

VILLAGE OF ST. BERNARD

HAMILTON COUNTY



REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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800-282-0370

Village Council
Village of St. Bernard
110 Washington Avenue
St. Bernard, Ohio 45217

We have reviewed the *Independent Auditor's Report* of the Village of St. Bernard, Hamilton County, prepared by Plattenburg & Associates, 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 Village of St. Bernard is responsible for compliance with these laws and regulations.

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Keith Faber
Auditor of State
Columbus, Ohio

July 01, 2024

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**VILLAGE OF ST. BERNARD
HAMILTON COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

Village of St. Bernard
110 Washington Ave.
St. Bernard, Ohio 45217

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of St. Bernard, Ohio (the Village) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village 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 these 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 Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village'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, budgetary comparison schedule and schedules of pension information and other postemployment information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2024, on our consideration of the Village'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 Village'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 Village's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
June 8, 2024

Village of St Bernard, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

The discussion and analysis of the Village of St. Bernard’s financial performance provides an overall review of the Village’s financial activities for the fiscal year ended December 31, 2023. The intent of this discussion and analysis is to look at the Village’s financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Village’s financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- Net Position increased \$1,516,334 from 2022.
- General revenues accounted for \$14,686,658 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1,847,813 or 11% of total revenues of \$16,534,471.
- The Village had \$15,018,137 in expenses related to governmental activities. General revenues (primarily taxes) of \$14,686,658 plus program revenues of \$1,847,813 were adequate to provide for these programs.
- Among major funds, the General Fund had \$14,253,056 in revenues and other financing sources and \$14,270,912 in expenditures and other financing uses. The General Fund’s fund balance increased \$119,225 to \$11,466,899.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – *management’s discussion and analysis* and the *basic financial statements*. The basic financial statements include two kinds of statements that present different views of the Village:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the Village’s overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the Village, reporting the Village’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.

Government-Wide Financial Statements

The government-wide statements report information about the Village as a whole using accepted 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.

Village of St Bernard, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

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

- Over time, increases or decreases in the Village's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Village you need to consider additional nonfinancial factors such as the Village's tax base and the condition of the Village's capital assets.

The government-wide financial statements of the Village reflect the following category of its activities:

- *Governmental Activities* – All of the Village's programs and services are reported here, including security of persons and property, public health and welfare services, leisure time activities, community environment, basic utility services, transportation, general government and other expenditures.

Fund Financial Statements

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

Governmental Funds – Most of the Village'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 Village'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 educational 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.

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 Village's own programs. All of the Village's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The following table provides a comparison of the Village's Net Position as of December 31, 2023 and 2022:

Village of St Bernard, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

	Governmental Activities	
	2023	2022
Assets		
Current and Other Assets	\$27,579,404	\$26,797,307
Net OPEB Asset	\$0	\$397,345
Capital Assets	22,312,146	21,964,049
Total Assets	49,891,550	49,158,701
Deferred Outflows of Resources		
Pension	5,454,280	2,844,373
OPEB	834,506	672,359
Total Deferred Outflows of Resources	6,288,786	3,516,732
Liabilities		
Other Liabilities	287,317	768,661
Long-Term Liabilities		
Net Pension Liability	15,435,615	8,750,442
Net OPEB Liability	960,025	1,329,420
Other Amounts	16,603,371	16,853,059
Total Liabilities	33,286,328	27,701,582
Deferred Inflows of Resources		
Property Taxes	975,000	850,000
Grants and Other Taxes	86,992	86,564
Leases	86,457	132,150
OPEB	1,242,385	1,335,015
Pension	1,186,616	4,769,898
Total Deferred Inflows of Resources	3,577,450	7,173,627
Net Position		
Net Investment in Capital Assets	7,315,145	6,731,792
Restricted	9,476,959	8,809,894
Unrestricted	2,524,454	2,258,538
Total Net Position	\$19,316,558	\$17,800,224

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Village of St Bernard, Ohio
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 fiscal year 2023 and 2022:

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues:		
Program Revenues:		
Charges for Services and Sales	\$1,124,103	\$1,043,037
Operating Grants and Contributions	723,710	287,270
General Revenues:		
Municipal Income Taxes	11,153,801	14,399,630
Property Taxes	882,061	874,378
Grants and Entitlements, Not Restricted	549,451	343,685
Revenue in Lieu of Taxes	86,992	86,564
Investment Earnings	1,796,948	266,925
Miscellaneous	217,405	168,065
Total Revenues	<u>16,534,471</u>	<u>17,469,554</u>
Program Expenses:		
General Government	5,588,178	5,335,050
Public Safety	5,994,245	3,770,902
Community Development	236,344	229,744
Leisure Time Activities	568,834	482,103
Transportation and Street Repair	1,570,691	341,979
Basic Utility Service	468,552	456,057
Public Health and Welfare Services	5,410	5,413
Other Expenditures	84,785	95,115
Interest and Fiscal Charges	501,098	620,277
Total Expenses	<u>15,018,137</u>	<u>11,336,640</u>
Change in Net Position	1,516,334	6,132,914
Net Position Beginning of Year	<u>17,800,224</u>	<u>11,667,310</u>
Net Position End of Year	<u>\$19,316,558</u>	<u>\$17,800,224</u>

Governmental Activities

The governmental activities net position of the Village increased from 2022 to 2023 with an increase of \$1,516,334.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. 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

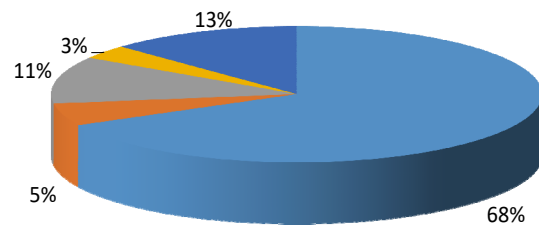
Village of St Bernard, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

\$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 Village also receives an income tax. The income tax is based on 2.1% of all salaries, wages, commissions and other compensation and on net profits earned within the Village as well as on income of residents earned outside the Village.

Municipal income taxes and property taxes made up 67% and 5% respectively of revenues for governmental activities for the Village in fiscal year 2023. The Village’s reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2023	Percent of Total
Municipal Income Taxes	\$11,153,801	67%
Property Taxes	882,061	5%
Program Revenues	1,847,813	11%
Grants and Entitlements	549,451	3%
General Other	2,101,345	13%
Total Revenues	\$16,534,471	100%



FINANCIAL ANALYSIS OF THE VILLAGE’S FUNDS

The Village’s governmental funds reported a combined fund balance of \$21,163,318, which is an increase from last year’s balance of \$1,136,271. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2023 and 2022:

	Fund Balance December 31, 2023	Fund Balance December 31, 2022	Increase (Decrease)
General	\$11,466,899	\$11,347,674	\$119,225
Community Improvement Corporation	5,624,710	5,633,529	(8,819)
Other Governmental	4,071,709	3,045,844	1,025,865
Total	\$21,163,318	\$20,027,047	\$1,136,271

General Fund – The Village’s General Fund balance increase is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

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Village of St Bernard, Ohio
Management’s Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

	2023 Revenues	2022 Revenues	Increase (Decrease)
All Taxes	\$11,949,297	\$15,172,651	(\$3,223,354)
Charges for Services	697,170	676,288	20,882
Intergovernmental Revenues	540,988	333,385	207,603
Fines, Licenses and Permits	178,574	140,365	38,209
All Other Revenue	887,027	350,188	536,839
Total	\$14,253,056	\$16,672,877	(\$2,419,821)

General Fund revenues in 2023 decreased 15% compared to revenues in fiscal year 2022. This can mostly be attributed to a decrease in income taxes received.

	2023 Expenditures	2022 Expenditures	Increase (Decrease)
General Government	\$5,040,969	\$4,877,206	\$163,763
Public Safety	5,508,535	4,799,796	708,739
Leisure Time Activities	231,808	176,759	55,049
Transportation and Street Repair	101,980	105,281	(3,301)
Public Health and Welfare	5,410	5,413	(3)
Other Expenditures	831,572	716,201	115,371
Debt Services:			
Principal Retirement	30,630	29,064	1,566
Interest	20,008	21,577	(1,569)
Total	\$11,770,912	\$10,731,297	\$1,039,615

General Fund expenditures increased \$1,039,615 over the prior year due mainly to increased costs associated with the public safety expenditures.

The Village’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. During the course of fiscal year 2023 the Village amended its General Fund budget several times.

For the General Fund, actual budget basis revenues were greater than final estimates due primarily to higher than anticipated property and income tax revenues. Final budgeted expenditures increased by \$3,762,036 versus original budget to account for transfers out. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023 the Village had \$22,312,146 net of accumulated depreciation invested in land, land improvements, buildings and improvements, infrastructure, and machinery and equipment. The following table shows fiscal year 2023 and 2022 balances:

Village of St Bernard, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

	Governmental Activities		
	2023	2022	Increase (Decrease)
Land	\$1,768,505	\$1,768,505	\$0
Land Improvements	5,001,217	4,360,656	640,561
Buildings and Improvements	14,869,912	14,501,129	368,783
Infrastructure	20,203,197	20,136,358	66,839
Machinery and Equipment	6,157,681	5,789,670	368,011
Less: Accumulated Depreciation	(25,688,366)	(24,592,269)	(1,096,097)
Capital Assets, Net	<u>\$22,312,146</u>	<u>\$21,964,049</u>	<u>\$348,097</u>

The overall net change in capital assets is a result of additions being greater than depreciation expense and disposals to land, improvements, infrastructure and machinery and equipment. Additional information on the Village's capital assets can be found in Note 7.

Debt

At December 31, 2023, the Village had \$13,968,239 in bonds outstanding, \$820,000 due within one year. The following table summarizes the Village's debt outstanding as of December 31, 2023 and 2022:

	Government Activities	
	2023	2022
OPWC Loans	\$1,028,762	\$480,737
Total General Obligation Bonds	13,968,239	14,751,520
Total Net Pension Liability	15,435,615	8,750,442
Net OPEB Liability	960,025	1,329,420
Accrued Pension Liability	455,193	485,823
First State Bank Loan - CIC	275,139	285,718
Compensated Absences	876,038	849,261
Total	<u>\$32,999,011</u>	<u>\$26,932,921</u>

Additional information on the Village's long-term debt can be found in Note 11.

ECONOMIC FACTORS

The preceding financial information reflects that with the lower property tax values and the decline in local government funds the Village still remains heavily dependent on its local earnings tax and property taxes. The Village is continuing to work with the Ohio EPA to address all issues related to the Bank Ave. litigation and remains positive everything will be addressed.

The Village's goal is to continue to offer outstanding services to its residents and businesses while upgrading housing stock and moving forward with major projects. With careful planning and monitoring of the Village's finances, management is confident that current and future funding challenges can be overcome and quality services will continue to be provided to the people and businesses of St. Bernard.

Village of St Bernard, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2023
(Unaudited)

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information contact Peggy Brickweg, Village Auditor of the Village of St. Bernard.

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Village of St. Bernard, Ohio
Statement of Net Position
December 31, 2023

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$13,638,807
Cash and Cash Equivalents with Fiscal Agent	1,530,936
Receivables (Net):	
Taxes	6,581,190
Accounts	92,012
Intergovernmental	317,540
Lease	88,983
Assets Held for Resale	5,167,894
Inventory	36,672
Prepaid Items	125,370
Nondepreciable Capital Assets	1,768,505
Depreciable Capital Assets, Net	<u>20,543,641</u>
 Total Assets	 <u>49,891,550</u>
Deferred Outflows of Resources:	
Pension	5,454,280
OPEB	<u>834,506</u>
 Total Deferred Outflows of Resources	 <u>6,288,786</u>
Liabilities:	
Accounts Payable	76,471
Accrued Wages and Benefits	162,865
Accrued Interest Payable	47,981
Long-Term Liabilities:	
Due Within One Year	972,981
Due In More Than One Year	
Net Pension Liability	15,435,615
Net OPEB Liability	960,025
Other Amounts	<u>15,630,390</u>
 Total Liabilities	 <u>33,286,328</u>
Deferred Inflows of Resources:	
Property Taxes	975,000
Grants and Other Taxes	86,992
Leases	86,457
OPEB	1,242,385
Pension	<u>1,186,616</u>
 Total Deferred Inflows of Resources	 <u>3,577,450</u>
Net Position:	
Net Investment in Capital Assets	7,315,145
Restricted for:	
Debt Service	1,717,401
Capital Projects	340,663
Street Improvements	892,519
Public Safety	216,834
Community Development	5,940,798
Other Purposes	368,744
Unrestricted	<u>2,524,454</u>
 Total Net Position	 <u><u>\$19,316,558</u></u>

See accompanying notes to the basic financial statements.

Village of St. Bernard, Ohio
Statement of Activities
For the Fiscal Year Ended December 31, 2023

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	\$5,588,178	\$53,884	\$1,201	(\$5,533,093)
Public Safety	5,994,245	334,807	7,450	(5,651,988)
Community Development	236,344	221,884	438,014	423,554
Leisure Time Activities	568,834	49,829	4,450	(514,555)
Transportation and Street Repair	1,570,691	38,292	272,595	(1,259,804)
Basic Utility Service	468,552	425,407	0	(43,145)
Public Health and Welfare	5,410	0	0	(5,410)
Other	84,785	0	0	(84,785)
Interest and Other Charges	501,098	0	0	(501,098)
Totals	\$15,018,137	\$1,124,103	\$723,710	(13,170,324)

General Revenues:	
Income Taxes	11,153,801
Property Taxes Levied for:	
General Purposes	830,003
Police Operations	26,319
Fire Operations	25,739
Grants and Entitlements, Not Restricted	549,451
Revenue in Lieu of Taxes	86,992
Investment Earnings	1,796,948
Other Revenues	217,405
Total General Revenues	14,686,658
Change in Net Position	1,516,334
Net Position - Beginning of Year	17,800,224
Net Position - End of Year	\$19,316,558

See accompanying notes to the basic financial statements.

Village of St. Bernard, Ohio
Balance Sheet
Governmental Funds
December 31, 2023

	General	Community Improvement Corporation	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$10,669,493	\$454,290	\$2,515,024	\$13,638,807
Cash and Cash Equivalents with Fiscal Agent	0	0	1,530,936	1,530,936
Receivables (Net):				
Taxes	6,527,478	0	53,712	6,581,190
Accounts	91,619	0	393	92,012
Intergovernmental	98,682	0	218,858	317,540
Lease	0	88,983	0	88,983
Assets Held for Resale	0	5,167,894	0	5,167,894
Inventory	36,672	0	0	36,672
Prepaid Items	121,994	0	3,376	125,370
Total Assets	17,545,938	5,711,167	4,322,299	27,579,404
Liabilities:				
Accounts Payable	53,850	0	22,621	76,471
Accrued Wages and Benefits	162,294	0	571	162,865
Total Liabilities	216,144	0	23,192	239,336
Deferred Inflows of Resources:				
Property Taxes	983,507	0	53,712	1,037,219
Grants and Other Taxes	4,879,388	0	173,686	5,053,074
Leases	0	86,457	0	86,457
Total Deferred Inflows of Resources	5,862,895	86,457	227,398	6,176,750
Fund Balances:				
Nonspendable	158,666	0	3,376	162,042
Restricted	0	5,624,710	3,801,446	9,426,156
Committed	0	0	266,887	266,887
Assigned	84,668	0	0	84,668
Unassigned	11,223,565	0	0	11,223,565
Total Fund Balances	11,466,899	5,624,710	4,071,709	21,163,318
Total Liabilities, Deferred Inflows and Fund Balances	\$17,545,938	\$5,711,167	\$4,322,299	\$27,579,404

See accompanying notes to the basic financial statements.

Village of St. Bernard, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2023

Total Governmental Fund Balance		\$21,163,318
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		22,312,146
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	4,801,292	
Delinquent Property Taxes	62,219	
Intergovernmental	164,790	
		5,028,301
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(47,981)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(876,038)
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	5,454,280	
Deferred inflows of resources related to pensions	(1,186,616)	
Deferred outflows of resources related to OPEB	834,506	
Deferred inflows of resources related to OPEB	(1,242,385)	
		3,859,785
Long-term assets and liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(15,435,615)	
Net OPEB Liability	(960,025)	
Other Amounts	(15,727,333)	
		(32,122,973)
Net Position of Governmental Activities		<u>\$19,316,558</u>

See accompanying notes to the basic financial statements.

Village of St. Bernard, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2023

	General	Community Improvement Corporation	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$820,010	\$0	\$51,478	\$871,488
Income Taxes	11,129,287	0	0	11,129,287
Charges for Services	697,170	184,882	38,292	920,344
Investment Earnings	646,153	5,298	1,145,497	1,796,948
Intergovernmental	540,988	0	717,308	1,258,296
Fines, Licenses & Permits	178,574	0	7,367	185,941
Revenue in Lieu of Taxes	0	0	86,992	86,992
Rent	1,201	0	0	1,201
Other Revenues	239,673	0	0	239,673
Total Revenues	14,253,056	190,180	2,046,934	16,490,170
Expenditures:				
Current:				
General Government	5,040,969	0	205,770	5,246,739
Public Safety	5,508,535	0	26,475	5,535,010
Community Development	0	177,184	59,160	236,344
Leisure Time Activities	231,808	0	164,583	396,391
Transportation and Street Repair	101,980	0	209,743	311,723
Basic Utility Service	468,552	0	0	468,552
Public Health and Welfare	5,410	0	0	5,410
Other	84,785	0	0	84,785
Capital Outlay	278,235	0	2,010,013	2,288,248
Debt Service:				
Principal	30,630	10,579	768,784	809,993
Interest and Other Charges	20,008	11,236	506,269	537,513
Total Expenditures	11,770,912	198,999	3,950,797	15,920,708
Excess of Revenues Over (Under) Expenditures	2,482,144	(8,819)	(1,903,863)	569,462
Other Financing Sources (Uses):				
Issuance of Loans	0	0	566,809	566,809
Transfers In	137,081	0	2,500,000	2,637,081
Transfers (Out)	(2,500,000)	0	(137,081)	(2,637,081)
Total Other Financing Sources (Uses)	(2,362,919)	0	2,929,728	566,809
Net Change in Fund Balance	119,225	(8,819)	1,025,865	1,136,271
Fund Balance - Beginning of Year	11,347,674	5,633,529	3,045,844	20,027,047
Fund Balance - End of Year	\$11,466,899	\$5,624,710	\$4,071,709	\$21,163,318

See accompanying notes to the basic financial statements.

Village of St. Bernard, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2023

Net Change in Fund Balance - Total Governmental Funds \$1,136,271

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

Governmental funds report capital asset additions 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 of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	1,516,364	
Depreciation Expense	(1,168,267)	
		348,097

Governmental funds report pension/OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension/OPEB benefits earned net of employee contributions are reported as pension/OPEB expense.

Pension Contributions	1,092,470	
Pension Expense	(1,584,454)	
OPEB Contributions	18,847	
OPEB Expense	207,980	
		(265,157)

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

Income Taxes	24,514	
Delinquent Property Taxes	10,573	
Intergovernmental	9,214	
		44,301

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 809,993

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 3,134

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

Compensated Absences	(26,777)	
Amortization of Bond Premium	33,281	
		6,504

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position. (566,809)

Change in Net Position of Governmental Activities \$1,516,334

See accompanying notes to the basic financial statements.

Village of St. Bernard, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Custodial Funds
Assets:	
Equity in Pooled Cash and Investments	<u>\$11,281</u>
Total Assets	<u>11,281</u>
Liabilities:	
Undistributed Monies	<u>0</u>
Total Liabilities	<u>0</u>
Net Position:	
Restricted for Individuals, Organizations, and Other Governments	<u>11,281</u>
Total Net Position	<u>\$11,281</u>

See accompanying notes to the basic financial statements.

Village of St. Bernard, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended December 31, 2023

	Custodial Funds
Additions:	
Fines, Licenses & Permits	<u>\$97,875</u>
Total Additions	<u>97,875</u>
Deductions:	
Other	<u>95,270</u>
Total Deductions	<u>95,270</u>
Change in Net Position	2,605
Net Position - Beginning of Year	<u>8,676</u>
Net Position - End of Year	<u><u>\$11,281</u></u>

See accompanying notes to the basic financial statements.

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Village of St. Bernard, Ohio (the "Village") was incorporated as a village in 1878 and became a Village in 1912. The Village is a charter municipal corporation under the laws of the State of Ohio and operates under a Council-Mayor form of government.

The accompanying basic financial statements of the Village present the financial position of the various fund types, and the results of operations of the various fund types. The financial statements are presented as of December 31, 2023 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (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).

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB Statement No. 61 "*The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*," in that the financial statements include all organizations, activities, functions and component units for which the Village (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 Village'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 Village.

The St. Bernard Community Improvement Corporation (CIC), a non-profit organization, is an eleven-member board comprised of one Village official, three elected officials, five community representatives and two non-resident business advisors. Although it is legally separate from the Village, the CIC is reported as if it were part of the primary government because the Village can impose its will on the CIC. The CIC is responsible for research and development of the Village, including the assurance that mortgage payments will be made to foster such development, the acquisition, construction, equipment and improvement of buildings, structures and other properties, the acquisition of sites for such development, the lease, sale and subdivision of such sites and incurring of debt in order to carry out such development, and to make loans to any individual or business entity in order to carry out such development purpose for the Village. Funding to finance the CIC comes from the sale of properties owned by the CIC and contributions from the Village and private sources.

The Village of St. Bernard Mayor's Court is included in the reporting entity because it is not legally separate.

Basis of Presentation - Fund Accounting

The Village uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Village functions or activities.

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following fund types are used by the Village:

Governmental Funds

The governmental funds are those funds through which most governmental functions are typically financed. The acquisition, use and balances of the Village's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is upon determination of "Flow of Current Financial Resources." With this measurement focus, only current assets and current liabilities and deferred inflows of resources are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The following are the Village's major governmental funds:

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 Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Community Improvement Corporation Fund – This fund is used to account for the financial activities of the St. Bernard CIC.

Fiduciary Funds

Fiduciary fund reporting focuses on Net Position and changes in Net Position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private- purpose trust funds and custodial funds. Fiduciary funds are used to account for assets the Village holds in a trustee account or as an agent for individuals, private organizations, other governments, and other funds. The Village's fiduciary funds are custodial funds. The Village's custodial funds account monies held in trust for retired employees of the Village, building permit fees, and the Mayor's Court. Custodial funds account for assets held by the Village for the benefit of other governments, organizations, or individuals.

Basis of Presentation – Financial Statements

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

Government-wide Financial Statements

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

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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

Fund Financial Statements

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

Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures in the accounts and reported in the financial statements, and relates to the timing of the measurements made. 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 "measurable" means that the amount of the transaction can be determined. 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 Village is considered to be 60 days after year-end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized for reporting purposes by the governmental activities and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Non-exchange transactions, in which the Village 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 Village must provide local resources to be used for a specific

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

purpose, and expenditure requirements, in which the resources are provided to the Village on a reimbursement basis.

Revenue considered susceptible to accrual at year-end includes income taxes withheld by employers, property taxes, 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, is recorded as revenue when received in cash because generally this revenue is not measurable until received.

Property taxes measurable as of December 31, 2023, but not received within the available period are recorded as deferred inflows of resources as these resources are not intended to pay liabilities of the current period. Delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources.

The Village reports deferred inflows of resources in its balance sheet. Deferred inflows of resources arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred inflows of resources is removed from the combined balance sheet and revenue is recognized.

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the 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 with the restriction that appropriations cannot exceed estimated resources as certified.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. Since the Community Improvement Corporation is a legally separate entity it is not part of the Village's budget, therefore no budgetary statement is presented. The legal level of budgetary control for each fund is at the object level within each department. Budgetary modifications may only be made by ordinance of the Village Council.

Tax Budget

By July 15, the Village Finance Committee and Auditor submit an annual tax budget for the following fiscal year to Village Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

Budgetary Process

Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. By October 1 of each year, the Village accepts by resolution the tax rates as determined by the Budget Commission. As part of the certification process, the Village receives an official certificate of estimated resources stating the projected receipts by fund.

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Prior to December 31, the Village 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.

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 an ordinance of the Village Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level. Administrative control is maintained through the establishment of more detailed line-item budgets.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities.

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 fiscal year and need not be reappropriated.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is considered a cash equivalent because it is a highly liquid investment with an original maturity date of three months or less.

The Village pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and cash equivalents represents the balance on hand as if each fund maintained its own cash and cash equivalent account.

Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code, and the Village's Investment Policies. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the Village records all its investments at fair value except for nonparticipating investment contracts

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

(certificates of deposit) which are reported at cost. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 3, "Cash, Cash Equivalents and Investments."

The Village's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the Village. The Village measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 is reported in the year in which services are consumed.

Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased.

Capital Assets and Depreciation

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

Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost. The capital asset values were initially determined by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, 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. Donated capital assets are capitalized at acquisition value, rather than fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized. 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.

Depreciation

All capital assets are depreciated, excluding land. Depreciation has been provided using the straight-line

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20-40 years
Buildings and Improvements	10-45 years
Infrastructure	20-50 years
Machinery and Equipment	5-20 years

Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
Compensated Absences	General Fund Street Maintenance Fund
General Obligation Bonds	General Bond Retirement Fund
Accrued Pension Liability	The fund benefitting from their services
OPEB Liability	The fund benefitting from their services
Ohio Public Works	Storm Sewer Improvement Fund
Commission Loans	General Bond Retirement Fund

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 95% of the leave balances accumulated by employees who have ten years or more of service time with the Village. These employees are expected to become eligible in the future to receive such payments. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable available financial resources 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.

Net Position

Net Position represents the difference between assets and deferred outflows of resources and liabilities

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

and deferred inflows of resources. Net Position – 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 or improvement of those assets. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Village applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

Pensions/Other Postemployment Benefits (OPEB)

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

Intergovernmental Revenues

In governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Interfund Assets/Liabilities

Receivables and payables arising between funds for goods provided or services rendered are classified as "Due From/To Other Funds" on the balance sheet. Short-term interfund loans are classified as "Interfund Receivables/Payables," while long-term interfund loans are classified as "Interfund Loan Receivable/Payable."

Estimates

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

Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

that comprise a hierarchy based primarily on the extent to which the Village 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 Village 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.

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

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

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.

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

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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the Village, deferred outflows of resources are reported for pension and OPEB amounts (See Notes 8 and 9). The amounts are reported in the government-wide statement of net position.

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 position 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

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

inflows which arise only under a modified accrual basis of accounting. Accordingly, the items, property taxes and grants and other taxes are reported on the governmental funds balance sheet and government-wide statements. The governmental funds report unavailable amounts for delinquent 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 and OPEB are reported on the government-wide statement of net position. See Notes 8 and 9 for more information.

Fair Market Value

The Village 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.

Assets Held for Resale

According to GASB 72, Assets Held for Resale are recorded at acquisition value. The value of the asset is not adjusted for transaction costs even if those costs are separable.

Assets Held for Resale are defined by the St. Bernard CIC (“the CIC”) as assets with an initial, individual cost of more than \$1,000.

Depreciation has been not been provided for land and buildings. It is the CIC's practice to sell land and buildings after the appropriate improvements have been made. Because it is not the CIC's intent to use these properties themselves, they have not been depreciated.

Note 2 – Fund Balance Classification

Fund balance is classified as nonspendable, restricted, committed, assigned, and unassigned based primarily on the extent to which the Village 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:

Village of St. Bernard, Ohio
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Fund Balances	General	Community Improvement Corporation	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Supplies Inventory	\$36,672	\$0	\$0	\$36,672
Prepaid Items	121,994	0	3,376	125,370
Total Nonspendable	<u>158,666</u>	<u>0</u>	<u>3,376</u>	<u>162,042</u>
<u>Restricted for:</u>				
Community Environment	0	5,624,710	0	5,624,710
Security of Persons	0	0	478,482	478,482
Court Improvements	0	0	50,728	50,728
Street Improvements	0	0	971,557	971,557
Coronavirus Care	0	0	127,386	127,386
Debt Service	0	0	1,760,380	1,760,380
EMP Accumulated Sick	0	0	72,250	72,250
Capital Improvements	0	0	340,663	340,663
Total Restricted	<u>0</u>	<u>5,624,710</u>	<u>3,801,446</u>	<u>9,426,156</u>
<u>Committed to:</u>				
Swimming Pool	0	0	266,745	266,745
Capital Improvements	0	0	142	142
Total Committed	<u>0</u>	<u>0</u>	<u>266,887</u>	<u>266,887</u>
<u>Assigned to:</u>				
Encumbrances	84,668	0	0	84,668
Total Assigned	<u>84,668</u>	<u>0</u>	<u>0</u>	<u>84,668</u>
<u>Unassigned</u>	<u>11,223,565</u>	<u>0</u>	<u>0</u>	<u>11,223,565</u>
Total Fund Balances	<u>\$11,466,899</u>	<u>\$5,624,710</u>	<u>\$4,071,709</u>	<u>\$21,163,318</u>

Note 3 – Cash, Cash Equivalents and Investments

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments.

Statutes require the classification of funds held by the Village into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the Village. Such funds must be maintained either as cash in the Village 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 not later than the end of the current period of designation of depositories.

Village of St. Bernard, Ohio
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Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- (1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- (3) Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- (4) Interim deposits in eligible institutions applying for interim funds;
- (5) Bonds and other obligations of the State of Ohio;
- (6) 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
- (7) The State Treasury Asset Reserve of Ohio (STAR Ohio).

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2023, \$2,584,590 of the Village’s bank balance of \$2,834,590 was exposed to custodial credit risk because it was uninsured and collateralized.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

Eligible securities pledged to the Village and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% 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 market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Investments

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

Investment Type	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Money Market Funds	\$1,349,874	N/A	0.00
STAROhio	11,325,153	N/A	0.13
Total Fair Value	\$12,675,027		

The Village categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the Village's recurring fair value measurements as of December 31, 2023. STAROhio is reported at its share price (Net Asset value per share).

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date, the Village has no policy beyond what Ohio Revised Code requires.

Credit Risk – It is the Village's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. Investments in STAROhio were rated AAAM by Standard & Poors. Investments in Money Market Funds were not rated.

Concentration of Credit Risk – The Village places no limit on the amount the Village may invest in one issuer. Of the Village's total investments 11% are Money Market Funds and 89% are STAR Ohio.

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

Note 4 – Taxes

Property Taxes

Property taxes include amounts levied against all real estate and public utility property and located in the Village. 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 market value. Taxes collected in 2023 are intended to finance 2024 operations. 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

Village of St. Bernard, Ohio
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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 100 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 Village of St. Bernard. The County Auditor periodically remits to the Village its portion of the taxes collected.

The assessed value on which the 2023 levy was based was \$137,895,330. This amount constitutes \$130,799,050 in real property assessed value and \$7,096,280 in public utility assessed value.

Income Tax

The Village levies a tax of 2.1% on all salaries, wages, commissions and other compensation and on net profits earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a credit of up to 2.1% of the tax paid to another municipality.

Employers within the Village are required to withhold income tax on employee compensation and remit the tax to the Village 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 5 – Receivables

Receivables at December 31, 2023, consisted of taxes, accounts receivable, lease and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full. Those receivables that relate to amounts not intended to finance the current fiscal year are offset by deferred inflows of resources.

Note 6 – Transfers and Advances

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

Fund	Transfers In	Transfers Out
General	\$137,081	\$2,500,000
Other Governmental	2,500,000	137,081
Total	\$2,637,081	\$2,637,081

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; to return money to the fund from which it was originally provided once a project is completed; and to transfer capital assets.

Note 7 - Capital Assets

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

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	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$1,768,505	\$0	\$0	\$1,768,505
Capital Assets Being Depreciated:				
Land Improvements	4,360,656	712,731	72,170	5,001,217
Buildings and Improvements	14,501,129	368,783	0	14,869,912
Machinery and Equipment	5,789,670	368,011	0	6,157,681
Infrastructure	20,136,358	66,839	0	20,203,197
Totals at Historical Cost	<u>46,556,318</u>	<u>1,516,364</u>	<u>72,170</u>	<u>48,000,512</u>
Less Accumulated Depreciation:				
Land Improvements	3,679,307	64,965	72,170	3,672,102
Building and Improvements	3,681,992	283,033	0	3,965,025
Machinery and Equipment	4,546,889	277,137	0	4,824,026
Infrastructure	12,684,081	543,132	0	13,227,213
Total Accumulated Depreciation	<u>24,592,269</u>	<u>1,168,267</u>	<u>72,170</u>	<u>25,688,366</u>
Governmental Activities Capital Assets, Net	<u>\$21,964,049</u>	<u>\$348,097</u>	<u>\$0</u>	<u>\$22,312,146</u>

Depreciation expense was charged to governmental programs as follows:

General Government	\$330,373
Public Safety	190,975
Leisure Time	171,104
Transportation	475,815
Total Depreciation Expense	<u>\$1,168,267</u>

Note 8 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

Pensions and OPEB are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability represents the Village's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability 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

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
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available, unknowable future events require adjusting this estimate annually.

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

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

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

The remainder of this note includes the pension disclosures. See Note 9 for the OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by

Village of St. Bernard, Ohio
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writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

<u>Group A</u> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<u>Group B</u> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<u>Group C</u> Members not in other Groups and members hired on or after January 7, 2013
<u>State and Local</u>	<u>State and Local</u>	<u>State and Local</u>
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<u>Public Safety</u>	<u>Public Safety</u>	<u>Public Safety</u>
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Law Enforcement</u>	<u>Law Enforcement</u>	<u>Law Enforcement</u>
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

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

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for

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

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

Funding Policy

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

Village of St. Bernard, Ohio
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	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2023 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2023 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

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

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

For 2023, the Village's contractually required contribution was \$281,992, of this amount \$24,320 is reported in accrued wages and benefits.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description

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

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is

Village of St. Bernard, Ohio
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For The Year Ended December 31, 2023

calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

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

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

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

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

Funding Policy

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

Village of St. Bernard, Ohio
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For The Year Ended December 31, 2023

	<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	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OP&F was \$810,478 for 2023, of this amount \$99,613 is reported as accrued wages and benefits.

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. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The Village's proportion of the net pension liability was based on the Village's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share of the Village's defined benefit pension plans:

	<u>OPERS Traditional Plan</u>	<u>OPF</u>	<u>Total</u>
Proportionate Share of the:			
Net Pension Liability	\$3,589,706	\$11,845,909	\$15,435,615
Proportion of the Net Pension Liability:			
Current Measurement Date	0.01215200%	0.12470650%	
Prior Measurement Date	<u>0.01348300%</u>	<u>0.12128790%</u>	
Change in Proportionate Share	<u>-0.00133100%</u>	<u>0.00341860%</u>	
Pension Expense	\$453,642	\$1,130,811	\$1,584,454

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

Village of St. Bernard, Ohio
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	OPERS		
	Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$119,235	\$177,683	\$296,918
Changes in assumptions	37,923	1,068,460	1,106,383
Net difference between projected and actual earnings on pension plan investments	1,023,179	1,724,619	2,747,798
Changes in employer proportionate share of net pension liability	15,759	194,952	210,711
Contributions subsequent to the measurement date	281,992	810,478	1,092,470
Total Deferred Outflows of Resources	<u>\$1,478,088</u>	<u>\$3,976,192</u>	<u>\$5,454,280</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$269,885	\$269,885
Changes in assumptions	0	230,992	230,992
Changes in employer proportionate share of net pension liability	140,541	545,199	685,740
Total Deferred Inflows of Resources	<u>\$140,541</u>	<u>\$1,046,075</u>	<u>\$1,186,616</u>

\$1,092,470 reported as deferred outflows of resources related to pension resulting from 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:

Year Ending	OPERS		
December 31:	Traditional Plan	OPF	Total
2024	\$59,516	\$52,754	\$112,270
2025	193,643	462,952	656,595
2026	301,171	602,268	903,440
2027	501,224	993,692	1,494,917
2028	0	7,973	7,973
Total	<u>\$1,055,555</u>	<u>\$2,119,639</u>	<u>\$3,175,194</u>

Actuarial Assumptions – OPERS

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

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

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	<u>OPERS Traditional Plan</u>
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-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

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

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 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

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

Discount Rate

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

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

The following table presents the Village'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 Village'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%)
Proportionate share of the net pension liability	\$5,377,260	\$3,589,706	\$2,102,782

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP

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elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note: Assumptions are geometric.

* levered 2.5x

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

Discount Rate

For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from

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

Sensitivity of the 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%)
Proportionate share of the net pension liability	\$15,627,039	\$11,845,909	\$8,702,655

Note 9 – Postemployment Benefits

Net OPEB Liability

See Note 8 for a description of the net OPEB liability.

Ohio Public Employees Retirement System (OPERS)

Plan Description

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

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

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

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

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recipients and their dependents.

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

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

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

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

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

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

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

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

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

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

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

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

Funding Policy

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

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

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

Ohio Police & Fire Pension Fund (OP&F)

Plan Description

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

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

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

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

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

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

Funding Policy

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

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

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

The Village's contractually required contribution to OP&F was \$18,847 for 2023.

Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by

Village of St. Bernard, Ohio
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rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The Village's proportion of the net OPEB liability was based on the Village's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS Traditional Plan	OPF	Total
Proportionate Share of the: Net OPEB Liability	\$72,150	\$887,874	\$960,025
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.01144300%	0.12470650%	
Prior Measurement Date	<u>0.01268600%</u>	<u>0.12128790%</u>	
Change in Proportionate Share	<u>-0.00124300%</u>	<u>0.00341860%</u>	
OPEB Expense	(\$149,009)	(\$58,970)	(\$207,980)

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

	OPERS Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$52,983	\$52,983
Changes in assumptions	70,471	442,468	512,939
Net difference between projected and actual earnings on pension plan investments	143,293	76,153	219,446
Changes in employer proportionate share of net OPEB liability	2,385	27,906	30,291
Contributions subsequent to the measurement date	0	18,847	18,847
Total Deferred Outflows of Resources	<u>\$216,149</u>	<u>\$618,357</u>	<u>\$834,506</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$17,997	\$175,071	\$193,068
Changes in assumptions	5,799	726,209	732,007
Changes in employer proportionate share of net OPEB liability	797	316,513	317,310
Total Deferred Inflows of Resources	<u>\$24,592</u>	<u>\$1,217,793</u>	<u>\$1,242,385</u>

\$18,847 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year Ending December 31:	OPERS Traditional Plan	OPF	Total
2024	\$25,548	(\$144,601)	(\$119,054)
2025	52,103	(134,612)	(82,509)
2026	44,683	(56,228)	(11,544)
2027	69,222	(30,524)	38,698
2028	0	(80,018)	(80,018)
Thereafter	0	(172,300)	(172,300)
Total	<u>\$191,557</u>	<u>(\$618,283)</u>	<u>(\$426,727)</u>

Actuarial Assumptions – OPERS

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

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

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

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

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

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

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
Real Estate Investment 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; however, the single discount rate used at the beginning of the year was 6 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

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

	1% Decrease <u>(4.22%)</u>	Current Discount Rate <u>(5.22%)</u>	1% Increase <u>(6.22%)</u>
Proportionate share of the net OPEB Liability	\$245,567	\$72,150	(\$70,947)

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

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Proportionate share of the net OPEB liability	\$67,628	\$72,150	\$77,240

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

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

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

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

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

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

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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

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

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

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

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

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

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

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

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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

Note: Assumptions are geometric.

* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 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 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, for 2022, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent. For 2021, a municipal bond rate of 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.5 which resulted in a blended discount rate of 2.84. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

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

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

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
Proportionate share of the net OPEB liability	\$1,093,334	\$887,874	\$714,414

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

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

The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Note 10 - Compensated Absences

All full-time Village employees other than fire department employees earn vacation at varying rates based upon length of service. An employee's vacation must be used during the period in which it is earned unless the Department Supervisor allows the balance to be carried over to the following year. Upon separation from the Village, the employee (or their estate) is paid for his accumulated unused vacation leave balance.

All full-time Village employees other than fire department employees earn sick leave at the rate of 1.25 days per calendar month of active service. Upon retirement from the Village's service, an employee hired prior to December 21, 1985 receives one hour of monetary compensation for each one hour of unused sick leave up to a maximum of 1,800 hours. An employee hired after December 21, 1985 receives one hour of monetary compensation for each hour of unused sick leave up to a maximum of 1,000 hours. The monetary compensation is calculated at the hourly rate of compensation of the employee at the time of retirement.

Fire department employees earn sick leave at the rate of 16 hours per calendar month of active service. Upon retirement from Village service, fire department employees receive one hour of compensation for each one hour of unused sick leave up to a maximum of 105 hours. The monetary compensation is calculated at the hourly rate of compensation of the employee at the time of retirement.

As of December 31, 2023 the long-term portion of the compensated absences liability for the Village has increased \$26,777 from a balance of \$849,261 to \$876,038. This amount is considered long-term since no payments are anticipated requiring the use of current available financial resources.

Note 11 - Long-Term Obligations

Detail of the changes in the loans, bonds, pension liability and compensated absences of the Village for the year ended December 31, 2023, follows:

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities:					
OPWC Notes from Direct Borrowings:					
0.00% Ross Avenue Improvements	292,836	0	12,732	280,104	12,732
0.00% McClelland Avenue Improvements	105,901	0	6,052	99,849	6,052
0.00% Orchard Avenue Improvements	82,000	566,809	0	648,809	10,813
Total OPWC Notes from Direct Borrowings	480,737	566,809	18,784	1,028,762	29,597
Bank Loan from Direct Borrowings:					
First State Bank Loan - CIC	285,718	0	10,579	275,139	11,010
<u>General Obligation Bonds:</u>					
3.00% Swimming Pool Refunding Bonds	265,000	0	130,000	135,000	135,000
2.00% Service Center Project	2,760,905	0	102,520	2,658,385	115,000
2.00% Streetscape Project	2,264,843	0	170,866	2,093,977	185,000
2.00% Public Safety Center	7,310,512	0	219,685	7,090,827	245,000
2.00% Bank Street Settlement	1,563,740	0	126,929	1,436,811	140,000
Premium on Bonds	586,520	0	33,281	553,239	0
Total General Obligation Bonds	14,751,520	0	783,281	13,968,239	820,000
Net Pension Liability	8,750,442	6,685,173	0	15,435,615	0
Net OPEB Liability	1,329,420	0	369,395	960,025	0
Accrued Pension Liability	485,823	0	30,630	455,193	30,630
Compensated Absences	849,261	109,821	83,044	876,038	81,744
Total Long-Term Obligations	\$26,932,921	\$7,361,803	\$1,295,713	\$32,999,011	\$972,981

The Village's liability for past service costs relating to the Police and Firemen's Disability and Pension Fund at December 31, 2023 was \$1,097,653 in principal and interest payments through the year 2035. Only the principal amount due of \$455,193 is included in the Government-wide Statement of Net Position. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their services.

The Village's outstanding OPWC notes from direct borrowings of \$1,028,762 and bank loan from direct borrowings of \$275,139 contain a provision that in an event of default, the amount of such default shall bear interest thereafter at the rate of 8% per annum until the date of payment, and outstanding amounts become immediately due. Also, the Lender may direct the county treasurer to pay the outstanding amount from portion of the local government fund that would otherwise be appropriated to the Village.

Outstanding OPWC notes (Ross Ave Improvements) consist of a loan to fund the Ross Avenue Improvements. The debt will be repaid from the Capital Improvement Fund.

Outstanding OPWC notes (McClelland Ave Improvements) consist of a loan to fund the McClelland Avenue Improvements. The debt will be repaid from the Capital Improvement Fund.

Outstanding OPWC notes (Orchard Ave Improvements) consist of a loan to fund the Orchard Avenue Improvements. The debt will be repaid from the Capital Improvement Fund.

All OPWC notes are interest free.

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Swimming Pool Refunding Bonds consist of general obligation bonds issued for the swimming pool construction project. The Bonds will be paid from the General Bond Retirement Fund.

Service Center Project Bonds consist of general obligation bonds issued for the service center construction project. Streetscape Project Bonds consist of general obligation bonds issued for the streetscape project. Public Safety Center Bonds consist of general obligation bonds issued for the public safety center construction project. Bank Street Settlement Bonds consist of general obligation bonds issued for the bank street settlement project. All of the Bonds will be paid from the General Bond Retirement Fund.

The First State Bank Loan consists of a loan issued for the purchase of assets held for resale. The loan will be repaid from the Community Improvement Corporation Fund.

Principal and Interest Requirements

The Village's future long-term obligation funding requirements for the loans, bonds, promissory notes and accrued pension liability, including principal and interest payments as of December 31, 2023 follows:

December 31,	OPWC Loan		General Obligation Bonds		Police/Fire Accrued Pension Liability		CIC - Bank Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 29,597	\$ -	\$ 820,000	\$ 509,000	\$ 30,630	\$ 21,024	\$ 11,010	\$ 10,805
2025	40,411	0	715,000	481,600	41,092	19,026	11,459	10,366
2026	40,411	0	735,000	460,150	41,915	15,752	11,926	9,890
2027	40,411	0	755,000	438,100	42,144	12,633	12,411	9,404
2028	40,411	0	785,000	414,506	40,770	13,710	12,917	8,898
2029-2033	202,053	0	3,830,000	1,677,376	192,640	62,213	72,921	36,155
2034-2038	202,053	0	2,585,000	1,127,233	66,002	14,743	89,036	20,039
2039-2043	180,871	0	3,190,000	496,250	0	0	53,459	2,899
2044-2048	133,599	0	0	0	0	0	0	0
2049-2053	108,135	0	0	0	0	0	0	0
2054	10,813	0	0	0	0	0	0	0
Total	\$1,028,762	\$0	\$13,415,000	\$5,604,215	\$455,193	\$159,101	\$275,139	\$108,456

Note 12 - Insurance and Risk Management

The Village 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.

Insurance for property holds a \$5,000 deductible, general liability does not have a deductible. The Village carries a \$2,500 deductible for both police and professional liability insurance.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

The Village pays unemployment claims to the State of Ohio as incurred.

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The Village contracts with the Industrial Advisors Bureau to review all accidents claimed through Workers' Compensation.

Note 13 - Contingencies

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

Note 14 – Assets Held For Resale

Summary by category of changes in assets held for resale at December 31, 2023:

	Beginning Balance	Additions	Deductions	Ending Balance
Assets Held for Resale	\$5,167,894	\$0	\$0	\$5,167,894

Note 15 – Leases – Lessor Disclosure

The CIC collectively (the "lessor") entered into an agreement to lease certain space in the buildings at 4901 Vine Street and 4981 Vine Street to First State Bank and Ace Cash Express, Inc., respectively.

The lease for First State Bank was as follows:

<u>Lease Year</u>	<u>Annual Rent</u>	<u>Monthly Installments</u>
2024	\$30,384.00	\$2,532.00
2025	\$30,384.00	\$2,532.00
2026	\$12,660.00	\$2,532.00

The lease for Ace Cash Express, Inc. was as follows:

<u>Lease Year</u>	<u>Annual Rent</u>	<u>Monthly Installments</u>
2024	\$18,081.30	\$1,506.77

The CIC recognized \$47,934 in lease revenues and \$2,881 in interest revenues from lease activity for 2023.

These agreements may be cancelled with written notice at least 90 days before the end of the lease terms as described in the lease agreements.

Note 16 – Tax Abatement Disclosures

As of December 31, 2023, the Village of St. Bernard provides tax incentives under a Residential Community Reinvestment Area (RCRA) program.

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

Real Estate Tax Abatements

Pursuant to Ohio Revised Code Chapter 3735.66, the Village established a Residential Community Reinvestment Area in 2008. Various portions of the community are covered by this RCRA. The Village authorizes incentives based upon each residence’s attributes and through a contractual application process with each property owner, 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 RCRA gave the Village the ability to maintain and improve residences located in the Village by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved real estate.

Below are the real property taxes abated in 2023:

	Total Amount of Taxes Abated (Incentives Abated) for the Year 2023 (In Actual Dollars)
Residential Community Reinvestment Area (RCRA)	
Residential	\$25,602

Note 17 – Implementation of New Accounting Principles

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

GASB Statement No. 94 sets out to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for

Village of St. Bernard, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2023

outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the City.

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REQUIRED SUPPLEMENTARY INFORMATION

Village of St. Bernard, Ohio
 Required Supplementary Information
 Schedule of the Village's Proportionate Share
 of the Net Pension Liability
 Ohio Public Employees Retirement System - Traditional Plan
 Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Village's Proportion of the Net Pension Liability	0.01215200%	0.01348300%	0.01055590%	0.01331200%	0.01358800%	0.01578800%	0.01649000%	0.01671600%	0.01741100%	0.01741100%
Village's Proportionate Share of the Net Pension Liability	\$3,589,706	\$1,173,076	\$1,563,099	\$2,631,208	\$3,721,477	\$2,476,832	\$3,744,598	\$2,895,412	\$2,099,961	\$2,052,530
Village's Covered Payroll	\$1,891,771	\$1,956,764	\$1,836,479	\$1,872,936	\$1,835,371	\$2,086,400	\$2,130,225	\$2,080,458	\$2,134,967	\$2,440,946
Village's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	189.75%	59.95%	85.11%	140.49%	202.76%	118.71%	175.78%	139.17%	98.36%	84.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Note:
 Amounts presented as of the Village's measurement date which is the prior fiscal year end.
 See accompanying notes to the required supplementary information.

Village of St. Bernard, Ohio
 Required Supplementary Information
 Schedule of the Village's Proportionate Share
 of the Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Village's Proportion of the Net Pension Liability	0.12470650%	0.12128790%	0.12416020%	0.13285840%	0.13915300%	0.15239000%	0.15567000%	0.15875700%	0.16366500%	0.16366500%
Village's Proportionate Share of the Net Pension Liability	\$11,845,909	\$7,577,366	\$8,464,112	\$8,950,051	\$11,358,562	\$9,352,862	\$9,859,982	\$10,212,940	\$8,478,524	\$7,970,994
Village's Covered Payroll	\$3,402,123	\$3,182,310	\$3,040,000	\$3,028,438	\$3,602,500	\$3,643,684	\$3,726,795	\$3,367,098	\$3,396,817	\$4,259,473
Village's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	348.19%	238.11%	278.42%	295.53%	315.30%	256.69%	264.57%	303.32%	249.60%	187.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%	63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

Note:
 Amounts presented as of the Village's measurement date which is the prior fiscal year end.
 See accompanying notes to the required supplementary information.

Village of St. Bernard, Ohio
 Required Supplementary Information
 Schedule of Village's Contributions
 for Net Pension Liability
 Ohio Public Employees Retirement System- Traditional Plan
 Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$281,992	\$264,848	\$273,947	\$257,107	\$262,211	\$256,952	\$271,232	\$255,627	\$249,655	\$256,196
Contributions in Relation to the Contractually Required Contribution	<u>(281,992)</u>	<u>(264,848)</u>	<u>(273,947)</u>	<u>(257,107)</u>	<u>(262,211)</u>	<u>(256,952)</u>	<u>(271,232)</u>	<u>(255,627)</u>	<u>(249,655)</u>	<u>(256,196)</u>
Contribution Deficiency (Excess)	<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>
Village's Covered Payroll	\$2,014,229	\$1,891,771	\$1,956,764	\$1,836,479	\$1,872,936	\$1,835,371	\$2,086,400	\$2,130,225	\$2,080,458	\$2,134,967
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

Note:
 See accompanying notes to the required supplementary information.

Village of St. Bernard, Ohio
 Required Supplementary Information
 Schedule of Village's Contributions
 for Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$810,478	\$714,786	\$674,968	\$644,176	\$639,909	\$684,475	\$692,300	\$708,091	\$676,450	\$691,592
Contributions in Relation to the Contractually Required Contribution	<u>(810,478)</u>	<u>(714,786)</u>	<u>(674,968)</u>	<u>(644,176)</u>	<u>(639,909)</u>	<u>(684,475)</u>	<u>(692,300)</u>	<u>(708,091)</u>	<u>(676,450)</u>	<u>(691,592)</u>
Contribution Deficiency (Excess)	<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>
Village's Covered Payroll	\$3,857,582	\$3,402,123	\$3,182,310	\$3,040,000	\$3,028,438	\$3,602,500	\$3,643,684	\$3,726,795	\$3,367,098	\$3,396,817
Contributions as a Percentage of Covered Payroll	21.01%	21.01%	21.21%	21.19%	21.13%	19.00%	19.00%	19.00%	20.09%	20.36%

Note:
 See accompanying notes to the required supplementary information.

Village of St. Bernard, Ohio
 Required Supplementary Information
 Schedule of the Village's Proportionate Share
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability (Asset)
 Ohio Public Employees Retirement System - Traditional Plan
 Last Seven Fiscal Years (1)

	2023	2022	2021	2020	2019	2018	2017
Village's Proportion of the Net OPEB Liability (Asset)	0.01144300%	0.01268600%	0.01227400%	0.01298700%	0.01327200%	0.01535000%	0.01607360%
Village's Proportionate Share of the Net OPEB Liability (Asset)	\$72,150	(\$397,345)	(\$218,671)	\$1,793,843	\$1,730,355	\$1,666,897	\$1,623,493
Village's Covered Payroll	\$1,891,771	\$1,956,764	\$1,836,479	\$1,872,936	\$1,835,371	\$2,086,400	\$2,130,225
Village's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	3.81%	-20.31%	-11.91%	95.78%	94.28%	79.89%	76.21%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.04%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note:

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

See accompanying notes to the required supplementary information.

Village of St. Bernard, Ohio
 Required Supplementary Information
 Schedule of the Village's Proportionate Share
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability
 Ohio Police and Fire Pension Fund
 Last Seven Fiscal Years (1)

	2023	2022	2021	2020	2019	2018	2017
Village's Proportion of the Net OPEB Liability	0.12470650%	0.12128790%	0.12416020%	0.13285840%	0.13915300%	0.15239000%	0.15567000%
Village's Proportionate Share of the Net OPEB Liability	\$887,874	\$1,329,420	\$1,315,498	\$1,312,339	\$1,267,202	\$8,634,204	\$7,389,305
Village's Covered Payroll	\$3,402,123	\$3,182,310	\$3,040,000	\$3,028,438	\$3,602,500	\$3,643,684	\$3,726,795
Village's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	26.10%	41.78%	43.27%	43.33%	35.18%	236.96%	198.28%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.60%	46.90%	45.42%	47.10%	46.57%	14.13%	15.96%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note:

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

See accompanying notes to the required supplementary information.

Village of St. Bernard, Ohio
 Required Supplementary Information
 Schedule of Village's Contributions to
 Postemployment Benefits Other Than Pension (OPEB)
 Ohio Public Employees Retirement System - Traditional Plan
 Last Eight Fiscal Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contributions to OPEB in Relation to the Contractually Required Contribution	0	0	0	0	0	0	0	0
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Village's Covered Payroll	\$1,891,771	\$1,891,771	\$1,956,764	\$1,836,479	\$1,872,936	\$1,835,371	\$2,086,400	\$2,130,225
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

Note:
 See accompanying notes to the required supplementary information.

Village of St. Bernard, Ohio
 Required Supplementary Information
 Schedule of Village's Contributions to
 Postemployment Benefits Other Than Pension (OPEB)
 Ohio Police and Fire Pension Fund
 Last Eight Fiscal Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$18,847	\$16,509	\$15,659	\$14,845	\$14,752	\$15,672	\$15,879	\$15,944
Contributions to OPEB in Relation to the Contractually Required Contribution	(18,847)	(16,509)	(15,659)	(14,845)	(14,752)	(15,672)	(15,879)	(15,944)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Village's Covered Payroll	\$3,857,582	\$3,402,123	\$3,182,310	\$3,040,000	\$3,028,438	\$3,602,500	\$3,643,684	\$3,726,795
Contributions to OPEB as a Percentage of Covered Payroll	0.49%	0.49%	0.49%	0.49%	0.49%	0.44%	0.44%	0.43%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

Note:
 See accompanying notes to the required supplementary information.

Village of St. Bernard, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$11,753,279	\$12,012,178	\$12,030,902	\$18,724
Fines, Licenses & Permits	172,175	175,968	176,242	274
Intergovernmental	526,930	538,538	539,377	839
Charges for Services	682,389	697,421	698,508	1,087
Other Revenues	214,308	219,029	219,370	341
Total Revenues	13,349,081	13,643,134	13,664,399	21,265
Expenditures:				
Current:				
General Government	2,632,370	3,960,092	3,688,853	271,239
Public Safety	3,985,642	5,995,932	5,585,251	410,681
Leisure Time Activities	166,126	249,917	232,799	17,118
Basic Utility Service	338,754	509,615	474,710	34,905
Transportation & Street Repair	72,892	109,657	102,146	7,511
Public Health and Welfare	3,861	5,808	5,410	398
Other	60,503	91,019	84,785	6,234
Capital Outlay	198,549	298,693	278,235	20,458
Total Expenditures	7,458,697	11,220,733	10,452,189	768,544
Excess of Revenues Over (Under) Expenditures	5,890,384	2,422,401	3,212,210	789,809
Other Financing Sources (uses):				
Transfers In	133,918	136,868	137,081	213
Transfers (Out)	(2,997,125)	(4,508,824)	(4,200,000)	308,824
Total Other Financing Sources (Uses)	(2,863,207)	(4,371,956)	(4,062,919)	309,037
Net Change in Fund Balance	3,027,177	(1,949,555)	(850,709)	1,098,846
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,622,179	9,622,179	9,622,179	0
Fund Balance End of Year	\$12,649,356	\$7,672,624	\$8,771,470	\$1,098,846

See accompanying notes to the required supplementary information.

Village of St. Bernard, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2023

Note 1 - Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal services and other expenditures level within each office, department and division with a fund.

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

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

Village of St. Bernard, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2023

Net Change in Fund Balance

	General Fund
GAAP Basis Adjustments	\$119,225
Revenue Accruals	(588,657)
Expenditures Accruals	1,457,241
Transfers Out	(1,700,000)
Encumbrances	(138,518)
Budget Basis	(\$850,709)

NOTE 2 - NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

Changes in assumptions:

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

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

- Reduction in actuarial assumed rate of return from 7.20% to 6.90%
- Decrease in wage inflation from 3.25% to 2.75%
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%

2021-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 7.50% to 7.20%.

2018: 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 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%

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

Changes in benefit terms:

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

Village of St. Bernard, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2023

OHIO POLICE AND FIRE PENSION FUND CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

Changes in assumptions:

2023: Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale. 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.

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

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

2021-2019: There have been no OP&F pension plan amendments adopted or changes in assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected 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%

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

Changes in benefit terms:

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

NOTE 3 - NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

Changes in assumptions:

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 decreased from 6.00% to 5.22%.
- The municipal bond rate increased from 1.84% to 4.05%.

Village of St. Bernard, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2023

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

- The municipal bond rate decreased from 2.00% to 1.84%.
- The initial health care cost trend rate decreased from 8.50% to 5.50%.
- Decrease in wage inflation from 3.25% to 2.75%.
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16% to 6.00%.
- The municipal bond rate decreased from 2.75% to 2.00%.
- The initial health care cost trend rate decreased from 10.50% to 8.50%.

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 decreased from 3.96% to 3.16%.
- The municipal bond rate decreased from 3.71% to 2.75%.
- The initial health care cost trend rate increased from 10.00% to 10.50%.

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 increased from 3.85% to 3.96%.
- The investment rate of return decreased from 6.50% to 6.00%.
- The municipal bond rate increased from 3.31% to 3.71%.
- The initial health care cost trend rate increased from 7.50% to 10.00%.

2018: The single discount rate changed from 4.23% to 3.85%.

Changes in Benefit Terms:

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

2022: 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.

2021: There were no changes in benefit terms for the period.

2020: 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.

2019-2018: There were no changes in benefit terms for the period.

OHIO POLICE AND FIRE PENSION FUND CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

Changes in assumptions:

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%
- The depletion year of OPEB assets is projected in year 2036
- Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale. 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.

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

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- The single discount rate changed from 2.96% to 2.84%

2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 3.56% to 2.96%.

2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 4.66% to 3.56%.

2019: Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%. The single discount rate increased from 3.24% to 4.66% and the municipal bond rate from 3.16% to 4.13%.

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

Village of St. Bernard, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2023

Changes in benefit terms:

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

2019: See above regarding change to stipend-based model.

2018: There were no changes in benefit terms for the period.

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

Village of St. Bernard
110 Washington Ave.
St. Bernard, Ohio 45217

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of St. Bernard (the Village) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 8, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

June 8, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ST. BERNARD

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/11/2024

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

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