proportionate share	0	71,849	71,849
City contributions subsequent to the measurement date	0	19,670	19,670
Total Deferred Outflows of Resources	<u>\$354,766</u>	<u>\$662,994</u>	<u>\$1,017,760</u>
Deferred Inflows of Resources			
Changes in assumptions	\$9,624	\$726,042	\$735,666
Differences between expected and actual experience	29,868	175,030	204,898
Change in proportionate share	0	87,302	87,302
Total Deferred Inflows of Resources	<u>\$39,492</u>	<u>\$988,374</u>	<u>\$1,027,866</u>

\$19,670 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:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2024	\$39,264	(\$38,510)	\$754
2025	86,972	(28,010)	58,962
2026	74,157	(30,622)	43,535
2027	114,881	(14,108)	100,773
2028	0	(69,148)	(69,148)
2029	0	(75,273)	(75,273)
2030	0	(85,948)	(85,948)
2031	0	(3,431)	(3,431)
Total	<u>\$315,274</u>	<u>(\$345,050)</u>	<u>(\$29,776)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan 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 actuarial assumptions 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, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.22 percent
Prior measurement date	6.00 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	4.05 percent
Prior measurement date	1.84 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2036
Prior measurement date	5.5 percent initial, 3.5 percent ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The allocation of investment assets with 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 arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

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

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index").

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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 long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

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

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability (asset)	\$407,547	\$119,741	(\$117,744)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates and the expected net OPEB liability (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 that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 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 (asset)	\$112,237	\$119,741	\$128,189

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-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 pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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 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	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate	4.27 percent	2.84 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

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

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

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

* levered 2.5x

Note: Assumptions are geometric

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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 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 7.50 percent for 2022, and 7.50 percent for 2021. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.65 percent at December 31, 2022 and 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 4.27 percent for 2022 and 2.84 percent for 2021. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2035. The long-term expected rate of return on health care investments was applied to projected costs through 2035, 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 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	\$1,093,084	\$887,673	\$714,250

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

CITY OF HEATH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 12 – COMPENSATED ABSENCES

The City accrues a liability for accumulated unpaid sick, vacation, and compensatory time when earned by employees. Employees earn sick and vacation leave at varying rates based upon length of service. Upon retirement, an employee with ten or more years of service with the City will be compensated for their accumulated sick leave at a rate of 50% of the balance.

At December 31, 2023, the City's accumulated, unpaid compensated absences amounted to \$1,200,830. Of this amount, \$1,044,286 is recorded as Governmental Activities on the Entity Wide Statement of Net Position (\$131,022 is reported as due within one year), \$156,544 is recorded as Business-type activities (\$20,081 is reported as due within one year).

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2023 were as follows:

	Original Liability		Balance December 31, 2022	Additions	(Reductions)	Balance December 31, 2023	Amounts Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
2.00 - 3.00% S.R. 79 Refunding	1,300,000	2023	\$140,000	\$0	(\$140,000)	\$0	\$0
3.00 - 4.00% Various Purpose Bond	5,020,000	2043	4,990,000	0	(165,000)	4,825,000	175,000
Premium on Various Purpose	428,681		399,452	0	(19,486)	379,966	0
Total General Obligation Bonds			<u>5,529,452</u>	<u>0</u>	<u>(324,486)</u>	<u>5,204,966</u>	<u>175,000</u>
Installment Loans Payable:							
0.00% Port Authority	300,000	2025	90,000	0	(30,000)	60,000	30,000
Ohio Public Works Commission Loans:							
0.00% Blackfoot Trail Culvert	372,422	2052	366,215	0	(12,414)	353,801	12,414
0.00% Linnville Road Upgrade	124,038	2040	124,038	0	(6,202)	117,836	6,202
Total OPWC Loans			<u>490,253</u>	<u>0</u>	<u>(18,616)</u>	<u>471,637</u>	<u>18,616</u>
Leases	389,115	2027	0	389,115	(98,977)	290,138	82,652
Compensated Absences			845,495	367,890	(169,099)	1,044,286	131,022
Total Governmental Long-Term Debt			<u>\$6,955,200</u>	<u>\$757,005</u>	<u>(\$641,178)</u>	<u>\$7,071,027</u>	<u>\$437,290</u>
Business Type Activities:							
General Obligation Bond:							
2.88% Water System Improvement	238,492	2023	\$42,665	\$0	(\$42,665)	\$0	\$0
4.01% 2018- Water System Improvement	313,700	2023	67,808	0	(67,808)	0	0
Total General Obligation Bonds			<u>110,473</u>	<u>0</u>	<u>(110,473)</u>	<u>0</u>	<u>0</u>
Ohio Water Development Authority Loans:							
3.76% Loan SRF-4011	2,757,604	2024	495,267	0	(192,591)	302,676	199,900
3.25% Loan SRF-5657	4,110,016	2032	2,268,817	0	(207,440)	2,061,377	214,237
2.20% Linville Road Water Tower	630,564	2038	1,077,565	0	(58,951)	1,018,614	60,267
0.00% Final Clarifier Upgrade	595,692	2028	0	595,692	0	595,692	65,550
Total OWDA Loans			<u>3,841,649</u>	<u>595,692</u>	<u>(458,982)</u>	<u>3,978,359</u>	<u>539,954</u>
Ohio Public Works Commission Loans:							
0.00% Sewer Replacement & Expansion	104,256	2038	57,331	0	(3,476)	53,855	3,476
0.00% Water Main & Booster Station	293,690	2033	168,875	0	(14,684)	154,191	14,684
0.00% Industrial Dual Water Feed	237,242	2038	195,725	0	(11,862)	183,863	11,862
0.00% Well Replacement	119,590	TBD	0	119,590	0	119,590	0
Total OPWC Loans			<u>421,931</u>	<u>119,590</u>	<u>(30,022)</u>	<u>511,499</u>	<u>30,022</u>
Leases	398,445	2027	0	398,445	(88,696)	309,749	71,165
Compensated Absences			133,417	63,152	(40,025)	156,544	20,081
Total Business Type Long-Term Debt			<u>\$4,507,470</u>	<u>\$1,176,879</u>	<u>(\$728,198)</u>	<u>\$4,956,151</u>	<u>\$661,222</u>

CITY OF HEATH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

The Ohio Revised Code provides that the net debt of a municipal corporation, when approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxable value of property. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. The City's total debt margin at December 31, 2023 was \$43,118,031.

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

Years	Governmental Activities					
	General Obligation Bonds		Installment Loans Payable		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$175,000	\$154,650	\$30,000	\$0	\$18,616	\$0
2025	175,000	149,400	30,000	0	18,616	0
2026	185,000	144,150	0	0	18,616	0
2027	185,000	136,750	0	0	18,616	0
2028	200,000	129,350	0	0	18,616	0
2029-2033	1,110,000	527,550	0	0	93,080	0
2034-2038	1,295,000	343,950	0	0	93,080	0
2039-2043	1,500,000	137,400	0	0	80,676	0
2044-2048	0	0	0	0	62,070	0
2049-2052	0	0	0	0	49,651	0
Totals	\$4,825,000	\$1,723,200	\$60,000	\$0	471,637	0

Years	Business-Type Activities			
	OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest
2024	\$539,954	\$97,067	\$30,022	\$0
2025	516,746	81,116	30,022	0
2026	422,593	70,559	30,022	0
2027	431,486	61,667	30,022	0
2028	440,666	52,497	30,022	0
2029-2033	1,275,264	121,481	150,110	0
2034-2038	351,650	19,803	91,689	0
Totals	\$3,978,359	\$504,190	\$391,909	\$0

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. OWDA Loans

The City has various outstanding Ohio Water Development Authority Loans ranging from 2.2% - 3.76% for various wastewater treatment plant improvements and a water tower. The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the loans outstanding. The loans are payable solely from water and sewer customer net revenues and are payable through 2038 for the three separate loans outstanding.

B. OPWC Loans

The City has pledged future revenues, net of specified operating expenses, to repay \$983,136 borrowed from the Ohio Public Works Commission through the year 2052. Proceeds from these loans provided for various road, culvert, water and sewer projects. These loans were issued interest free. The well replacement project is not complete and an amortization schedule is not available.

C. Leases

The City is party to four leases as a lessee. The governmental activity lease payable represents three and one fourth equipment leases. The sewer fund payable represents three fourths of the remaining lease. The value of the leased equipment totals \$389,115 for the governmental activities and \$398,445 for the sewer fund. The equipment is recorded as machinery and equipment within capital assets. The following is a schedule of future minimum lease payments under the leases together with the present value of the net minimum lease payments as of December 31, 2023:

<u>Year Ending December 31,</u>	<u>Governmental</u>	<u>Business-Type</u>
2024	\$98,977	\$88,696
2025	98,977	88,696
2026	98,977	88,696
2027	29,565	88,696
Minimum Lease Payments	326,496	354,784
Less amount representing interest at the at the City's incremental borrow rate	(36,358)	(45,035)
Present value of minimum lease payments	<u>\$290,138</u>	<u>\$309,749</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 14 - 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. The City carries commercial insurance policies to cover comprehensive liability, official and employee errors and omissions, and property and equipment. There has been no significant reduction in insurance coverages from the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three years.

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs. The City of Heath is a member of the Ohio Municipal League (OML) Workers' Compensation Pool. The pool groups similar municipal employers to gain a greater discount in worker's compensation premiums for City employees. Section 4123.29 of the Ohio Revised Code, and the rules promulgated there under, permit the establishment of the employer group rating plan. Said plans pool and group the experience (payroll amounts and claims losses) of the participating employers in order to create a lower worker's compensation premium rate. The Ohio Municipal League (OML) as a sponsoring organization offers the plan to achieve lower workers' compensation premium rates for participants and to promote establishment of a safer working environment.

The City has a group health insurance program for employees and their eligible dependents. Premiums are paid into an internal service fund by all funds having compensated employees based on an analysis of historical claims experience, the desired fund balances and the number of active participating employees. The monies paid into the Self Insurance Fund (internal service fund) are available to pay claims and administrative costs. The plan is administered by a third party administrator, Medical Benefits Administrators, Inc., which monitors all claim payments. Excess loss coverage, provided by Sirius Point Insurance, becomes effective after \$55,000 per year per specific claim.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 14 - RISK MANAGEMENT (Continued)

The claims liability of \$224,313 reported in the fund at December 31, 2023 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount in years 2022 and 2023 were:

Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Year End
2022	\$97,356	\$1,703,361	(\$1,665,047)	135,670
2023	135,670	1,925,635	(1,836,992)	224,313

NOTE 15 - CONTINGENCIES

The City is a party to various legal proceedings, which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 16 – OTHER COMMITMENTS

At December 31, 2023, the City's cash basis commitments for encumbrances were as follows:

Fund	Year-End Commitment
General Fund	\$370,374
Street Construction, Maintenance and Repair	745,666
Fire Levy Fund	30,787
Capital Improvement Fund	529,538
Other Governmental Funds	109,045
Water Fund	370,792
Sewer Fund	1,113,900
Total	<u>\$3,270,102</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 17 – TAX ABATEMENT DISCLOSURES

As of December 31, 2023, the City of Heath provides tax incentives under the Community Reinvestment Area (CRA) program.

Real Estate Tax Abatements

Pursuant to Ohio Revised Code Chapter 3735.66, the City established a Community Reinvestment Area prior to 2007. Various portions of the community are covered by this CRA. The City authorizes incentives based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient’s property tax bill. The establishment of the CRAs gave the City the ability to maintain and expand businesses located in the City and create new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate.

Below is the City portion of the real property taxes abated in 2023:

	Total Amount of Taxes Abated (Incentives Abated) For the Year 2023 (In Actual Dollars)
<u>Community Reinvestment Area (CRA)</u>	
All CRA Properties	\$224,305

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HEATH, OHIO

***Schedule of City's Proportionate Share of the Net Pension Liability (Asset)
Last Ten Years***

Ohio Public Employees Retirement System

Year	2013	2014	2015	2016
City's proportion of the net pension liability (asset)	0.022110%	0.022110%	0.020855%	0.021617%
City's proportionate share of the net pension liability (asset)	\$2,606,481	\$2,666,713	\$3,612,394	\$4,908,883
City's covered payroll	\$2,688,115	\$2,751,733	\$2,595,642	\$2,704,108
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	96.96%	96.91%	139.17%	181.53%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2013	2014	2015	2016
City's proportion of the net pension liability (asset)	0.126978%	0.126978%	0.125757%	0.123476%
City's proportionate share of the net pension liability (asset)	\$6,184,232	\$6,577,995	\$8,090,029	\$7,820,818
City's covered payroll	\$3,249,567	\$2,549,882	\$2,532,277	\$2,550,539
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	190.31%	257.97%	319.48%	306.63%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%	68.36%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

See accompanying notes to the Required Supplementary Information

CITY OF HEATH, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.021078%	0.021340%	0.021757%	0.020602%	0.021796%	0.020345%
\$3,306,674	\$5,844,593	\$4,300,418	\$3,050,707	\$1,896,341	\$6,009,923
\$2,547,531	\$2,875,700	\$3,305,479	\$2,714,900	\$3,414,000	\$2,938,550
129.80%	203.24%	130.10%	112.37%	55.55%	204.52%
84.66%	74.70%	82.17%	86.88%	92.62%	75.74%
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.119660%	0.118566%	0.121473%	0.119045%	0.119065%	0.124678%
\$7,344,090	\$9,678,119	\$8,183,091	\$8,115,398	\$7,438,511	\$11,843,212
\$2,610,245	\$2,369,088	\$3,174,476	\$2,741,612	\$3,277,854	\$3,090,839
281.36%	408.52%	257.78%	296.01%	226.93%	383.17%
70.91%	63.07%	69.89%	70.65%	75.03%	62.90%

CITY OF HEATH, OHIO

***Schedule of City Pension Contributions
Last Ten Years***

Ohio Public Employees Retirement System

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$330,208	\$311,477	\$324,493	\$331,179
Contributions in relation to the contractually required contribution	<u>330,208</u>	<u>311,477</u>	<u>324,493</u>	<u>331,179</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$2,751,733	\$2,595,642	\$2,704,108	\$2,547,531
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	13.00%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$519,156	\$536,641	\$539,361	\$552,313
Contributions in relation to the contractually required contribution	<u>519,156</u>	<u>536,641</u>	<u>539,361</u>	<u>552,313</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$2,549,882	\$2,532,277	\$2,550,539	\$2,610,245
Contributions as a percentage of covered payroll	20.36%	21.19%	21.15%	21.16%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

See accompanying notes to the Required Supplementary Information

CITY OF HEATH, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$402,598	\$462,767	\$380,086	\$477,960	\$411,397	\$549,755
<u>402,598</u>	<u>462,767</u>	<u>380,086</u>	<u>477,960</u>	<u>411,397</u>	<u>549,755</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,875,700	\$3,305,479	\$2,714,900	\$3,414,000	\$2,938,550	\$3,926,821
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$500,708	\$673,420	\$581,338	\$696,658	\$661,481	\$843,980
<u>500,708</u>	<u>673,420</u>	<u>581,338</u>	<u>696,658</u>	<u>661,481</u>	<u>843,980</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,369,088	\$3,174,476	\$2,741,612	\$3,277,854	\$3,090,839	\$3,934,032
21.14%	21.21%	21.20%	21.25%	21.40%	21.45%

Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset) Last Seven Years

Ohio Public Employees Retirement System

Year	2016	2017	2018
City's proportion of the net OPEB liability (asset)	0.020233%	0.019669%	0.019889%
City's proportionate share of the net OPEB liability (asset)	\$2,043,624	\$2,135,855	\$2,593,056
City's covered payroll	\$2,704,108	\$2,547,531	\$2,875,700
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	75.57%	83.84%	90.17%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2016	2017	2018
City's proportion of the net OPEB liability (asset)	0.123476%	0.119660%	0.118566%
City's proportionate share of the net OPEB liability (asset)	\$5,861,107	\$6,779,782	\$1,079,725
City's covered payroll	\$2,550,539	\$2,610,245	\$2,369,088
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	229.80%	259.74%	45.58%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.
Information prior to 2016 is not available.

See accompanying notes to the Required Supplementary Information

CITY OF HEATH, OHIO

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.020274%	0.019186%	0.020285%	0.018991%
\$2,800,366	(\$341,813)	(\$635,358)	\$119,741
\$3,305,479	\$2,714,900	\$3,414,000	\$2,938,550
84.72%	(12.59)%	(18.61)%	4.07%
47.80%	115.57%	128.23%	94.79%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.121473%	0.119045%	0.119065%	0.124678%
\$1,199,881	\$1,261,302	\$1,305,058	\$887,673
\$3,174,476	\$2,741,612	\$3,277,854	\$3,090,839
37.80%	46.01%	39.81%	28.72%
47.08%	45.42%	46.86%	52.59%

CITY OF HEATH, OHIO

***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Ten Years***

Ohio Public Employees Retirement System

Year	2014	2015	2016	2017
Contractually required contribution	\$55,035	\$51,913	\$54,082	\$25,476
Contributions in relation to the contractually required contribution	55,035	51,913	54,082	25,476
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$2,751,733	\$2,595,642	\$2,704,108	\$2,547,531
Contributions as a percentage of covered payroll	2.00%	2.00%	2.00%	1.00%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
Contractually required contribution	\$12,749	\$12,661	\$12,753	\$13,051
Contributions in relation to the contractually required contribution	12,749	12,661	12,753	13,051
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$2,549,882	\$2,532,277	\$2,550,539	\$2,610,245
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2013 is not available.

See accompanying notes to the Required Supplementary Information

CITY OF HEATH, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,875,700	\$3,305,479	\$2,714,900	\$3,414,000	\$2,938,550	\$3,926,821
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$11,845	\$15,872	\$13,708	\$16,389	\$15,454	\$19,670
<u>11,845</u>	<u>15,872</u>	<u>13,708</u>	<u>16,389</u>	<u>15,454</u>	<u>19,670</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,369,088	\$3,174,476	\$2,741,612	\$3,277,854	\$3,090,839	\$3,934,032
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

2023: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2022: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2023: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%

2023: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2022, and 2023.

2023: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 1.84% to 4.05%
- The single discount rate changed from 6.00% to 5.22%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

2020 - 2023: There were no changes in benefit terms.

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.56% to 2.96%.
- The payroll growth rate changed from 2.75% to 3.25%.

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.96% to 2.84%.
- The investment rate of return changed from 8.0% to 7.5%.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%.
- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

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*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

State Highway Fund

To account for the portion of the state gasoline tax and motor vehicle license fees designated for construction, maintenance and repair of state highways within the City.

County \$5 Permissive License Tax Fund

To account for permissive license tax received from the County for a project approved by the county engineer, or transfers to finance the project until completion whereupon reimbursement will be received.

Swimming Pool Fund

To account for revenues and expenditures related to the operations of the Heath Municipal Pool.

Municipal Motor Vehicle License Tax Fund

To account for county-levied motor vehicle registration fees designated for street construction, maintenance and repair.

Fire Pension Fund

To account for taxes levied toward partial payment of the current and accrued liability for fire disability and pension.

Police Pension Fund

To account for taxes levied toward partial payment of the current and accrued liability for police disability and pension.

Law Enforcement Trust Fund

To account for funds received by the police department for contraband, per state statute.

Police Professional Training Fund

To account for the cost of continuing professional training programs for police personnel.

Opioid Settlement Fund

To account for monies obtained and distributed by the State of Ohio for opioid settlements from drug manufacturers and distributors. It is designated for resources to assist with community drug recovery, prevention and treatment.

(Continued)

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

Enforcement and Education Fund

To account for financial resources used to educate the public regarding laws governing the operation of motor vehicles while under the influence of alcohol.

D.A.R.E. Fund

To account for revenues and expenditures relative to D.A.R.E. activities.

American Rescue Plan Fund

This fund accounts for money received from the federal government to provide funding for loss of revenue and help address economic fallout from the COVID-19 pandemic.

Central Parkway Fund

This fund is used to account for revenues and expenditures related to public improvements located along or within the Central Parkway and Thornwood Drive corridors.

Conn Memorial Trust Fund

To account for money left to the City by the Conn family in trust for the operation and maintenance of the John C. Geller Park.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for payment.

General Obligation Debt Service Fund

To account for resources that are used for payment of principal, interest and fiscal charges on general obligation debt.

CITY OF HEATH, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 1,826,700	\$ 2,087,561	\$ 3,914,261
Receivables:			
Taxes	210,076	71,306	281,382
Intergovernmental	121,512	0	121,512
Inventory of Supplies, at Cost	2,162	0	2,162
Cash and Cash Equivalents with Fiscal Agent	59,193	0	59,193
Total Assets	\$ 2,219,643	\$ 2,158,867	\$ 4,378,510
Liabilities:			
Accounts Payable	\$ 3,728	\$ 0	\$ 3,728
Accrued Wages and Benefits Payable	80,714	0	80,714
Interfund Loans Payable	131,550	0	131,550
Unearned Revenue	509,762	0	509,762
Total Liabilities	725,754	0	725,754
Deferred Inflows and Resources:			
Unavailable Amounts	134,198	16,173	150,371
Property Tax Levy for Next Year	208,526	0	208,526
Total Deferred Inflows of Resources	342,724	16,173	358,897
Fund Balances:			
Nonspendable	2,162	0	2,162
Restricted	1,280,831	2,142,694	3,423,525
Unassigned	(131,828)	0	(131,828)
Total Fund Balances	1,151,165	2,142,694	3,293,859
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,219,643	\$ 2,158,867	\$ 4,378,510

CITY OF HEATH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 191,295	\$ 705,009	\$ 896,304
Intergovernmental Revenues	453,259	0	453,259
Charges for Services	261,099	0	261,099
Investment Earnings	7,932	0	7,932
Fines and Forfeitures	42,106	0	42,106
All Other Revenue	12,905	0	12,905
Total Revenue	<u>968,596</u>	<u>705,009</u>	<u>1,673,605</u>
Expenditures:			
Current:			
Security of Persons and Property	858,933	0	858,933
Leisure Time Activities	454,409	0	454,409
Transportation	358,135	0	358,135
Debt Service:			
Principal Retirement	165,000	188,616	353,616
Interest and Fiscal Charges	79,800	4,200	84,000
Total Expenditures	<u>1,916,277</u>	<u>192,816</u>	<u>2,109,093</u>
Excess (Deficiency) of Revenues Over Expenditures	(947,681)	512,193	(435,488)
Other Financing Sources (Uses):			
Transfers In	626,812	0	626,812
Transfers Out	0	(82,547)	(82,547)
Total Other Financing Sources (Uses)	<u>626,812</u>	<u>(82,547)</u>	<u>544,265</u>
Net Change in Fund Balance	(320,869)	429,646	108,777
Fund Balances at Beginning of Year	<u>1,472,034</u>	<u>1,713,048</u>	<u>3,185,082</u>
Fund Balances End of Year	<u>\$ 1,151,165</u>	<u>\$ 2,142,694</u>	<u>\$ 3,293,859</u>

CITY OF HEATH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	State Highway	County \$5 Permissive License Tax	Swimming Pool	Municipal Motor Vehicle License Tax
Assets:				
Equity in Pooled Cash and Investments	\$ 376,753	\$ 0	\$ 0	\$ 531,044
Receivables:				
Taxes	0	0	0	0
Intergovernmental	27,400	0	0	88,919
Inventory of Supplies, at Cost	0	0	2,162	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	59,193	0	0
Total Assets	<u>\$ 404,153</u>	<u>\$ 59,193</u>	<u>\$ 2,162</u>	<u>\$ 619,963</u>
Liabilities:				
Accounts Payable	\$ 768	\$ 0	\$ 278	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Interfund Loans Payable	0	0	18,880	0
Unearned Revenue	0	0	0	0
Total Liabilities	<u>768</u>	<u>0</u>	<u>19,158</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	17,600	59,193	0	50,829
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	<u>17,600</u>	<u>59,193</u>	<u>0</u>	<u>50,829</u>
Fund Balances:				
Nonspendable	0	0	2,162	0
Restricted	385,785	0	0	569,134
Unassigned	0	0	(19,158)	0
Total Fund Balances	<u>385,785</u>	<u>0</u>	<u>(16,996)</u>	<u>569,134</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 404,153</u>	<u>\$ 59,193</u>	<u>\$ 2,162</u>	<u>\$ 619,963</u>

CITY OF HEATH, OHIO

<u>Fire Pension</u>	<u>Police Pension</u>	<u>Law Enforcement Trust</u>	<u>Police Professional Training</u>	<u>Opioid Settlement</u>	<u>Enforcement and Education</u>	<u>D.A.R.E.</u>
\$ 67,427	\$ 44,713	\$ 205,182	\$ 788	\$ 13,432	\$ 11,672	\$ 365
105,038	105,038	0	0	0	0	0
2,513	2,513	0	0	167	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 174,978</u>	<u>\$ 152,264</u>	<u>\$ 205,182</u>	<u>\$ 788</u>	<u>\$ 13,599</u>	<u>\$ 11,672</u>	<u>\$ 365</u>
\$ 0	\$ 0	\$ 2,682	\$ 0	\$ 0	\$ 0	\$ 0
46,766	33,948	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>46,766</u>	<u>33,948</u>	<u>2,682</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
3,288	3,288	0	0	0	0	0
<u>104,263</u>	<u>104,263</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>107,551</u>	<u>107,551</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0
20,661	10,765	202,500	788	13,599	11,672	365
0	0	0	0	0	0	0
<u>20,661</u>	<u>10,765</u>	<u>202,500</u>	<u>788</u>	<u>13,599</u>	<u>11,672</u>	<u>365</u>
<u>\$ 174,978</u>	<u>\$ 152,264</u>	<u>\$ 205,182</u>	<u>\$ 788</u>	<u>\$ 13,599</u>	<u>\$ 11,672</u>	<u>\$ 365</u>

(Continued)

CITY OF HEATH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	American Rescue Plan	Central Parkway	Conn Memorial Trust	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 509,762	\$ 0	\$ 65,562	\$ 1,826,700
Receivables:				
Taxes	0	0	0	210,076
Intergovernmental	0	0	0	121,512
Inventory of Supplies, at Cost	0	0	0	2,162
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	59,193
Total Assets	<u>\$ 509,762</u>	<u>\$ 0</u>	<u>\$ 65,562</u>	<u>\$ 2,219,643</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 3,728
Accrued Wages and Benefits Payable	0	0	0	80,714
Interfund Loans Payable	0	112,670	0	131,550
Unearned Revenue	509,762	0	0	509,762
Total Liabilities	<u>509,762</u>	<u>112,670</u>	<u>0</u>	<u>725,754</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	134,198
Property Tax Levy for Next Fiscal Year	0	0	0	208,526
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>342,724</u>
Fund Balances:				
Nonspendable	0	0	0	2,162
Restricted	0	0	65,562	1,280,831
Unassigned	0	(112,670)	0	(131,828)
Total Fund Balances	<u>0</u>	<u>(112,670)</u>	<u>65,562</u>	<u>1,151,165</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 509,762</u>	<u>\$ 0</u>	<u>\$ 65,562</u>	<u>\$ 2,219,643</u>

CITY OF HEATH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

	State Highway	County \$5 Permissive License Tax	Swimming Pool	Municipal Motor Vehicle License Tax
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	49,867	108,000	0	275,457
Charges for Services	0	0	248,512	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	1,500	0
Total Revenue	<u>49,867</u>	<u>108,000</u>	<u>250,012</u>	<u>275,457</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	382,161	0
Transportation	41,903	113,262	0	164,637
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>41,903</u>	<u>113,262</u>	<u>382,161</u>	<u>164,637</u>
Excess (Deficiency) of Revenues Over Expenditures	7,964	(5,262)	(132,149)	110,820
Other Financing Sources (Uses):				
Transfers In	0	0	298	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>298</u>	<u>0</u>
Net Change in Fund Balance	7,964	(5,262)	(131,851)	110,820
Fund Balances at Beginning of Year	<u>377,821</u>	<u>5,262</u>	<u>114,855</u>	<u>458,314</u>
Fund Balances End of Year	<u>\$ 385,785</u>	<u>\$ 0</u>	<u>\$ (16,996)</u>	<u>\$ 569,134</u>

(Continued)

CITY OF HEATH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

	Fire Pension	Police Pension	Law Enforcement Trust	Police Professional Training
Revenues:				
Taxes	\$ 95,647	\$ 95,648	\$ 0	\$ 0
Intergovernmental Revenues	5,026	5,026	0	0
Charges for Services	0	0	9,067	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	42,035	0
All Other Revenue	0	0	11,405	0
Total Revenue	<u>100,673</u>	<u>100,674</u>	<u>62,507</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property	455,442	356,341	47,150	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>455,442</u>	<u>356,341</u>	<u>47,150</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(354,769)	(255,667)	15,357	0
Other Financing Sources (Uses):				
Transfers In	372,000	254,000	514	0
Total Other Financing Sources (Uses)	<u>372,000</u>	<u>254,000</u>	<u>514</u>	<u>0</u>
Net Change in Fund Balance	17,231	(1,667)	15,871	0
Fund Balances at Beginning of Year	<u>3,430</u>	<u>12,432</u>	<u>186,629</u>	<u>788</u>
Fund Balances End of Year	<u>\$ 20,661</u>	<u>\$ 10,765</u>	<u>\$ 202,500</u>	<u>\$ 788</u>

CITY OF HEATH, OHIO

Opioid Settlement	Enforcement and Education	D.A.R.E.	Central Parkway	Conn Memorial Trust	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 191,295
9,883	0	0	0	0	453,259
0	0	0	0	3,520	261,099
0	0	0	4,890	3,042	7,932
0	71	0	0	0	42,106
0	0	0	0	0	12,905
<u>9,883</u>	<u>71</u>	<u>0</u>	<u>4,890</u>	<u>6,562</u>	<u>968,596</u>
0	0	0	0	0	858,933
0	0	0	0	72,248	454,409
0	0	0	38,333	0	358,135
0	0	0	165,000	0	165,000
0	0	0	79,800	0	79,800
<u>0</u>	<u>0</u>	<u>0</u>	<u>283,133</u>	<u>72,248</u>	<u>1,916,277</u>
9,883	71	0	(278,243)	(65,686)	(947,681)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>626,812</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>626,812</u>
9,883	71	0	(278,243)	(65,686)	(320,869)
3,716	11,601	365	165,573	131,248	1,472,034
<u>\$ 13,599</u>	<u>\$ 11,672</u>	<u>\$ 365</u>	<u>\$ (112,670)</u>	<u>\$ 65,562</u>	<u>\$ 1,151,165</u>

CITY OF HEATH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 9,211,443	\$ 9,211,443	\$ 12,221,758	\$ 3,010,315
Intergovernmental Revenues	253,046	253,046	1,031,363	778,317
Charges for Services	489,575	489,575	772,359	282,784
Licenses and Permits	88,200	88,200	142,336	54,136
Investment Earnings	100,000	100,000	601,506	501,506
Fines and Forfeitures	8,200	8,200	7,030	(1,170)
All Other Revenues	90,800	90,800	196,195	105,395
Total Revenues	<u>10,241,264</u>	<u>10,241,264</u>	<u>14,972,547</u>	<u>4,731,283</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	2,400,997	2,400,997	2,206,032	194,965
Materials and Supplies	152,938	152,938	114,638	38,300
Contractual Services	277,036	286,036	232,269	53,767
Capital Outlay	0	16,240	16,240	0
Total Police	<u>2,830,971</u>	<u>2,856,211</u>	<u>2,569,179</u>	<u>287,032</u>
Communications:				
Personal Services	1,053,248	1,053,248	882,235	171,013
Materials and Supplies	9,958	9,958	7,926	2,032
Contractual Services	58,400	83,369	83,069	300
Total Communications	<u>1,121,606</u>	<u>1,146,575</u>	<u>973,230</u>	<u>173,345</u>
Fire:				
Personal Services	2,899,770	2,899,770	2,576,380	323,390
Materials and Supplies	149,620	162,059	154,019	8,040
Contractual Services	321,950	332,133	332,132	1
Capital Outlay	5,000	24,860	24,860	0
Total Fire	<u>3,376,340</u>	<u>3,418,822</u>	<u>3,087,391</u>	<u>331,431</u>
Street Lighting:				
Contractual Services	105,000	122,282	122,282	0
Total Street Lighting	<u>105,000</u>	<u>122,282</u>	<u>122,282</u>	<u>0</u>
Total Security of Persons and Property	<u>7,433,917</u>	<u>7,543,890</u>	<u>6,752,082</u>	<u>791,808</u>

(Continued)

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Health and Welfare Services:				
Health Department:				
Contractual Services	62,000	62,000	59,699	2,301
Total Public Health and Welfare Services	<u>62,000</u>	<u>62,000</u>	<u>59,699</u>	<u>2,301</u>
Leisure Time Activities:				
Parks:				
Personal Services	513,450	527,188	527,188	0
Materials and Supplies	68,848	68,848	52,458	16,390
Contractual Services	400,102	433,627	385,460	48,167
Other Expenditures	500	500	490	10
Capital Outlay	25,600	26,979	26,979	0
Total Leisure Time Activities	<u>1,008,500</u>	<u>1,057,142</u>	<u>992,575</u>	<u>64,567</u>
Community Environment:				
Planning and Zoning:				
Personal Services	303,948	303,948	254,118	49,830
Materials and Supplies	11,832	11,832	9,220	2,612
Contractual Services	523,308	523,309	496,329	26,980
Other Expenditures	3,000	3,000	150	2,850
Total Community Environment	<u>842,088</u>	<u>842,089</u>	<u>759,817</u>	<u>82,272</u>
General Government:				
Mayor:				
Personal Services	132,897	146,746	146,746	0
Materials and Supplies	1,200	1,200	242	958
Contractual Services	43,112	82,113	81,562	551
Total Mayor	<u>177,209</u>	<u>230,059</u>	<u>228,550</u>	<u>1,509</u>
City Council:				
Personal Services	48,000	48,000	48,000	0
Materials and Supplies	500	500	90	410
Contractual Services	750	1,194	1,194	0
Total City Council	<u>49,250</u>	<u>49,694</u>	<u>49,284</u>	<u>410</u>
Law Director:				
Personal Services	85,370	89,105	89,105	0
Contractual Services	333,634	333,634	221,896	111,738
Total Law Director	<u>419,004</u>	<u>422,739</u>	<u>311,001</u>	<u>111,738</u>

(Continued)

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Clerk of Council:				
Personal Services	50,500	68,307	68,307	0
Materials and Supplies	2,500	2,500	1,169	1,331
Contractual Services	750	750	0	750
Capital Outlay	8,000	8,000	7,963	37
Total Clerk of Council	<u>61,750</u>	<u>79,557</u>	<u>77,439</u>	<u>2,118</u>
Auditor:				
Personal Services	60,000	60,000	60,000	0
Materials and Supplies	800	800	318	482
Contractual Services	5,195	5,195	426	4,769
Total Auditor	<u>65,995</u>	<u>65,995</u>	<u>60,744</u>	<u>5,251</u>
General Administrative:				
Personal Services	390,280	468,762	468,762	0
Materials and Supplies	10,582	16,671	16,663	8
Contractual Services	262,922	262,922	194,822	68,100
Other Expenditures	6,500	20,360	17,261	3,099
Capital Outlay	0	8,075	8,075	0
Total General Administrative	<u>670,284</u>	<u>776,790</u>	<u>705,583</u>	<u>71,207</u>
Court Fees:				
Contractual Services	500	500	18	482
Total Court Fees	<u>500</u>	<u>500</u>	<u>18</u>	<u>482</u>
Civil Service:				
Materials and Supplies	200	200	0	200
Contractual Services	11,700	11,700	6,500	5,200
Total Civil Service	<u>11,900</u>	<u>11,900</u>	<u>6,500</u>	<u>5,400</u>
Safety/Service:				
Personal Services	46,955	46,955	46,782	173
Materials and Supplies	12,734	12,734	9,996	2,738
Contractual Services	111,550	111,550	100,938	10,612
Capital Outlay	29,200	46,200	25,392	20,808
Total Safety/Service	<u>200,439</u>	<u>217,439</u>	<u>183,108</u>	<u>34,331</u>

(Continued)

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income Tax:				
Personal Services	373,712	373,712	363,196	10,516
Materials and Supplies	4,200	4,200	2,834	1,366
Contractual Services	42,100	50,395	35,178	15,217
Capital Outlay	8,000	8,000	228	7,772
Total Income Tax	<u>428,012</u>	<u>436,307</u>	<u>401,436</u>	<u>34,871</u>
Total General Government	<u>2,084,343</u>	<u>2,290,980</u>	<u>2,023,663</u>	<u>267,317</u>
Total Expenditures	<u>11,430,848</u>	<u>11,796,101</u>	<u>10,587,836</u>	<u>1,208,265</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,189,584)	(1,554,837)	4,384,711	5,939,548
Other Financing Sources (Uses):				
Transfers In	0	0	1,286,845	1,286,845
Transfers Out	(1,685,000)	(4,618,790)	(4,618,790)	0
Total Other Financing Sources (Uses)	<u>(1,685,000)</u>	<u>(4,618,790)</u>	<u>(3,331,945)</u>	<u>1,286,845</u>
Net Change in Fund Balance	(2,874,584)	(6,173,627)	1,052,766	7,226,393
Fund Balance at Beginning of Year	6,827,962	6,827,962	6,827,962	0
Prior Year Encumbrances	213,238	213,238	213,238	0
Fund Balance at End of Year	<u>\$ 4,166,616</u>	<u>\$ 867,573</u>	<u>\$ 8,093,966</u>	<u>\$ 7,226,393</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 650,000	\$ 598,459	\$ (51,541)
All Other Revenues	0	18,021	18,021
Total Revenues	<u>650,000</u>	<u>616,480</u>	<u>(33,520)</u>
Expenditures:			
Transportation:			
Street Department:			
Personal Services	800,335	775,075	25,260
Materials and Supplies	263,456	212,491	50,965
Contractual Services	718,777	577,924	140,853
Capital Outlay	2,437,801	2,270,721	167,080
Total Expenditures	<u>4,220,369</u>	<u>3,836,211</u>	<u>384,158</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,570,369)	(3,219,731)	350,638
Other Financing Sources (Uses):			
Transfers In	595,000	1,066,987	471,987
Total Other Financing Sources (Uses)	<u>595,000</u>	<u>1,066,987</u>	<u>471,987</u>
Net Change in Fund Balance	(2,975,369)	(2,152,744)	822,625
Fund Balance at Beginning of Year	2,477,241	2,477,241	0
Prior Year Encumbrances	135,145	135,145	0
Fund Balance at End of Year	<u>\$ (362,983)</u>	<u>\$ 459,642</u>	<u>\$ 822,625</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Fire Levy Fund
For the Year Ended December 31, 2023***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 820,320	\$ 820,320	\$ 852,595	\$ 32,275
Intergovernmental Revenues	56,377	56,377	27,842	(28,535)
Investment Earnings	0	0	6,103	6,103
All Other Revenues	100	100	4,098	3,998
Total Revenues	<u>876,797</u>	<u>876,797</u>	<u>890,638</u>	<u>13,841</u>
Expenditures:				
Security of Persons and Property:				
Fire:				
Personal Services	445,878	457,668	437,099	20,569
Materials and Supplies	28,925	29,408	29,829	(421)
Contractual Services	30,920	30,920	17,814	13,106
Capital Outlay	107,781	110,434	100,862	9,572
Total Expenditures	<u>613,504</u>	<u>628,430</u>	<u>585,604</u>	<u>42,826</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	263,293	248,367	305,034	56,667
Fund Balance at Beginning of Year	1,073,941	1,073,941	1,073,941	0
Prior Year Encumbrances	17,957	17,957	17,957	0
Fund Balance at End of Year	<u>\$ 1,355,191</u>	<u>\$ 1,340,265</u>	<u>\$ 1,396,932</u>	<u>\$ 56,667</u>

CITY OF HEATH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund – Capital Improvement Fund
For the Year Ended December 31, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 676,000	\$ 882,758	\$ 206,758
Total Revenues	<u>676,000</u>	<u>882,758</u>	<u>206,758</u>
Expenditures:			
Security of Persons and Property:			
Police:			
Capital Outlay	230,687	230,687	0
Total Security of Persons and Property	<u>230,687</u>	<u>230,687</u>	<u>0</u>
Leisure Time Activities:			
Parks:			
Contractual Services	55,000	55,000	0
Capital Outlay	228,105	227,056	1,049
Total Parks	<u>283,105</u>	<u>282,056</u>	<u>1,049</u>
Swimming Pool:			
Contractual Services	176,224	176,224	0
Capital Outlay	22,000	22,000	0
Total Swimming Pool	<u>198,224</u>	<u>198,224</u>	<u>0</u>
Total Leisure Time Activities	<u>481,329</u>	<u>480,280</u>	<u>1,049</u>
Community Environment:			
Utilities:			
Capital Outlay	279,207	279,207	0
Total Community Environment	<u>279,207</u>	<u>279,207</u>	<u>0</u>
Transportation:			
Streets Department:			
Contractual Services	53,605	46,403	7,202
Capital Outlay	2,379,699	2,372,936	6,763
Total Transportation	<u>2,433,304</u>	<u>2,419,339</u>	<u>13,965</u>
General Government:			
General Administrative:			
Contractual Services	100	0	100
Capital Outlay	58,247	58,247	0
Total General Administrative	<u>58,347</u>	<u>58,247</u>	<u>100</u>

(Continued)

CITY OF HEATH, OHIO

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Safety/Service:			
Capital Outlay	36,871	0	36,871
Total Safety/Service	36,871	0	36,871
Total General Government	95,218	58,247	36,971
Total Expenditures	3,540,745	3,488,760	51,985
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,864,745)	(2,606,002)	258,743
Other Financing Sources (Uses):			
Transfers In	0	2,677,408	2,677,408
Transfers Out	(1,042,500)	(1,042,500)	0
Total Other Financing Sources (Uses)	(1,042,500)	1,634,908	2,677,408
Net Change in Fund Balance	(3,907,245)	(971,094)	2,936,151
Fund Balance at Beginning of Year	1,516,504	1,516,504	0
Prior Year Encumbrances	1,297,655	1,297,655	0
Fund Balance at End of Year	<u>\$ (1,093,086)</u>	<u>\$ 1,843,065</u>	<u>\$ 2,936,151</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

STATE HIGHWAY FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 53,000	\$ 48,523	\$ (4,477)
Investment Earnings	<u>300</u>	<u>0</u>	<u>(300)</u>
Total Revenues	<u>53,300</u>	<u>48,523</u>	<u>(4,777)</u>
Expenditures:			
Transportation:			
Street Department:			
Materials and Supplies	51,500	0	51,500
Contractual Services	<u>67,000</u>	<u>42,523</u>	<u>24,477</u>
Total Expenditures	<u>118,500</u>	<u>42,523</u>	<u>75,977</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,200)	6,000	71,200
Fund Balance at Beginning of Year	370,753	370,753	0
Fund Balance at End of Year	<u>\$ 305,553</u>	<u>\$ 376,753</u>	<u>\$ 71,200</u>

CITY OF HEATH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

COUNTY \$5 PERMISSIVE LICENSE TAX FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 0	\$ 108,000	\$ 108,000
Total Revenues	<u>0</u>	<u>108,000</u>	<u>108,000</u>
Expenditures:			
Transportation:			
Street Department:			
Capital Outlay	<u>113,262</u>	<u>113,262</u>	<u>0</u>
Total Expenditures	<u>113,262</u>	<u>113,262</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(113,262)	(5,262)	108,000
Fund Balance at Beginning of Year	<u>5,262</u>	<u>5,262</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (108,000)</u>	<u>\$ 0</u>	<u>\$ 108,000</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

SWIMMING POOL FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 219,000	\$ 248,512	\$ 29,512
All Other Revenues	2,000	1,798	(202)
Total Revenues	<u>221,000</u>	<u>250,310</u>	<u>29,310</u>
Expenditures:			
Leisure Time Activities:			
Swimming Pool:			
Personal Services	369,144	207,692	161,452
Materials and Supplies	142,800	58,891	83,909
Contractual Services	159,600	109,625	49,975
Capital Outlay	27,000	3,236	23,764
Total Expenditures	<u>698,544</u>	<u>379,444</u>	<u>319,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(477,544)	(129,134)	348,410
Fund Balance at Beginning of Year	108,069	108,069	0
Fund Balance at End of Year	<u>\$ (369,475)</u>	<u>\$ (21,065)</u>	<u>\$ 348,410</u>

CITY OF HEATH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

MUNICIPAL MOTOR VEHICLE LICENSE TAX FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 157,000	\$ 267,926	\$ 110,926
Total Revenues	<u>157,000</u>	<u>267,926</u>	<u>110,926</u>
Expenditures:			
Transportation:			
Street Department:			
Capital Outlay	266,057	266,057	0
Total Expenditures	<u>266,057</u>	<u>266,057</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(109,057)	1,869	110,926
Fund Balance at Beginning of Year	427,755	427,755	0
Prior Year Encumbrances	16,420	16,420	0
Fund Balance at End of Year	<u>\$ 335,118</u>	<u>\$ 446,044</u>	<u>\$ 110,926</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

FIRE PENSION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 101,263	\$ 95,647	\$ (5,616)
Intergovernmental Revenues	3,000	5,026	2,026
Total Revenues	<u>104,263</u>	<u>100,673</u>	<u>(3,590)</u>
Expenditures:			
Security of Persons and Property:			
Fire:			
Personal Services	488,550	449,203	39,347
Contractual Services	2,000	1,394	606
Total Expenditures	<u>490,550</u>	<u>450,597</u>	<u>39,953</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(386,287)	(349,924)	36,363
Other Financing Sources (Uses):			
Transfers In	205,000	372,000	167,000
Total Other Financing Sources (Uses)	<u>205,000</u>	<u>372,000</u>	<u>167,000</u>
Net Change in Fund Balance	(181,287)	22,076	203,363
Fund Balance at Beginning of Year	45,351	45,351	0
Fund Balance at End of Year	<u>\$ (135,936)</u>	<u>\$ 67,427</u>	<u>\$ 203,363</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

POLICE PENSION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 101,263	\$ 95,648	\$ (5,615)
Intergovernmental Revenues	3,000	5,026	2,026
Total Revenues	<u>104,263</u>	<u>100,674</u>	<u>(3,589)</u>
Expenditures:			
Security of Persons and Property:			
Police:			
Personal Services	353,730	348,914	4,816
Contractual Services	2,000	1,394	606
Total Expenditures	<u>355,730</u>	<u>350,308</u>	<u>5,422</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(251,467)	(249,634)	1,833
Other Financing Sources (Uses):			
Transfers In	183,000	254,000	71,000
Total Other Financing Sources (Uses)	<u>183,000</u>	<u>254,000</u>	<u>71,000</u>
Net Change in Fund Balance	(68,467)	4,366	72,833
Fund Balance at Beginning of Year	40,347	40,347	0
Fund Balance at End of Year	<u>\$ (28,120)</u>	<u>\$ 44,713</u>	<u>\$ 72,833</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

LAW ENFORCEMENT TRUST FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 5,000	\$ 9,067	\$ 4,067
Fines and Forfeitures	25,000	42,035	17,035
All Other Revenues	9,000	11,919	2,919
Total Revenues	<u>39,000</u>	<u>63,021</u>	<u>24,021</u>
Expenditures:			
Security of Persons and Property:			
Police:			
Materials and Supplies	5,000	5,000	0
Contractual Services	47,310	32,130	15,180
Capital Outlay	57,582	28,008	29,574
Total Expenditures	<u>109,892</u>	<u>65,138</u>	<u>44,754</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,892)	(2,117)	68,775
Fund Balance at Beginning of Year	170,680	170,680	0
Prior Year Encumbrances	19,643	19,643	0
Fund Balance at End of Year	<u>\$ 119,431</u>	<u>\$ 188,206</u>	<u>\$ 68,775</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

POLICE PROFESSIONAL TRAINING FUND

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>788</u>	<u>788</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 788</u>	<u>\$ 788</u>	<u>\$ 0</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

OPIOID SETTLEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 3,905	\$ 9,716	\$ 5,811
Total Revenues	<u>3,905</u>	<u>9,716</u>	<u>5,811</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,905	9,716	5,811
Fund Balance at Beginning of Year	<u>3,716</u>	<u>3,716</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,621</u>	<u>\$ 13,432</u>	<u>\$ 5,811</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

ENFORCEMENT AND EDUCATION FUND

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and Forfeitures	<u>\$ 0</u>	<u>\$ 71</u>	<u>\$ 71</u>
Total Revenues	<u>0</u>	<u>71</u>	<u>71</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	0	71	71
Fund Balance at Beginning of Year	<u>11,601</u>	<u>11,601</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,601</u>	<u>\$ 11,672</u>	<u>\$ 71</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

D.A.R.E. FUND

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>365</u>	<u>365</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 365</u></u>	<u><u>\$ 365</u></u>	<u><u>\$ 0</u></u>

CITY OF HEATH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

AMERICAN RESCUE PLAN FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Other Financing Sources (Uses):				
Transfers Out	0	(290,000)	(290,000)	0
Total Other Financing Sources (Uses)	0	(290,000)	(290,000)	0
Net Change in Fund Balance	0	(290,000)	(290,000)	0
Fund Balance at Beginning of Year	799,762	799,762	799,762	0
Fund Balance at End of Year	<u>\$ 799,762</u>	<u>\$ 509,762</u>	<u>\$ 509,762</u>	<u>\$ 0</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

CENTRAL PARKWAY FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 0	\$ 4,890	\$ 4,890
Total Revenues	<u>0</u>	<u>4,890</u>	<u>4,890</u>
Expenditures:			
Transportation:			
Street Department:			
Contractual Services	33,561	33,561	0
Total Transportation	<u>33,561</u>	<u>33,561</u>	<u>0</u>
Debt Service:			
Principal Retirement	165,000	165,000	0
Interest and Fiscal Charges	159,600	89,456	70,144
Total Expenditures	<u>358,161</u>	<u>288,017</u>	<u>70,144</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(358,161)	(283,127)	75,034
Fund Balance at Beginning of Year	132,012	132,012	0
Prior Year Encumbrances	33,561	33,561	0
Fund Balance at End of Year	<u>\$ (192,588)</u>	<u>\$ (117,554)</u>	<u>\$ 75,034</u>

CITY OF HEATH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

CONN MEMORIAL TRUST

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 3,000	\$ 3,520	\$ 520
Investment Earnings	320	3,042	2,722
Total Revenues	<u>3,320</u>	<u>6,562</u>	<u>3,242</u>
Expenditures:			
Leisure Time Activities:			
Parks:			
Capital Outlay	72,248	72,248	0
Total Expenditures	<u>72,248</u>	<u>72,248</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,928)	(65,686)	3,242
Fund Balance at Beginning of Year	131,248	131,248	0
Fund Balance at End of Year	<u>\$ 62,320</u>	<u>\$ 65,562</u>	<u>\$ 3,242</u>

CITY OF HEATH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2023**

GENERAL OBLIGATION DEBT SERVICE FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	<u>\$ 546,000</u>	<u>\$ 712,995</u>	<u>\$ 166,995</u>
Total Revenues	<u>546,000</u>	<u>712,995</u>	<u>166,995</u>
Expenditures:			
Debt Service:			
Principal Retirement	197,000	188,616	8,384
Interest and Fiscal Charges	<u>4,300</u>	<u>4,200</u>	<u>100</u>
Total Expenditures	<u>201,300</u>	<u>192,816</u>	<u>8,484</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	344,700	520,179	175,479
Other Financing Sources (Uses):			
Transfers Out	<u>(82,547)</u>	<u>(82,547)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(82,547)</u>	<u>(82,547)</u>	<u>0</u>
Net Change in Fund Balance	262,153	437,632	175,479
Fund Balance at Beginning of Year	<u>1,649,929</u>	<u>1,649,929</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,912,082</u>	<u>\$ 2,087,561</u>	<u>\$ 175,479</u>

STATISTICAL SECTION



STATISTICAL TABLES

This part of the City’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue source, the income tax.	
Debt Capacity	S 18 – S 25
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 26 – S 29
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 30 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

Sources Note:

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Heath, Ohio

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities:	*		
Net Investment in Capital Assets	\$32,879,970	\$32,583,035	\$32,767,862
Restricted	3,667,955	3,096,603	3,397,635
Unrestricted (Deficit)	<u>(4,790,644)</u>	<u>(4,539,258)</u>	<u>(4,690,517)</u>
Total Governmental Activities Net Position	<u><u>\$31,757,281</u></u>	<u><u>\$31,140,380</u></u>	<u><u>\$31,474,980</u></u>
Business-type Activities:	*		
Net Investment in Capital Assets	\$14,265,581	\$14,247,988	\$14,895,733
Unrestricted	<u>4,028,883</u>	<u>4,802,704</u>	<u>4,628,954</u>
Total Business-type Activities Net Position	<u><u>\$18,294,464</u></u>	<u><u>\$19,050,692</u></u>	<u><u>\$19,524,687</u></u>
Primary Government:			
Net Investment in Capital Assets	\$47,145,551	\$46,831,023	\$47,663,595
Restricted	3,667,955	3,096,603	3,397,635
Unrestricted (Deficit)	<u>(761,761)</u>	<u>263,446</u>	<u>(61,563)</u>
Total Primary Government Net Position	<u><u>\$50,051,745</u></u>	<u><u>\$50,191,072</u></u>	<u><u>\$50,999,667</u></u>

Source: City Auditor's Office

* 2014 & 2017 Net Position was restated for the implementation of GASBs 68 & 75, respectively.

City of Heath, Ohio

2017	2018	2019	2020	2021	2022	2023
*						
\$33,319,642	\$37,542,871	\$38,284,771	\$39,953,094	\$39,478,770	\$34,078,471	\$34,979,311
1,847,160	2,177,417	2,825,835	2,581,575	7,849,731	7,072,720	6,222,424
(11,653,068)	(11,168,308)	(4,914,041)	(4,482,277)	(5,618,094)	(513,860)	49,157
<u>\$23,513,734</u>	<u>\$28,551,980</u>	<u>\$36,196,565</u>	<u>\$38,052,392</u>	<u>\$41,710,407</u>	<u>\$40,637,331</u>	<u>\$41,250,892</u>
*						
\$14,798,264	\$15,111,321	\$15,070,829	\$15,299,429	\$15,496,591	\$15,064,970	\$16,351,753
4,232,402	4,615,269	4,964,086	4,468,105	6,108,162	9,238,928	8,497,655
<u>\$19,030,666</u>	<u>\$19,726,590</u>	<u>\$20,034,915</u>	<u>\$19,767,534</u>	<u>\$21,604,753</u>	<u>\$24,303,898</u>	<u>\$24,849,408</u>
\$48,117,906	\$52,654,192	\$53,355,600	\$55,252,523	\$54,975,361	\$49,143,441	\$51,331,064
1,847,160	2,177,417	2,825,835	2,581,575	7,849,731	7,072,720	6,222,424
(7,420,666)	(6,553,039)	50,045	(14,172)	490,068	8,725,068	8,546,812
<u>\$42,544,400</u>	<u>\$48,278,570</u>	<u>\$56,231,480</u>	<u>\$57,819,926</u>	<u>\$63,315,160</u>	<u>\$64,941,229</u>	<u>\$66,100,300</u>

City of Heath, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2014	2015	2016	2017
Expenses				
Governmental Activities:				
Security of Persons and Property	\$5,361,303	\$5,380,059	\$6,172,133	\$6,322,655
Public Health and Welfare Services	55,970	55,970	57,369	57,369
Leisure Time Activities	1,387,265	1,220,510	1,308,192	1,434,646
Community Environment	270,574	257,150	309,048	305,964
Basic Utility Services	0	0	0	0
Transportation	1,267,738	1,863,500	995,838	1,115,075
General Government	1,453,988	1,385,688	1,324,285	1,736,746
Interest and Fiscal Charges	84,363	81,723	81,127	79,992
<i>Total Governmental Activities Expenses</i>	<u>9,881,201</u>	<u>10,244,600</u>	<u>10,247,992</u>	<u>11,052,447</u>
Business-type Activities:				
Water	1,867,677	1,878,912	1,986,115	2,282,184
Sewer	2,038,089	2,060,955	1,991,200	2,110,841
<i>Total Business-type Activities Expenses</i>	<u>3,905,766</u>	<u>3,939,867</u>	<u>3,977,315</u>	<u>4,393,025</u>
<i>Total Primary Government Expenses</i>	<u><u>\$13,786,967</u></u>	<u><u>\$14,184,467</u></u>	<u><u>\$14,225,307</u></u>	<u><u>\$15,445,472</u></u>
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Security of Persons and Property	\$487,374	\$493,602	\$526,680	\$559,504
Leisure Time Activities	425,487	452,803	524,963	509,725
Community Environment	18,085	28,809	66,265	39,566
Transportation	9,929	23,254	9,285	2,704
General Government	11,800	21,269	12,988	11,923
Operating Grants and Contributions	661,083	695,090	686,525	736,615
Capital Grants and Contributions	400,859	8,992	235,239	323,000
<i>Total Governmental Activities Program Revenues</i>	<u>2,014,617</u>	<u>1,723,819</u>	<u>2,061,945</u>	<u>2,183,037</u>

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
\$6,495,829	\$1,773,820	\$6,740,798	\$6,715,060	\$7,748,063	\$9,229,742
57,369	57,943	58,522	58,522	118,807	0
1,376,776	1,650,984	987,154	994,823	1,234,154	1,867,831
269,307	358,163	389,513	240,003	346,997	639,080
0	0	1,273	314,745	1,170,242	119,902
939,862	1,674,486	2,220,098	2,679,356	3,102,037	4,979,401
1,603,512	1,757,402	2,165,634	1,303,454	1,529,725	1,977,197
70,857	54,271	38,653	535,064	12,461	70,464
<u>10,813,512</u>	<u>7,327,069</u>	<u>12,601,645</u>	<u>12,841,027</u>	<u>15,262,486</u>	<u>18,883,617</u>
2,215,502	2,296,946	2,434,601	1,739,412	2,742,437	2,341,438
2,074,353	2,098,157	2,417,446	1,539,046	2,381,662	2,665,175
<u>4,289,855</u>	<u>4,395,103</u>	<u>4,852,047</u>	<u>3,278,458</u>	<u>5,124,099</u>	<u>5,006,613</u>
<u>\$15,103,367</u>	<u>\$11,722,172</u>	<u>\$17,453,692</u>	<u>\$16,119,485</u>	<u>\$20,386,585</u>	<u>\$23,890,230</u>
\$598,569	\$627,841	\$598,446	\$612,322	\$751,087	\$791,035
536,648	607,571	16,217	349,410	257,109	273,642
33,682	89,266	90,144	204,138	71,809	52,679
14,046	19,000	90,352	22,448	38,035	18,331
15,669	22,480	17,181	16,240	18,615	45,682
762,026	1,043,159	1,660,100	1,076,535	991,379	1,068,203
3,043,724	427,610	226,739	372,422	0	547,556
<u>5,004,364</u>	<u>2,836,927</u>	<u>2,699,179</u>	<u>2,653,515</u>	<u>2,128,034</u>	<u>2,797,128</u>

(continued)

City of Heath, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2014	2015	2016	2017
Business-type Activities:				
Charges for Services and Sales				
Water	2,245,921	2,488,561	2,292,134	2,335,663
Sewer	1,947,153	2,193,124	2,148,903	2,203,296
Capital Grants and Contributions	8,962	0	0	0
<i>Total Business-type Activities Program Revenues</i>	4,202,036	4,681,685	4,441,037	4,538,959
<i>Total Primary Government Program Revenues</i>	6,216,653	6,405,504	6,502,982	6,721,996
 Net (Expense)/Revenue				
Governmental Activities	(7,866,584)	(8,520,781)	(8,186,047)	(8,869,410)
Business-type Activities	296,270	741,818	463,722	145,934
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$7,570,314)	(\$7,778,963)	(\$7,722,325)	(\$8,723,476)
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes	\$1,183,320	\$1,173,389	\$1,429,374	\$1,455,838
Municipal Income Taxes	5,716,808	6,023,648	6,438,248	6,012,098
Other Local Taxes	5,647	1,684	22,162	10,386
Intergovernmental Revenue, Unrestricted	595,813	447,701	410,657	411,529
Investment Earnings	65,477	137,416	140,161	96,091
Miscellaneous	106,763	120,042	80,045	135,219
Transfers	0	0	0	0
<i>Total Governmental Activities</i>	7,673,828	7,903,880	8,520,647	8,121,161
 Business-type Activities:				
Investment Earnings	8,142	14,410	10,273	13,252
Transfers	0	0	0	0
<i>Total Business-type Activities</i>	8,142	14,410	10,273	13,252
<i>Total Primary Government</i>	\$7,681,970	\$7,918,290	\$8,530,920	\$8,134,413
 Change in Net Position				
Governmental Activities	(\$192,756)	(\$616,901)	\$334,600	(\$748,249)
Business-type Activities	304,412	756,228	473,995	159,186
<i>Total Primary Government Change in Net Position</i>	\$111,656	\$139,327	\$808,595	(\$589,063)

Source: City Auditor's Office

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
2,560,275	2,363,198	2,281,922	2,570,786	2,639,535	2,532,477
2,412,812	2,323,446	2,278,770	2,537,753	2,735,678	2,490,027
0	0	12,000	0	566,487	424,513
<u>4,973,087</u>	<u>4,686,644</u>	<u>4,572,692</u>	<u>5,108,539</u>	<u>5,941,700</u>	<u>5,447,017</u>
<u>9,977,451</u>	<u>7,523,571</u>	<u>7,271,871</u>	<u>7,762,054</u>	<u>8,069,734</u>	<u>8,244,145</u>
(5,809,148)	(4,490,142)	(9,902,466)	(10,187,512)	(13,134,452)	(16,086,489)
683,232	291,541	(279,355)	1,830,081	817,601	440,404
<u>(\$5,125,916)</u>	<u>(\$4,198,601)</u>	<u>(\$10,181,821)</u>	<u>(\$8,357,431)</u>	<u>(\$12,316,851)</u>	<u>(\$15,646,085)</u>
\$1,549,423	\$1,594,279	\$1,641,616	\$1,705,281	\$1,723,470	\$1,775,393
8,553,511	9,435,004	8,936,297	11,436,345	11,913,647	13,116,339
0	0	0	0	0	0
452,055	481,600	419,163	578,673	600,485	725,494
163,323	464,517	367,937	(100,174)	(477,024)	970,170
129,082	159,327	393,280	225,402	170,639	195,304
0	0	0	0	(1,869,841)	(82,650)
<u>10,847,394</u>	<u>12,134,727</u>	<u>11,758,293</u>	<u>13,845,527</u>	<u>12,061,376</u>	<u>16,700,050</u>
12,692	16,784	11,974	7,138	11,703	22,456
0	0	0	0	1,869,841	82,650
<u>12,692</u>	<u>16,784</u>	<u>11,974</u>	<u>7,138</u>	<u>1,881,544</u>	<u>105,106</u>
<u>\$10,860,086</u>	<u>\$12,151,511</u>	<u>\$11,770,267</u>	<u>\$13,852,665</u>	<u>\$13,942,920</u>	<u>\$16,805,156</u>
\$5,038,246	\$7,644,585	\$1,855,827	\$3,658,015	(\$1,073,076)	\$613,561
695,924	308,325	(267,381)	1,837,219	2,699,145	545,510
<u>\$5,734,170</u>	<u>\$7,952,910</u>	<u>\$1,588,446</u>	<u>\$5,495,234</u>	<u>\$1,626,069</u>	<u>\$1,159,071</u>

City of Heath, Ohio

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nondisposable	\$111,399	\$92,140	\$149,022	\$156,165
Assigned	400,358	553,846	657,639	681,475
Unassigned	<u>2,473,305</u>	<u>2,521,638</u>	<u>2,946,820</u>	<u>2,615,466</u>
<i>Total General Fund</i>	<u>2,985,062</u>	<u>3,167,624</u>	<u>3,753,481</u>	<u>3,453,106</u>
All Other Governmental Funds				
Nondisposable	110,490	87,499	77,760	86,709
Restricted	1,265,681	975,602	1,912,114	1,647,773
Committed	2,133,328	1,928,153	1,710,558	1,535,396
Assigned	0	0	0	0
Unassigned	<u>0</u>	<u>0</u>	<u>(10,230)</u>	<u>(33,228)</u>
Total All Other Governmental Funds	<u>3,509,499</u>	<u>2,991,254</u>	<u>3,690,202</u>	<u>3,236,650</u>
<i>Total Governmental Funds</i>	<u><u>\$6,494,561</u></u>	<u><u>\$6,158,878</u></u>	<u><u>\$7,443,683</u></u>	<u><u>\$6,689,756</u></u>

Source: City Auditor's Office

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
\$166,587	\$156,401	\$182,726	\$179,520	\$130,219	\$60,774
544,515	188,281	1,047,966	888,935	3,081,258	2,436,825
4,099,621	5,151,733	4,554,088	7,221,894	3,847,860	6,483,782
<u>4,810,723</u>	<u>5,496,415</u>	<u>5,784,780</u>	<u>8,290,349</u>	<u>7,059,337</u>	<u>8,981,381</u>
85,463	91,002	98,645	97,170	71,801	94,506
1,865,120	2,450,142	2,154,804	7,479,903	6,667,271	5,864,766
1,652,937	2,675,283	3,107,747	2,116,106	2,937,836	2,440,863
0	0	0	741,382	0	0
0	0	0	0	0	(131,828)
<u>3,603,520</u>	<u>5,216,427</u>	<u>5,361,196</u>	<u>10,434,561</u>	<u>9,676,908</u>	<u>8,268,307</u>
<u>\$8,414,243</u>	<u>\$10,712,842</u>	<u>\$11,145,976</u>	<u>\$18,724,910</u>	<u>\$16,736,245</u>	<u>\$17,249,688</u>

City of Heath, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2014	2015	2016	2017
Revenues:				
Taxes	\$6,903,383	\$7,202,848	\$7,888,491	\$7,510,219
Intergovernmental Revenues	1,617,442	1,201,765	1,265,540	1,440,276
Charges for Services	853,057	861,981	964,331	973,753
Licenses and Permits	17,872	28,924	66,272	92,882
Investment Earnings	65,477	137,416	140,161	96,091
Fines and Forfeitures	42,425	68,319	63,549	54,448
All Other Revenue	146,084	180,555	126,074	193,114
Total Revenue	9,645,740	9,681,808	10,514,418	10,360,783
Expenditures:				
Current:				
Security of Persons and Property	5,232,686	5,792,998	5,334,164	6,116,970
Public Health and Welfare Services	55,970	55,970	57,369	57,369
Leisure Time Activities	1,111,702	1,001,695	1,025,447	1,058,451
Community Environment	249,678	292,709	282,702	266,458
Basic Utility Services	0	0	0	0
Transportation	1,376,248	1,440,761	1,439,671	1,535,393
General Government	1,400,963	1,381,407	1,368,483	1,413,827
Debt Service:				
Principal Retirement	371,439	382,906	482,667	588,964
Interest and Fiscal Charges	85,509	76,542	80,671	77,399
Total Expenditures	9,884,195	10,424,988	10,071,174	11,114,831
Excess (Deficiency) of Revenues Over Expenditures	(238,455)	(743,180)	443,244	(754,048)

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
\$10,092,690	\$10,969,614	\$10,571,977	\$13,223,565	\$13,580,676	\$14,711,389
4,088,411	1,849,601	2,154,242	1,982,077	1,446,391	2,312,024
1,040,589	1,167,985	547,239	917,948	917,253	1,034,118
115,362	176,181	184,862	296,852	156,441	142,336
163,323	464,517	367,937	(100,174)	(477,024)	970,170
62,494	56,385	29,059	41,286	90,669	49,136
191,386	210,965	532,432	262,931	227,659	227,193
<u>15,754,255</u>	<u>14,895,248</u>	<u>14,387,748</u>	<u>16,624,485</u>	<u>15,942,065</u>	<u>19,446,366</u>
5,796,579	6,613,062	7,288,286	6,898,134	8,117,326	8,176,255
57,369	57,943	58,522	58,522	118,807	0
1,113,746	1,264,602	708,489	1,083,120	1,231,659	1,777,250
245,842	317,859	383,008	343,778	432,517	605,734
0	0	1,273	314,745	1,179,985	119,902
4,751,693	2,201,218	2,749,228	3,486,441	3,337,484	6,051,900
1,538,505	1,554,234	2,205,410	1,818,612	1,785,070	1,971,754
651,639	523,444	536,961	460,333	341,207	452,593
67,617	60,187	44,946	536,647	13,294	84,000
<u>14,222,990</u>	<u>12,592,549</u>	<u>13,976,123</u>	<u>15,000,332</u>	<u>16,557,349</u>	<u>19,239,388</u>
1,531,265	2,302,699	411,625	1,624,153	(615,284)	206,978

(Continued)

City of Heath, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Lease Initiated	0	435,678	117,027	0
OPWC/Installment Loans Issued	0	0	740,000	0
Bonds Issued	0	0	0	0
Premium on Bonds Issued	0	0	0	0
Transfers In	1,281,395	785,000	791,368	924,111
Transfers Out	(1,281,395)	(785,000)	(791,368)	(924,111)
Total Other Financing Sources (Uses)	<u>0</u>	<u>435,678</u>	<u>857,027</u>	<u>0</u>
Net Change in Fund Balance	<u>(\$238,455)</u>	<u>(\$307,502)</u>	<u>\$1,300,271</u>	<u>(\$754,048)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 5.04%	 4.76%	 6.30%	 6.92%

Source: City Auditor's Office

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
0	0	0	506,100	0	0
190,436	0	0	0	0	389,115
0	0	0	0	496,460	0
0	0	0	5,020,000	0	0
0	0	0	428,681	0	0
950,683	2,205,233	2,149,166	3,326,339	5,528,920	5,409,842
(950,683)	(2,205,233)	(2,149,166)	(3,326,339)	(7,398,761)	(5,492,492)
190,436	0	0	5,954,781	(1,373,381)	306,465
<u>\$1,721,701</u>	<u>\$2,302,699</u>	<u>\$411,625</u>	<u>\$7,578,934</u>	<u>(\$1,988,665)</u>	<u>\$513,443</u>
7.71%	5.16%	5.06%	7.27%	2.31%	3.15%

City of Heath, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2014	2015	2016	2017
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income (in thousands)	\$410,699	\$430,205	\$441,505	\$458,424
Total Tax Collected	\$5,942,600	\$6,072,725	\$6,597,206	\$6,394,316
Income Tax Receipts				
Withholding	4,456,950	4,526,078	4,799,454	4,799,257
Percentage	75.00%	74.53%	72.75%	75.06%
Corporate	1,064,014	1,069,468	1,321,692	1,124,958
Percentage	17.90%	17.61%	20.03%	17.59%
Individuals	421,636	477,179	476,060	470,101
Percentage	7.10%	7.86%	7.22%	7.35%

Source: City Income Tax Department

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
\$472,652	\$489,704	\$529,697	\$575,284	\$579,584	\$579,584
\$8,587,950	\$9,719,207	\$9,102,968	\$11,375,411	\$12,419,570	\$13,658,545
6,466,780	7,063,626	7,276,015	8,200,389	9,179,287	9,863,210
75.30%	72.68%	79.93%	72.09%	73.91%	72.21%
1,566,290	1,866,460	1,124,742	2,326,796	2,303,983	2,888,407
18.24%	19.20%	12.36%	20.45%	18.55%	21.15%
554,880	789,121	702,211	848,226	936,300	906,928
6.46%	8.12%	7.71%	7.46%	7.54%	6.64%



City of Heath, Ohio

*Income Tax Statistics
Current Year and Nine Years Ago*

Calendar Year 2023

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.21%	\$219,943,750	32.21%	\$4,398,875	32.21%
All Others	4,864	99.79%	462,983,500	67.79%	9,259,670	67.79%
Total	4,874	100.00%	\$682,927,250	100.00%	\$13,658,545	100.00%

Calendar Year 2014

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.19%	\$152,215,667	38.42%	\$2,283,235	38.42%
All Others	5,344	99.81%	243,957,667	61.58%	3,659,365	61.58%
Total	5,354	100.00%	\$396,173,334	100.00%	\$5,942,600	100.00%

Source: City Income Tax Department

City of Heath, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2014	2015	2016	2017
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$2,640,000	\$2,285,000	\$1,925,000	\$1,560,000
Installment Loan Payable	0	0	710,000	592,610
OPWC Loans Payable	0	0	0	0
Leases	38,773	446,545	470,905	364,331
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	2,570,000	2,160,000	1,735,000	1,538,492
Ohio Water Development Authority Loans	5,360,803	5,052,270	5,363,436	5,729,538
Ohio Public Works Commission Loan	353,326	335,166	326,086	418,129
General Obligation Notes Payable	0	0	0	588,000
Leases	0	460,000	373,175	283,814
Total Primary Government	<u>\$10,962,902</u>	<u>\$10,738,981</u>	<u>\$10,903,602</u>	<u>\$11,074,914</u>
Population ⁽²⁾				
City of Heath	10,310	10,310	10,310	10,310
Outstanding Debt Per Capita	\$1,063	\$1,042	\$1,058	\$1,074
Income ⁽³⁾				
Personal (in thousands)	410,699	430,205	441,505	458,424
Percentage of Personal Income	2.67%	2.50%	2.47%	2.42%

Sources:

- (1) City Auditor's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
\$1,185,000	\$935,000	\$680,000	\$5,853,938	\$5,529,452	\$5,204,966
477,907	360,943	241,670	120,000	90,000	60,000
0	0	0	0	490,253	471,637
392,831	236,351	73,663	0	0	290,138
1,375,245	1,074,583	760,153	437,146	110,473	0
5,333,868	4,924,946	4,502,319	4,065,517	3,841,649	3,978,359
527,008	496,986	481,975	451,953	421,931	511,499
0	0	0	0	0	0
191,880	97,298	0	0	0	309,749
<u>\$9,483,739</u>	<u>\$8,126,107</u>	<u>\$6,739,780</u>	<u>\$10,928,554</u>	<u>\$10,483,758</u>	<u>\$10,826,348</u>
10,310	10,310	10,310	10,412	10,412	10,412
\$920	\$788	\$654	\$1,050	\$1,007	\$1,040
472,652	489,704	529,697	575,284	579,584	579,584
2.01%	1.66%	1.27%	1.90%	1.81%	1.87%

City of Heath, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2014	2015	2016	2017
Population (1)	10,310	10,310	10,310	10,310
Assessed Value (2)	\$271,209,375	\$261,546,140	\$266,502,766	\$291,423,474
General Bonded Debt (3)				
General Obligation Bonds	\$5,210,000	\$4,445,000	\$3,660,000	\$3,098,492
Resources Available to Pay Principal (4)	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$5,210,000	\$4,445,000	\$3,660,000	\$3,098,492
Ratio of Net Bonded Debt to Estimated Actual Value	1.92%	1.70%	1.37%	1.06%
Net Bonded Debt per Capita	\$505.33	\$431.13	\$355.00	\$300.53

Source:

- (1) U.S. Bureau of Census of Population
- (2) Licking County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
10,310	10,310	10,310	10,412	10,412	10,412
\$298,686,181	\$303,068,832	\$333,534,111	\$335,294,094	\$344,104,315	\$460,219,020
\$2,560,245	\$2,009,583	\$1,440,153	\$6,291,084	\$5,639,925	\$5,204,966
\$0	\$0	\$0	\$0	\$0	\$0
\$2,560,245	\$2,009,583	\$1,440,153	\$6,291,084	\$5,639,925	\$5,204,966
0.86%	0.66%	0.43%	1.88%	1.64%	1.13%
\$248.33	\$194.92	\$139.69	\$604.21	\$541.68	\$499.90



City of Heath, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2023*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Heath (1)</u>	<u>Amount Applicable to the City of Heath</u>
Direct:			
City of Heath	\$6,026,741	100.00%	\$6,026,741
Overlapping:			
Heath City School District	4,584,274	96.93%	4,443,537
Licking County	25,511,982	6.14%	<u>1,566,436</u>
		Subtotal	<u>6,009,973</u>
		Total	<u><u>\$12,036,714</u></u>

Source: Licking County

(1) Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Heath, Ohio

*Debt Limitations
Last Ten Years*

Collection Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$271,209,375	\$261,546,140	\$266,502,766	\$291,423,474
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	28,476,984	27,462,345	27,982,790	30,599,465
City Debt Outstanding (2)	2,640,000	2,285,000	1,925,000	1,560,000
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>2,640,000</u>	<u>2,285,000</u>	<u>1,925,000</u>	<u>1,560,000</u>
Overall Legal Debt Margin	<u>\$25,836,984</u>	<u>\$25,177,345</u>	<u>\$26,057,790</u>	<u>\$29,039,465</u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$271,209,375	\$261,546,140	\$266,502,766	\$291,423,474
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	14,916,516	14,385,038	14,657,652	16,028,291
City Debt Outstanding (2)	2,640,000	2,285,000	1,925,000	1,560,000
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>2,640,000</u>	<u>2,285,000</u>	<u>1,925,000</u>	<u>1,560,000</u>
Overall Legal Debt Margin	<u>\$12,276,516</u>	<u>\$12,100,038</u>	<u>\$12,732,652</u>	<u>\$14,468,291</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
\$298,686,181	\$303,068,832	\$333,534,111	\$335,294,094	\$344,104,315	\$460,219,020
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
31,362,049	31,822,227	35,021,082	35,205,880	36,130,953	48,322,997
1,185,000	935,000	680,000	5,853,938	5,529,452	5,204,966
0	0	0	0	0	0
1,185,000	935,000	680,000	5,853,938	5,529,452	5,204,966
\$30,177,049	\$30,887,227	\$34,341,082	\$29,351,942	\$30,601,501	\$43,118,031
\$298,686,181	\$303,068,832	\$333,534,111	\$335,294,094	\$344,104,315	\$460,219,020
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
16,427,740	16,668,786	18,344,376	18,441,175	18,925,737	25,312,046
1,185,000	935,000	680,000	5,853,938	5,529,452	5,204,966
0	0	0	0	0	0
1,185,000	935,000	680,000	5,853,938	5,529,452	5,204,966
\$15,242,740	\$15,733,786	\$17,664,376	\$12,587,237	\$13,396,285	\$20,107,080

City of Heath, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2014	2015	2016	2017	2018
Population ⁽¹⁾					
City of Heath	10,310	10,310	10,310	10,310	10,310
Licking County	166,492	166,492	166,492	166,492	166,492
Income ^{(2) (a)}					
Total Personal (in thousands)	410,699	430,205	441,505	458,424	472,652
Per Capita	39,835	41,727	42,823	44,464	45,844
Unemployment Rate ⁽³⁾					
Federal	6.2%	4.4%	4.9%	4.4%	3.9%
State	5.7%	4.9%	4.9%	5.0%	4.6%
Licking County	5.1%	5.3%	4.3%	4.2%	4.0%
Civilian Work Force Estimates ⁽³⁾					
State	5,719,500	5,700,300	5,713,100	5,780,000	5,754,900
Licking County	87,200	83,600	87,900	89,800	89,000

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2022 for the presentation of 2023 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

City of Heath, Ohio

2019	2020	2021	2022	2023
10,310	10,310	10,412	10,412	10,412
166,492	166,492	178,519	178,519	178,519
489,704	529,697	575,284	579,584	579,584
47,498	51,377	55,252	55,665	55,665
3.7%	8.1%	5.3%	3.6%	3.6%
4.1%	8.1%	5.1%	4.0%	3.5%
3.7%	6.5%	4.1%	3.4%	3.1%
5,802,300	5,754,300	5,736,900	5,741,300	5,787,000
90,500	90,700	91,400	92,200	92,600



City of Heath, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2023	
		Number of Employees	Rank
Central Ohio Aerospace & Technology Center	Manufacturing	1,125	1
Walmart	Retail Sales	546	2
Heath City Board of Education	Education	316	3
JLH Automotive	Retail Sales	262	4
Kaiser Aluminum & Chemical Co	Manufacturing	227	5
Marathon Petroleum	Petroleum Products	214	6
Samuel Son & Co	Manufacturing	204	7
Englefield	Petroleum Products	199	8
Ariel Corp	Manufacturing	134	9
Coughlin Ford	Retail Sales	111	10
Total		3,338	

Employer	Nature of Business	2014	
		Number of Employees	Rank
Central Ohio Aerospace & Technology Center	Manufacturing	797	1
Super Wal-Mart Stores	Retail Sales	434	2
Arvin/Meritor	Manufacturing	323	3
Kaiser Aluminum & Chemical Co.	Manufacturing	320	4
Heath City Schools	Education	254	5
Heath Nursing Home	Health Care	241	6
Lowe's Home Center	Retail Sales	240	7
Target Stores	Retail Sales	207	8
John Hinderer Honda	Retail Sales	162	9
Englefield Oil	Petroleum Products	141	10
Total		3,119	

Sources:

City of Heath Income Tax Department

Note: Total employees within the City limits is not available.

City of Heath, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2014	2015	2016	2017
Governmental Activities				
General Government				
Mayor	1.00	1.00	1.00	1.00
Auditor	1.50	1.50	1.00	1.00
Council	7.00	7.00	7.00	7.00
Clerk of Council	1.00	1.00	1.00	1.00
Legal	1.00	1.00	1.00	1.00
Administration	3.25	3.25	3.25	3.25
Income Tax	4.00	4.00	4.00	4.00
Service	5.00	0.50	0.50	0.50
Security of Persons and Property				
Police	18.00	18.00	18.00	17.00
Fire	16.00	16.00	16.00	16.00
Communications	8.00	8.00	7.00	8.00
Transportation				
Street	6.00	6.00	6.00	6.00
Leisure Time Activities				
Recreation / Parks	4.75	4.75	4.75	4.75
Water Park	38.00	38.00	35.75	36.00
Community Environment				
Zoning	2.00	2.00	2.00	2.00
Business-Type Activities				
Utilities				
Water	10.00	9.25	10.00	10.75
Sewer	8.75	8.25	8.75	8.75
<i>Total Employees</i>	<u>135.25</u>	<u>129.50</u>	<u>127.00</u>	<u>128.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

* - Did not open in 2020 due to the COVID-19 Pandemic

Source: City Auditor's Office

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
7.00	7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
3.25	3.25	3.25	3.25	4.25	4.25
4.00	4.00	4.00	4.00	4.00	4.00
0.50	0.50	0.50	0.50	0.50	0.50
19.00	20.00	20.00	19.00	19.00	19.00
16.00	20.00	21.00	20.00	20.00	23.00
8.00	8.00	8.00	7.00	10.00	10.00
6.50	7.50	7.50	6.50	8.50	7.50
4.25	4.25	4.25	4.25	4.25	6.25
38.00	42.00	0 *	35.25	37.50	34.75
2.00	2.00	2.00	2.00	2.00	3.00
10.75	10.25	9.25	9.25	9.25	9.00
8.75	8.25	8.25	8.25	9.25	9.25
<u>132.00</u>	<u>141.00</u>	<u>99.00</u>	<u>130.25</u>	<u>139.50</u>	<u>141.50</u>

City of Heath, Ohio

Operating Indicators by Function Last Ten Years

	2014	2015	2016	2017
Governmental Activities				
General Government				
Council				
Members	7	7	7	7
Number of Ordinances passed	92	91	61	95
Number of Resolutions passed	7	4	5	6
Security of Persons and Property				
Police				
Number of Traffic Citations Issued	662	1,143	1,189	1,017
Number of Arrests	658	603	780	746
Fire				
Number of Calls	2,420	2,506	2,752	2,782
Number of Inspections	400	272	78	177
Transportation				
Street				
Number of Streets Resurfaced	2	8	1	7
Leisure Time Activities				
Recreation / Parks				
Number of Pool/Water Park Memberships Sold	757	721	763	794
Community Environment				
Number of Building Permits	60	82	73	67
Number of Building Inspections	45	82	51	67
Number of Board of Building and Zoning Appeal Cases	11	12	12	17
Business-Type Activities				
Water				
Number of Service Connections	3,824	3,825	3,825	4,485
Daily Average Consumption (thousands of gallons)	1,150	1,200	1,200	1,200
Maximun Daily Capacity (thousands of gallons)	4,000	4,000	4,000	4,000
Sewer				
Daily Average Sewage Treatment (thousands of gallons)	1,390	1,290	1,290	1,230

* - Did not open in 2020 due to the COVID-19 Pandemic

Source: City Auditor's Office

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
7	7	7	7	7	7
66	68	75	68	111	110
7	9	7	6	11	18
883	1,223	758	618	525	446
670	692	578	485	320	280
2,857	2,909	2,674	2,907	3,268	3,398
106	224	39	107	176	260
4	11	6	8	18	5
716	795	0 *	371	285	197
139	68	79	74	74	63
107	22	75	70	74	51
13	8	21	6	16	31
4,490	4,490	4,495	4,495	4,495	4,503
1,250	1,300	1,395	1,400	1,400	1,400
4,000	4,000	4,000	4,000	4,000	4,000
1,250	1,300	1,350	1,350	1,400	1,400

City of Heath, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	2014	2015	2016	2017
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	140	140	140	204
Buildings	23	23	23	24
Security of Persons and Property				
Police				
Stations	1	1	1	1
Patrol Vehicles	9	9	9	8
Fire				
Stations	2	2	2	2
Vehicles	10	10	10	11
Transportation				
Street				
Streets (lane miles)	94	95	95	95
Street Lights	709	709	709	709
Traffic Signals (Intersections)	19	19	19	19
Vehicles	14	14	14	15
Leisure Time Activities				
Recreation / Parks				
Land (acres)	376	376	376	376
Buildings	4	4	4	4
Parks	11	11	11	11
Playgrounds	4	4	4	4
Swimming Pools	1	1	1	1
Baseball/Softball Diamonds	8	8	8	8
Sand Volleyball Courts	2	2	2	2

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
458	458	461	461	461	461
23	24	25	25	25	25
1	1	1	1	1	1
9	9	10	10	10	10
2	2	2	2	2	2
11	10	12	12	12	12
95	95	95	95	95	95
709	710	710	710	710	710
19	19	19	20	20	20
15	15	16	17	18	18
376	376	376	376	376	400
4	4	4	4	4	4
11	11	11	11	11	11
4	4	4	4	1	1
1	1	1	1	1	1
8	8	8	8	8	8
2	2	2	2	2	2

(Continued)

City of Heath, Ohio

Capital Asset Statistics by Function Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	89	89	90	90
Pump Stations	5	5	5	5
Number of Hydrants	780	788	793	794
Average Daily Consumption	1,150,000	1,200,000	1,200,000	1,200,000
Storage Capacity (thousands of gallons)	2,383	2,383	2,600	2,600
Sewer				
Sewerlines (Miles)	117	117	118	118
Lift Stations	19	18	18	18
Storm Drains (Miles)	43	43	49	49
Treatment Capacity (thousands of gallons)	1,750	2,240	2,777	2,250

Source: City Auditor's Office

City of Heath, Ohio

2018	2019	2020	2021	2022	2023
90	90	90	91	91	91
5	5	5	5	5	5
800	800	805	814	814	814
1,200,000	1,300,000	1,350,000	1,350,000	1,400,000	1,400,000
2,600	2,600	2,600	2,600	2,600	2,600
118	118	120	120	121	121
18	18	18	18	19	19
49					
2,250	2,250	2,250	2,250	2,250	2,250



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OHIO AUDITOR OF STATE KEITH FABER



CITY OF HEATH

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/15/2024

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

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