

**CITY OF YOUNGSTOWN**  
MAHONING COUNTY, OHIO

**SINGLE AUDIT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2021**



OHIO AUDITOR OF STATE  
KEITH FABER



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City Council  
City of Youngstown  
26 South Phelps Street  
Youngstown, Ohio 44503

We have reviewed the *Independent Auditor's Report* of the City of Youngstown, Mahoning County, prepared by Julian & Grube, Inc., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

The Auditor of State is conducting an investigation, which is on-going as of the date of this report. Dependent on the outcome of the investigation results may be reported on at a later date.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

November 30, 2022

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**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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## Independent Auditor's Report

City of Youngstown  
Mahoning County  
26 South Phelps Street  
Youngstown, Ohio 44503

To the Members of the City Council and Mayor:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Youngstown, Mahoning County, Ohio, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Youngstown's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Youngstown, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Fire Levy Fund, Police Levy Fund, and the American Rescue Plan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Emphasis of Matters*

As described in Note 3 to the financial statements, the City of Youngstown posted a prior period adjustment to properly report certain expenditures/expenses from prior periods in the proper funds. As described in Note 23 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City of Youngstown. Our opinions are not modified with respect to these matters.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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



***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Youngstown's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2022 on our consideration of the City of Youngstown's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Youngstown's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Youngstown's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
October 27, 2022

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

The management's discussion and analysis of the City of Youngstown's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2021 are as follows:

- Net position of governmental activities and business-type activities were restated at January 1, 2021, for a prior period adjustment, see Note 3.A to the financial statements for detail.
- The total net position of the City increased \$44,647,927. Net position of governmental activities increased \$25,892,520 or 63.25% from 2020. Net position of business-type activities increased \$18,373,614 or 26.24% from 2020. This increase is primarily the result of the decrease in other postemployment benefits (OPEB) expense for the Ohio Public Employees Retirement System (OPERS).
- General revenues accounted for \$57,515,898 or 73.26% of total governmental activities revenue. Program specific revenues accounted for \$20,995,050 or 26.74% of total governmental activities revenue.
- The City had \$52,618,428 in expenses related to governmental activities; \$20,995,050 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$31,623,378 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$57,515,898.
- The general fund had revenues and other financing sources of \$31,028,625 in 2021. This represents an increase of \$231,197 from 2020. The expenditures and other financing uses of the general fund, which totaled \$29,814,623 in 2021, increased \$6,057,668 from 2020. The increase in fund balance was \$1,214,002 in the general fund at December 31, 2021.
- The fire levy fund had revenues and other financing sources of \$14,104,952 in 2021. This represents an increase of \$2,106,595 from 2020. The expenditures of the fire levy fund, which totaled \$13,753,642, in 2021, increased \$1,984,000 from 2020. The increase in fund balance was \$351,310 in the fire levy fund at December 31, 2021.
- The police levy fund had revenues and other financing sources of \$17,733,263 in 2021. This represents an increase of \$3,073,480 from 2020. The expenditures of the police levy fund, which totaled \$17,276,500 in 2021, increased \$2,782,291 from 2020. The increase in fund balance was \$456,763 in the police levy fund at December 31, 2021.
- The American Rescue Plan (ARP) fund had revenues of \$9,513 in 2021. Expenditures in 2021 totaled \$-0- and the fund balance at the end of the year in the ARP fund was \$9,513.
- The capital projects public works fund had revenues and other financing sources of \$12,185,444 and expenditures of \$11,672,596 in 2021. The increase in fund balance was \$512,848 in the capital projects public works fund at December 31, 2021.
- Net position for the business-type activities, which are made up of the sewer, water and environmental sanitation enterprise funds increased in 2021 by \$18,373,614. In total, the enterprise funds had adequate charges for services revenue to cover operating expenses.

**Using this Annual Financial Report**

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

**Reporting the City as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Component unit - The City's financial statements include financial data of the Youngstown City Health District. The component unit is described in the notes to the financial statements.

The City's statement of net position and statement of activities can be found on pages 16-19 of this report.

**Reporting the City's Most Significant Funds**

***Fund Financial Statements***

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

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 10.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

***Governmental Funds***

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general, fire levy, police levy, ARP, and capital projects public works funds. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 20-30 of this report.

***Proprietary Funds***

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water and environmental sanitation operations. The sewer, water and environmental sanitation funds are considered major funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City's internal service fund accounts for worker's compensation insurance and self-insured dental and vision programs. The basic proprietary fund financial statements can be found on pages 32-41 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Custodial funds are the City's only fiduciary fund type. The basic fiduciary fund financial statements can be found on page 42-43 of this report.

***Notes to the Basic Financial Statements and Required Supplementary Information***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 45-110 of this report. This report also presents certain required supplementary information concerning the net pension liability/asset and net OPEB liability. The required supplementary information can be found on pages 112-127 of this report.

**Government-Wide Financial Analysis**

Net position of governmental activities and business-type activities were restated for a prior period adjustment at January 1, 2021, see Note 3.A to the financial statements for detail. The table on the following page provides a summary of the City's net position for 2021 and 2020.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Governmental Activities		Business-Type Activities		Total	
	2021	(Restated) 2020	2021	(Restated) 2020	2021	(Restated) 2020
<b><u>Assets</u></b>						
Current and other assets	\$ 101,339,199	\$ 57,889,803	\$ 44,726,833	\$ 41,864,732	\$ 146,066,032	\$ 99,754,535
Net pension asset	99,657	70,490	98,762	82,608	198,419	153,098
Net OPEB asset	1,223,566	-	1,212,580	-	2,436,146	-
Capital assets, net	120,716,530	110,624,659	155,676,941	155,504,427	276,393,471	266,129,086
Total assets	<u>223,378,952</u>	<u>168,584,952</u>	<u>201,715,116</u>	<u>197,451,767</u>	<u>425,094,068</u>	<u>366,036,719</u>
<b><u>Deferred outflows of resources</u></b>						
Unamortized deferred charges	383,163	426,613	-	-	383,163	426,613
Pension	8,267,708	8,907,562	1,556,665	2,429,694	9,824,373	11,337,256
OPEB	4,849,164	5,821,332	605,068	1,808,853	5,454,232	7,630,185
Total deferred outflows of resources	<u>13,500,035</u>	<u>15,155,507</u>	<u>2,161,733</u>	<u>4,238,547</u>	<u>15,661,768</u>	<u>19,394,054</u>
<b><u>Liabilities</u></b>						
Current liabilities	48,659,335	6,872,065	3,951,217	4,233,528	52,610,552	11,105,593
Long-term liabilities:						
Due within one year	3,875,179	3,254,688	5,977,816	5,874,199	9,852,995	9,128,887
Net pension liability	58,451,955	63,462,428	10,491,241	16,454,647	68,943,196	79,917,075
Net OPEB liability	7,439,310	16,647,287	-	11,016,617	7,439,310	27,663,904
Other amounts	25,330,459	28,928,385	83,718,365	87,925,084	109,048,824	116,853,469
Total liabilities	<u>143,756,238</u>	<u>119,164,853</u>	<u>104,138,639</u>	<u>125,504,075</u>	<u>247,894,877</u>	<u>244,668,928</u>
<b><u>Deferred inflows of resources</u></b>						
Property taxes	1,496,079	1,507,543	-	-	1,496,079	1,507,543
Payment in lieu of taxes	3,600,000	3,570,000	-	-	3,600,000	3,570,000
Pension	13,074,422	12,421,954	6,518,997	4,233,278	19,593,419	16,655,232
OPEB	8,126,035	6,142,416	4,828,881	1,936,243	12,954,916	8,078,659
Total deferred inflows of resources	<u>26,296,536</u>	<u>23,641,913</u>	<u>11,347,878</u>	<u>6,169,521</u>	<u>37,644,414</u>	<u>29,811,434</u>
<b><u>Net position</u></b>						
Net investment in capital assets	103,965,040	90,796,774	67,417,688	63,387,868	171,382,728	154,184,642
Restricted	20,219,432	21,787,862	-	-	20,219,432	21,787,862
Unrestricted (deficit)	<u>(57,358,259)</u>	<u>(71,650,943)</u>	<u>20,972,644</u>	<u>6,628,850</u>	<u>(36,385,615)</u>	<u>(65,022,093)</u>
Total net position (deficit)	<u>\$ 66,826,213</u>	<u>\$ 40,933,693</u>	<u>\$ 88,390,332</u>	<u>\$ 70,016,718</u>	<u>\$ 155,216,545</u>	<u>\$ 110,950,411</u>

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2021, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$155,216,545. At year-end, net position was \$66,826,213 and \$88,390,332 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 54.04% of total assets. Capital assets include land, buildings, improvements other than buildings, machinery and equipment, computer software, vehicles, infrastructure and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2021, were \$103,965,040 and \$67,417,688 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

A portion of the City's net position, \$20,219,432, at December 31, 2021, represents resources that are subject to external restriction on how they may be used.

Net position of governmental activities and business-type activities were restated for a prior period adjustment at January 1, 2021, see Note 3.A to the financial statements for detail. The following table shows the changes in net position for 2021 and 2020.

	<b>Change in Net Position</b>					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>(Restated) 2020</u>	<u>2021</u>	<u>(Restated) 2020</u>	<u>2021</u>	<u>(Restated) 2020</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 3,571,140	\$ 2,968,442	\$ 65,511,476	\$ 64,692,141	\$ 69,082,616	\$ 67,660,583
Operating grants and contributions	10,234,977	19,113,948	-	-	10,234,977	19,113,948
Capital grants and contributions	<u>7,188,933</u>	<u>3,229,867</u>	<u>-</u>	<u>241,720</u>	<u>7,188,933</u>	<u>3,471,587</u>
Total program revenues	<u>20,995,050</u>	<u>25,312,257</u>	<u>65,511,476</u>	<u>64,933,861</u>	<u>86,506,526</u>	<u>90,246,118</u>
General revenues:						
Property taxes	1,870,781	1,738,776	-	-	1,870,781	1,738,776
Income taxes	46,084,432	42,815,206	-	-	46,084,432	42,815,206
Payments in lieu of taxes	5,127,543	5,064,090	-	-	5,127,543	5,064,090
Unrestricted grants and entitlements	4,265,322	3,937,282	-	-	4,265,322	3,937,282
Investment earnings	43,020	137,199	-	-	43,020	137,199
Gain on sale of capital assets	-	-	32,096	-	32,096	-
Miscellaneous	<u>124,800</u>	<u>1,503,813</u>	<u>312,987</u>	<u>768,926</u>	<u>437,787</u>	<u>2,272,739</u>
Total general revenues	<u>57,515,898</u>	<u>55,196,366</u>	<u>345,083</u>	<u>768,926</u>	<u>57,860,981</u>	<u>55,965,292</u>
Total revenues	<u>78,510,948</u>	<u>80,508,623</u>	<u>65,856,559</u>	<u>65,702,787</u>	<u>144,367,507</u>	<u>146,211,410</u>
<b>Expenses:</b>						
General government	4,294,273	9,172,860	-	-	4,294,273	9,172,860
Security of persons and property	31,412,236	36,229,982	-	-	31,412,236	36,229,982
Public health and welfare	175,006	1,628,118	-	-	175,006	1,628,118
Transportation	3,205,902	8,113,104	-	-	3,205,902	8,113,104
Community environment	11,312,299	11,089,270	-	-	11,312,299	11,089,270
Leisure time activity	1,653,171	2,262,736	-	-	1,653,171	2,262,736
Interest and fiscal charges	565,541	553,412	-	-	565,541	553,412
Water	-	-	16,477,788	24,593,456	16,477,788	24,593,456
Sewer	-	-	26,722,331	31,851,411	26,722,331	31,851,411
Environmental sanitation	-	-	<u>4,282,826</u>	<u>5,822,873</u>	<u>4,282,826</u>	<u>5,822,873</u>
Total expenses	<u>52,618,428</u>	<u>69,049,482</u>	<u>47,482,945</u>	<u>62,267,740</u>	<u>100,101,373</u>	<u>131,317,222</u>
Change in net position before transfers	26,274,313	11,459,141	18,373,614	3,435,047	44,647,927	14,894,188
Transfers	<u>-</u>	<u>(204,800)</u>	<u>-</u>	<u>204,800</u>	<u>-</u>	<u>-</u>
Change in net position	25,892,520	11,254,341	18,373,614	3,639,847	44,266,134	14,894,188
Net position at beginning of year	<u>40,933,693</u>	<u>29,679,352</u>	<u>70,016,718</u>	<u>66,376,871</u>	<u>110,950,411</u>	<u>96,056,223</u>
Net position at end of year	<u>\$ 66,826,213</u>	<u>\$ 40,933,693</u>	<u>\$ 88,390,332</u>	<u>\$ 70,016,718</u>	<u>\$ 155,216,545</u>	<u>\$ 110,950,411</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Governmental Activities**

Governmental activities net position increased by \$25,892,520 in 2021. The City's deficit unrestricted net position in governmental activities, a deficit of \$57,358,259, is primarily from the net pension and net OPEB liability, explained on pages 6-7. Current and other assets and current liabilities increased significantly from the receipt of \$41.4 million in ARP funding, which is reported as unearned revenue on the statement of net position. The City did not spend any of the ARP funding during 2021.

In total, 2021 revenues decreased \$1,997,675 from 2020. Charges for services program revenues related to general government, community environment and leisure time activities increased during 2021 as a result of re-openings and fewer restrictions stemming from the COVID-19 pandemic. Operating grants and contributions program revenues in 2021 decreased from as a result of community development and CARES Act funding received in 2020 to assist in the City's response to the COVID-19 pandemic. The City received \$5.2 million in CARES Act funding during 2021. Capital grants and contributions increased during 2021 primarily from federal funding from the Ohio Department of Transportation (ODOT) for ongoing projects such as the SMART2 Network, Crescent Street Bridge, Safe Route to Schools, Fifth Avenue and Signal Upgrade.

General revenues totaled \$57,515,898 and amounted to 73.26% of total governmental revenues during 2021. These revenues primarily consist of income tax revenue of \$46,084,432. The other primary source of general revenues is payments in lieu of taxes and grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$5,127,543 and \$4,265,322, respectively.

In total, 2021 expenses decreased \$16,431,054 or 23.80%. This decrease is primarily the result of the decrease in OPEB expense for OPERS. On January 15, 2020, OPERS approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City at December 31, 2021. These changes along with changes in assumptions related to an increase in discount rate from 3.16% to 6.00% significantly decreased the total OPEB liability for the measurement date December 31, 2020.

Security of persons and property, which primarily supports the operations of the police and fire departments, is the City's largest category of governmental activity expenses accounting for \$31,412,236 and \$36,229,982 of the total expenses of the City during 2021 and 2020, respectively. These expenses were partially funded by \$2,061,782 in 2021 compared to \$6,393,356 in 2020 in direct charges to users of the services and operating grants. In 2020, CARES Act funding supported police and fire salaries and wages. A decrease in expenses in security of persons and property is related to the change in the City's net OPEB liability and related deferred inflows and outflows of resources for police and fire OP&F that decreased expenditures significantly reported in 2021. Transportation expenses, which mainly consist of repair and upkeep of the City's roads, totaled \$3,205,902 during 2021 and \$8,113,104 during 2020. In 2021, these expenses were funded by operating grants and contributions and capital grants and contributions. Community environment expenses totaled \$11,312,299 in 2021 and \$11,089,736 in 2020, and primarily relate to the City's Community Development programs.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Governmental Activities</b>			
	Total Cost of	Net Cost of	Total Cost of	Net Cost of
	Services	Services	Services	Services
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
Program Expenses:				
General government	\$ 4,294,273	\$ 889,058	\$ 9,172,860	\$ 7,278,468
Security of persons and property	31,412,236	29,350,454	36,229,982	29,836,626
Public health and welfare	175,006	175,006	1,628,118	870,587
Transportation	3,205,902	(6,767,588)	8,113,104	1,659,688
Community environment	11,312,299	5,934,782	11,089,270	1,605,250
Leisure time activity	1,653,171	1,476,125	2,262,736	1,933,194
Interest and fiscal charges	<u>565,541</u>	<u>565,541</u>	<u>553,412</u>	<u>553,412</u>
Total	<u>\$ 52,618,428</u>	<u>\$ 31,623,378</u>	<u>\$ 69,049,482</u>	<u>\$ 43,737,225</u>

The dependence upon general revenues for governmental activities is apparent, with 59.81% and 63.34% of expenses supported through taxes and other general revenues during 2021 and 2020, respectively.

**Business-Type Activities**

Business-type activities include the sewer, water and environmental sanitation enterprise funds. These programs had program revenues of \$65,511,476, general revenues of \$345,083, and expenses of \$47,482,945 for 2021. Net position increased by \$18,373,614.

**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

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

The City's governmental funds (as presented on the balance sheet on pages 20-21) reported a combined fund balance of \$22,886,468 which is \$1,092,429 higher than last year's restated fund balance total of \$21,794,039. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2021 for all major and nonmajor governmental funds.

	Fund Balances	(Restated) Fund Balances	Increase
	<u>12/31/21</u>	<u>12/31/20</u>	<u>(Decrease)</u>
Major funds:			
General	\$ 8,743,949	\$ 7,529,947	\$ 1,214,002
Fire levy	709,834	358,524	351,310
Police levy	1,131,418	674,655	456,763
ARP	9,513	-	9,513
Capital projects public works	209,983	(302,865)	512,848
Nonmajor governmental funds	<u>12,081,771</u>	<u>13,533,778</u>	<u>(1,452,007)</u>
Total	<u>\$ 22,886,468</u>	<u>\$ 21,794,039</u>	<u>\$ 1,092,429</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**General Fund**

The City's general fund balance increased \$1,214,002 throughout the year. The table that follows assists in illustrating the revenues of the general fund.

	2021 <u>Amount</u>	2020 <u>Amount</u>	Percentage <u>Change</u>
<b><u>Revenues</u></b>			
Income taxes	\$ 24,586,242	\$ 23,702,855	3.73 %
Charges for services	570,491	319,408	78.61 %
Licenses and permits	206,803	218,668	(5.43) %
Fines and forfeitures	437,408	410,413	6.58 %
Intergovernmental	3,973,121	3,696,056	7.50 %
Investment income	43,020	137,199	(68.64) %
Rental income	160,000	160,000	- %
Other	<u>1,050,840</u>	<u>2,151,423</u>	(51.16) %
Total	<u>\$ 31,027,925</u>	<u>\$ 30,796,022</u>	0.75 %

Income tax revenue represents 79.24% of all general fund revenue and increased by 3.73% in 2021. Charges for services increased 78.61% as a result of re-openings and fewer restrictions stemming from the COVID-19 pandemic during 2021. Investment income decreased by 68.64% as a result of lower interest rates. Other revenues decreased by 51.16% from miscellaneous rebates and reimbursements, in particular the dividend distributed by the Bureau of Workers Compensation in December 2020.

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

	2021 <u>Amount</u>	2020 <u>Amount</u>	Percentage <u>Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 8,195,342	\$ 8,161,201	0.42 %
Security of persons and property	2,723,280	2,421,940	12.44 %
Public health and welfare	150,006	918,000	(83.66) %
Community environment	667,441	711,525	(6.20) %
Leisure time activity	<u>64,720</u>	<u>24,289</u>	166.46 %
Total	<u>\$ 11,800,789</u>	<u>\$ 12,236,955</u>	(3.56) %

General government expenditures were comparable to prior year. Security of persons and property expenditures increased in 2021 from certain expenditures being paid from the CARES Act fund during 2020. Public health expenditures in the general fund represent the amount of City contributions made to the Youngstown City Health District to subsidize operations. Community environment expenditures decreased due to expenditures related to community planning and economic development projects. Leisure time activities increased as closures from the COVID-19 pandemic lifted during the year.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

***Fire Levy Fund***

The fire levy had revenues and other financing sources of \$14,104,952 in 2021. This represents an increase of \$2,106,595 from 2020. The expenditures of the fire levy fund, which totaled \$13,753,642 in 2021, increased \$1,984,000 from 2020. Expenditures and transfers in from the general fund increased in 2021, as a portion of the fire levy fund's salaries and wages dedicated to COVID-19 mitigation were paid from the coronavirus relief nonmajor special revenue fund in 2020.

***Police Levy Fund***

The police levy fund had revenues and other financing sources of \$17,733,263 in 2021. This represents an increase of \$3,073,480 from 2020. The expenditures of the police levy fund, which totaled \$17,276,500 in 2021, increased \$2,782,291 from 2020. Expenditures and transfers in from the general fund increased in 2021 as a portion of the police levy fund's salaries and wages dedicated to COVID-19 mitigation were paid from the coronavirus relief nonmajor special revenue fund in 2020.

***ARP Fund***

The ARP fund is reported as a major fund. The City received \$41,387,685 in federal funding from the American Rescue Plan Act of 2021 to provide additional relief to address the continued impact of the COVID-19 pandemic. The City made no expenditures from the ARP fund during 2021. The unspent portion as of December 31, 2021, has been reported as unearned revenue.

***Capital Projects Public Works Fund***

The capital projects public works fund had revenues and other financing sources of \$11,803,651 and expenditures of \$11,290,803 in 2021. The increase in fund balance was \$512,848 in the capital projects public works fund at December 31, 2021. The fund accounts for various capital improvements financed through federal and state grants, note and loan proceeds, and transfers from other funds

***Budgeting Highlights***

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity than the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund, fire levy fund, police levy fund, and ARP fund. In the general fund, actual expenditures and other financing uses of \$34,225,955 came in \$1,303,192 lower than final budgeted expenditures and other financing uses of \$35,529,147. Original and final budgeted revenues totaled \$30,482,550 and \$33,014,250, respectively, for 2021. Actual revenues and other financing sources were \$33,148,595 which were \$134,345 higher than final budgeted revenues.

***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of 2021, the City had \$276,393,471 (net of accumulated depreciation) invested in land, buildings, improvements other than buildings (I.O.T.B.), machinery and equipment, computer software, vehicles, infrastructure and construction in progress (CIP). Of this total, \$120,716,530 was reported in governmental activities and \$155,676,941 was reported in business-type activities. The following table shows 2021 balances compared to 2020:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
Land	\$ 14,516,203	\$ 14,516,203	\$ 1,268,120	\$ 1,268,120	\$ 15,784,323	\$ 15,784,323
Construction in progress	13,968,550	5,347,432	62,079,474	60,096,548	76,048,024	65,443,980
Buildings	40,611,920	42,300,226	41,403,822	43,277,710	82,015,742	85,577,936
I.O.T.B.	3,217,430	3,485,121	1,394,211	1,492,071	4,611,641	4,977,192
Machinery and equipment	2,991,147	3,199,309	4,644,057	5,133,458	7,635,204	8,332,767
Computer software	216,225	318,609	32,704	48,390	248,929	366,999
Vehicles	3,044,794	2,524,021	2,799,376	3,148,077	5,844,170	5,672,098
Infrastructure	42,150,261	38,933,738	42,055,177	41,040,053	84,205,438	79,973,791
<b>Totals</b>	<b><u>\$ 120,716,530</u></b>	<b><u>\$ 110,624,659</u></b>	<b><u>\$ 155,676,941</u></b>	<b><u>\$ 155,504,427</u></b>	<b><u>\$ 276,393,471</u></b>	<b><u>\$ 266,129,086</u></b>

The City's largest governmental activities capital asset categories are buildings and infrastructure. The net book value of the City's buildings and infrastructure (cost less accumulated depreciation) represents 68.56% and 73.43%, respectively of the City's total governmental capital assets at December 31, 2021, respectively.

The City's largest business-type capital asset category are buildings, construction in progress and infrastructure. Construction in progress represents 39.88% of the City's total governmental capital assets at December 31, 2021. The net book value (cost less accumulated depreciation) of the City's buildings and infrastructure represents 53.61% and 54.22% of the City's total business-type activities capital assets at December 31, 2021.

See Note 10 to the basic financial statements for further detail on capital assets.

***Debt Administration***

The City had the following short-term and long-term debt obligations outstanding at December 31, 2021 and 2020:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	2021	2020	2021	2020
General obligation bonds	\$ 7,215,000	\$ 8,379,000	\$ -	\$ -
Short-term notes	2,300,000	2,060,000	-	-
Long-term notes	7,300,000	9,600,000	-	-
HUD 108 loan	3,561,000	3,713,000	-	-
OWDA loans	-	-	82,200,829	85,599,952
OPWC loan	96,430	117,858	4,058,320	4,306,770
ODSA/EPA loan	743,273	821,512	-	-
SIB loan	501,121	-	-	-
Capital lease obligation	1,285,574	1,573,645	1,646,742	2,056,742
<b>Total long-term obligations</b>	<b><u>\$ 23,002,398</u></b>	<b><u>\$ 26,265,015</u></b>	<b><u>\$ 87,905,891</u></b>	<b><u>\$ 91,963,464</u></b>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

See Note 12 to the basic financial statements for further detail on the City's long-term obligations outstanding at year end and Note 13 to the basic financial statements for the City's short-term note obligations outstanding at year end.

**Economic Conditions and Outlook**

The City's administration considered the impact of various economic factors when establishing the 2021 budget. The economy in Youngstown was decimated during the last quarter century due to the collapse of its principal industry, iron and steel production. The City is working hard to build on the success of the last few years and leave its big industry past behind by continuing to aggressively pursue small light industrial and commercial development. So far, more than 11,000 new jobs have been created, with additional job opportunities anticipated as various development agreements are secured. A working example is the Youngstown Business Incubator's \$5.5 million take over and renovation of the 60,000 square foot Vindicator office building completed in the Fall of 2018 with estimated workforce increase of 110 full-time employees.

Over the past several years, the City has twice received SBA leadership awards for small business development and is continuing its efforts to locate and grow new industry in Youngstown. Nevertheless, the City continues to lose population and unemployment remains above the national average for 2021. The primary objectives of the City include aggressive investments in new development, a commitment to job creation, a continued emphasis on fiscal stability, as well as improving the quality of life for its citizens.

At the end of 2021 the City of Youngstown had a total net position of \$155,598,338. The City's fortunate financial position is largely due to three factors: aggressive cost containment, steady income tax collections, and employee reductions through buyouts and attrition.

The City will continue to closely monitor the 2022 budget in relation to long-term effects of the COVID-19 pandemic. The City is scheduled to receive \$41.4 million dollars in American Rescue Plan Act funding in 2022.

Under the leadership of Mayor Jamael Tito Brown, the City has begun to develop a new comprehensive plan that builds upon the 2010 blueprint started by the prior Administration. Youngstown has come through its dependence on just one industry and is moving forward. Furthermore, the City continues to revitalize its economy, improve its quality of life and strengthen its future.

The City's current financial position is at risk but remains tentatively balanced. Let there be no doubt, the City's core mission is straightforward: to continue with conservative budgeting practices, to stimulate economic growth, to create new and better jobs, and to ensure that Youngstown continues to embark on the path of steady growth. The City will continue to right itself relative to revenues and expenditures. For these reasons, as we slowly exit the most troubling period the economy has experienced since the 1930s, the City expects the actions undertaken by management will be successful in maintaining balanced operations through the end of 2022.

**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Mr. Kyle Miasek, Finance Director, City of Youngstown, and 26 S. Phelps Street, Youngstown, Ohio 44503.

BASIC  
FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF NET POSITION  
DECEMBER 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Youngstown City Health District
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 69,368,620	\$ 30,729,649	\$ 100,098,269	\$ 1,067,147
Cash in segregated accounts. . . . .	1,000	-	1,000	-
Receivables:				
Income taxes. . . . .	12,170,141	-	12,170,141	-
Real and other local taxes . . . . .	2,680,316	-	2,680,316	-
Payment in lieu of taxes. . . . .	3,600,000	-	3,600,000	-
Accounts. . . . .	713,784	9,937,447	10,651,231	-
Special assessments . . . . .	85,620	945,666	1,031,286	-
Loans receivable. . . . .	-	700,000	700,000	-
Due from other governments. . . . .	12,151,005	-	12,151,005	61,118
Materials and supplies inventory. . . . .	651,127	2,330,257	2,981,384	643
Internal balance . . . . .	(83,814)	83,814	-	-
Loan to component unit . . . . .	1,400	-	1,400	-
Net pension asset. . . . .	99,657	98,762	198,419	6,812
Net OPEB asset. . . . .	1,223,566	1,212,580	2,436,146	83,631
Capital assets:				
Nondepreciable capital assets. . . . .	28,484,753	63,347,594	91,832,347	-
Depreciable capital assets, net. . . . .	92,231,777	92,329,347	184,561,124	27,205
Total capital assets, net. . . . .	120,716,530	155,676,941	276,393,471	27,205
Total assets . . . . .	223,378,952	201,715,116	425,094,068	1,246,556
<b>Deferred outflows of resources:</b>				
Unamortized deferred charges on debt refunding .	383,163	-	383,163	-
Pension . . . . .	8,267,708	1,556,665	9,824,373	106,537
OPEB . . . . .	4,849,164	605,068	5,454,232	41,498
Total deferred outflows of resources . . . . .	13,500,035	2,161,733	15,661,768	148,035
<b>Liabilities:</b>				
Accounts payable. . . . .	355,860	784,529	1,140,389	17,974
Contracts payable. . . . .	423,511	699,904	1,123,415	-
Accrued wages payable . . . . .	1,101,939	401,181	1,503,120	31,478
Due to other governments . . . . .	229,586	1,247,617	1,477,203	5,061
Loan from primary government. . . . .	-	-	-	1,400
Accrued interest payable . . . . .	107,170	817,986	925,156	-
Claims payable . . . . .	890,563	-	890,563	-
Deposits payable . . . . .	1,273,279	-	1,273,279	-
Payroll withholding payable . . . . .	589,742	-	589,742	-
Notes payable. . . . .	2,300,000	-	2,300,000	-
Unearned revenue . . . . .	41,387,685	-	41,387,685	-
Long-term liabilities:				
Due within one year . . . . .	3,875,179	5,977,816	9,852,995	29,432
Due greater than one year:				
Net pension liability . . . . .	58,451,955	10,491,241	68,943,196	723,573
Net OPEB liability. . . . .	7,439,310	-	7,439,310	-
Other amounts due in more than one year .	25,330,459	83,718,365	109,048,824	134,521
Total liabilities. . . . .	143,756,238	104,138,639	247,894,877	943,439
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next year . . . . .	1,496,079	-	1,496,079	-
Payment in lieu of taxes levied for the next year.	3,600,000	-	3,600,000	-
Pension . . . . .	13,074,422	6,518,997	19,593,419	490,669
OPEB . . . . .	8,126,035	4,828,881	12,954,916	356,629
Total deferred inflows of resources . . . . .	26,296,536	11,347,878	37,644,414	847,298

- (Continued)

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF NET POSITION - (Continued)  
DECEMBER 31, 2021

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Youngstown City Health District</b>
<b>Net position:</b>				
Net investment in capital assets . . . . .	\$ 103,965,040	\$ 67,417,688	\$ 171,382,728	\$ 27,205
Restricted for:				
Debt service . . . . .	3,960,959	-	3,960,959	-
Capital projects . . . . .	3,895,872	-	3,895,872	-
Community development . . . . .	8,649,504	-	8,649,504	-
Street maintenance and repair . . . . .	1,672,460	-	1,672,460	-
Law enforcement . . . . .	2,001,003	-	2,001,003	-
American Rescue Plan Act . . . . .	9,513	-	9,513	-
Public health and welfare . . . . .	1,686	-	1,686	654,471
Unclaimed monies . . . . .	28,435	-	28,435	-
Unrestricted (deficit) . . . . .	<u>(57,358,259)</u>	<u>20,972,644</u>	<u>(36,385,615)</u>	<u>(1,077,822)</u>
Total net position . . . . .	<u>\$ 66,826,213</u>	<u>\$ 88,390,332</u>	<u>\$ 155,216,545</u>	<u>\$ (396,146)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
Current:				
General government . . . . .	\$ 4,294,273	\$ 1,707,598	\$ 22,817	\$ 1,674,800
Security of persons and property . . . . .	31,412,236	791,055	1,270,727	-
Public health and welfare . . . . .	175,006	-	-	-
Transportation . . . . .	3,205,902	-	4,514,967	5,458,523
Community environment . . . . .	11,312,299	1,059,914	4,261,993	55,610
Leisure time activity . . . . .	1,653,171	12,573	164,473	-
Interest and fiscal charges . . . . .	565,541	-	-	-
Total governmental activities . . . . .	<u>52,618,428</u>	<u>3,571,140</u>	<u>10,234,977</u>	<u>7,188,933</u>
<b>Business-type activities:</b>				
Sewer . . . . .	16,477,788	27,795,240	-	-
Water . . . . .	26,722,331	33,232,053	-	-
Environmental sanitation . . . . .	4,282,826	4,484,183	-	-
Total business-type activities . . . . .	<u>47,482,945</u>	<u>65,511,476</u>	<u>-</u>	<u>-</u>
Total primary government . . . . .	<u>\$ 100,101,373</u>	<u>\$ 69,082,616</u>	<u>\$ 10,234,977</u>	<u>\$ 7,188,933</u>
<b>Component Unit:</b>				
Youngstown City Health District . . . . .	<u>\$ 1,401,039</u>	<u>\$ 755,348</u>	<u>\$ 1,361,838</u>	<u>\$ -</u>

**General revenues:**

Property taxes levied for:
Debt service . . . . .
Special revenue . . . . .
Income taxes levied for:
General purposes . . . . .
Fire levy . . . . .
Police levy . . . . .
Capital projects . . . . .
Payment in lieu of taxes . . . . .
Grants and entitlements not restricted to specific programs . . . . .
Investment earnings . . . . .
Gain on sale of capital assets . . . . .
Miscellaneous . . . . .
Total general revenues . . . . .
Change in net position . . . . .
<b>Net position (deficit) at beginning of year (restated) . . . . .</b>
<b>Net position (deficit) at end of year . . . . .</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Youngstown City Health District</b>
\$ (889,058)	\$ -	\$ (889,058)	\$ -
(29,350,454)	-	(29,350,454)	-
(175,006)	-	(175,006)	-
6,767,588	-	6,767,588	-
(5,934,782)	-	(5,934,782)	-
(1,476,125)	-	(1,476,125)	-
(565,541)	-	(565,541)	-
<u>(31,623,378)</u>	<u>-</u>	<u>(31,623,378)</u>	<u>-</u>
-	11,317,452	11,317,452	-
-	6,509,722	6,509,722	-
-	201,357	201,357	-
<u>-</u>	<u>18,028,531</u>	<u>18,028,531</u>	<u>-</u>
<u>(31,623,378)</u>	<u>18,028,531</u>	<u>(13,594,847)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>716,147</u>
1,721,784	-	1,721,784	-
148,997	-	148,997	-
25,021,316	-	25,021,316	-
6,950,138	-	6,950,138	-
9,271,902	-	9,271,902	-
4,841,076	-	4,841,076	-
5,127,543	-	5,127,543	-
4,265,322	-	4,265,322	-
43,020	-	43,020	-
-	32,096	32,096	-
124,800	312,987	437,787	3,278
<u>57,515,898</u>	<u>345,083</u>	<u>57,860,981</u>	<u>3,278</u>
25,892,520	18,373,614	44,266,134	719,425
<u>40,933,693</u>	<u>70,016,718</u>	<u>110,950,411</u>	<u>(1,115,571)</u>
<u>\$ 66,826,213</u>	<u>\$ 88,390,332</u>	<u>\$ 155,216,545</u>	<u>\$ (396,146)</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	<b>General</b>	<b>Fire Levy</b>	<b>Police Levy</b>	<b>American Rescue Plan</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 4,751,796	\$ 566,694	\$ 760,000	\$ 41,397,198
Cash with fiscal and escrow agents. . . . .	1,000	-	-	-
Receivables:				
Income taxes. . . . .	6,608,336	1,835,198	2,448,280	-
Real and other local taxes. . . . .	-	-	-	-
Payment in lieu of taxes. . . . .	-	-	-	-
Accounts. . . . .	619,758	5,399	-	-
Special assessments. . . . .	85,620	-	-	-
Due from other governments. . . . .	1,366,520	-	83,927	-
Interfund loans. . . . .	2,006,000	-	-	-
Loan to component unit. . . . .	1,400	-	-	-
Advances to other funds. . . . .	975,000	-	-	-
Materials and supplies inventory. . . . .	1,368	3,620	40,673	-
<b>Total assets</b> . . . . .	<b>\$ 16,416,798</b>	<b>\$ 2,410,911</b>	<b>\$ 3,332,880</b>	<b>\$ 41,397,198</b>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 79,262	\$ 8,938	\$ 20,492	\$ -
Contracts payable. . . . .	-	-	-	-
Accrued wages payable. . . . .	237,538	361,039	388,371	-
Compensated absences payable. . . . .	-	25,087	53,551	-
Due to other governments. . . . .	37,446	91,884	82,490	-
Interfund loans payable. . . . .	-	-	-	-
Advances from other funds. . . . .	-	-	-	-
Accrued interest payable. . . . .	-	-	-	-
Unearned revenue. . . . .	-	-	-	41,387,685
Deposits payable. . . . .	1,241,325	-	-	-
Payroll withholding payable. . . . .	589,742	-	-	-
Notes payable. . . . .	-	-	-	-
<b>Total liabilities</b> . . . . .	<b>2,185,313</b>	<b>486,948</b>	<b>544,904</b>	<b>41,387,685</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next year. . . . .	-	-	-	-
Payment in lieu of taxes levied for the next year . . . . .	-	-	-	-
Delinquent property tax revenue not available. . . . .	-	-	-	-
Special assessments revenue not available. . . . .	85,620	-	-	-
Miscellaneous revenue not available. . . . .	403,060	-	-	-
Income tax revenue not available. . . . .	4,371,936	1,214,129	1,619,732	-
Intergovernmental nonexchange transactions . . . . .	626,920	-	36,826	-
<b>Total deferred inflows of resources</b> . . . . .	<b>5,487,536</b>	<b>1,214,129</b>	<b>1,656,558</b>	<b>-</b>
<b>Fund balances:</b>				
Nonspendable. . . . .	1,006,203	3,620	40,673	-
Restricted. . . . .	-	706,214	1,090,745	9,513
Committed. . . . .	-	-	-	-
Assigned. . . . .	2,556,369	-	-	-
Unassigned (deficit). . . . .	5,181,377	-	-	-
<b>Total fund balances</b> . . . . .	<b>8,743,949</b>	<b>709,834</b>	<b>1,131,418</b>	<b>9,513</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b> . . . . .	<b>\$ 16,416,798</b>	<b>\$ 2,410,911</b>	<b>\$ 3,332,880</b>	<b>\$ 41,397,198</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Capital Projects Public Works</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,351,939	\$ 14,844,466	\$ 63,672,093
-	-	1,000
-	1,278,327	12,170,141
-	2,680,316	2,680,316
-	3,600,000	3,600,000
-	88,627	713,784
-	-	85,620
-	10,689,155	12,139,602
-	-	2,006,000
-	-	1,400
-	-	975,000
-	605,466	651,127
<u>\$ 1,351,939</u>	<u>\$ 33,786,357</u>	<u>\$ 98,696,083</u>
\$ -	\$ 247,168	\$ 355,860
14,046	409,465	423,511
-	114,991	1,101,939
-	-	78,638
-	17,766	229,586
-	2,006,000	2,006,000
525,000	450,000	975,000
2,910	7,592	10,502
-	-	41,387,685
-	31,954	1,273,279
-	-	589,742
600,000	1,700,000	2,300,000
<u>1,141,956</u>	<u>4,984,936</u>	<u>50,731,742</u>
-	1,496,079	1,496,079
-	3,600,000	3,600,000
-	1,151,786	1,151,786
-	-	85,620
-	-	403,060
-	845,715	8,051,512
-	9,626,070	10,289,816
<u>-</u>	<u>16,719,650</u>	<u>25,077,873</u>
-	605,466	1,655,962
209,983	9,966,352	11,982,807
-	2,540,312	2,540,312
-	-	2,556,369
-	(1,030,359)	4,151,018
<u>209,983</u>	<u>12,081,771</u>	<u>22,886,468</u>
<u>\$ 1,351,939</u>	<u>\$ 33,786,357</u>	<u>\$ 98,696,083</u>

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**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2021

<b>Total governmental fund balances</b>		\$ 22,886,468
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		120,716,530
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 8,051,512	
Real and other taxes receivable	1,151,786	
Accounts receivable	403,060	
Intergovernmental receivable	10,289,816	
Special assessments receivable	85,620	
Total		19,981,794
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(96,668)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		383,163
The net pension asset is not available to pay for current period expenditures and the net pension liability does not require the use of current period net resources; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	99,657	
Deferred outflows of resources	8,267,708	
Deferred inflows of resources	(13,074,422)	
Net pension liability	(58,451,955)	
Total		(63,159,012)
The net OPEB asset is not available to pay for current period expenditures and the net OPEB liability does not require the use of current period net resources; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB asset	1,223,566	
Deferred outflows of resources	4,849,164	
Deferred inflows of resources	(8,126,035)	
Net OPEB liability	(7,439,310)	
Total		(9,492,615)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(6,323,060)	
General obligation refunding bonds	(7,215,000)	
Bond anticipation notes	(7,300,000)	
HUD Section 108 loans	(3,561,000)	
ODSA/EPA loan	(743,273)	
OPWC loan	(96,430)	
SIB loan	(501,121)	
Capital lease obligation	(1,285,574)	
Total		(27,025,458)
Internal service funds are used by management to charge the costs of workers' compensation and dental and vision insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.		2,715,825
An internal balance is recorded in governmental activities to reflect overpayments to the internal service funds by the business-type activities.		(83,814)
<b>Net position of governmental activities</b>		<b>\$ 66,826,213</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>General</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>American Rescue Plan</u>
<b>Revenues:</b>				
Income taxes . . . . .	\$ 24,586,242	\$ 6,828,356	\$ 9,109,473	\$ -
Real and other local taxes . . . . .	-	-	-	-
Charges for services . . . . .	570,491	28,910	-	-
Licenses and permits . . . . .	206,803	-	-	-
Fines and forfeitures . . . . .	437,408	-	835	-
Intergovernmental . . . . .	3,973,121	5,000	590,620	-
Special assessments . . . . .	204,718	-	-	-
Investment income . . . . .	43,020	-	-	9,513
Rental income . . . . .	160,000	-	62,515	-
Franchise fees . . . . .	717,046	-	-	-
Payment in lieu of taxes . . . . .	-	-	-	-
Other . . . . .	129,076	16,347	8,628	-
Total revenues . . . . .	<u>31,027,925</u>	<u>6,878,613</u>	<u>9,772,071</u>	<u>9,513</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	8,195,342	-	-	-
Security of persons and property . . . . .	2,723,280	13,667,144	17,076,280	-
Public health and welfare . . . . .	150,006	-	-	-
Transportation . . . . .	-	-	-	-
Community environment . . . . .	667,441	-	-	-
Leisure time activity . . . . .	64,720	-	-	-
Capital outlay . . . . .	-	-	-	-
Debt service:				
Principal retirement . . . . .	-	79,266	156,416	-
Interest and fiscal charges . . . . .	-	7,232	43,804	-
Total expenditures . . . . .	<u>11,800,789</u>	<u>13,753,642</u>	<u>17,276,500</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>19,227,136</u>	<u>(6,875,029)</u>	<u>(7,504,429)</u>	<u>9,513</u>
<b>Other financing sources (uses):</b>				
Note issuance . . . . .	-	-	-	-
Loan issuance . . . . .	-	-	-	-
Premium on note issuance . . . . .	-	-	-	-
Sale of capital assets . . . . .	-	339	23,358	-
Insurance proceeds . . . . .	700	-	-	-
Transfers in . . . . .	-	7,226,000	7,937,834	-
Transfers (out) . . . . .	(18,013,834)	-	-	-
Total other financing sources (uses) . . . . .	<u>(18,013,134)</u>	<u>7,226,339</u>	<u>7,961,192</u>	<u>-</u>
Net change in fund balances . . . . .	1,214,002	351,310	456,763	9,513
<b>Fund balances (deficit) at beginning of year (restated) . . . . .</b>	<u>7,529,947</u>	<u>358,524</u>	<u>674,655</u>	<u>-</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 8,743,949</u>	<u>\$ 709,834</u>	<u>\$ 1,131,418</u>	<u>\$ 9,513</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Capital Projects Public Works</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 4,756,323	\$ 45,280,394
-	1,776,007	1,776,007
-	167,286	766,687
-	-	206,803
-	236,077	674,320
7,133,323	10,382,009	22,084,073
-	-	204,718
-	-	52,533
-	997,570	1,220,085
-	-	717,046
-	4,952,543	4,952,543
-	880,832	1,034,883
<u>7,133,323</u>	<u>24,148,647</u>	<u>78,970,092</u>
-	388,710	8,584,052
-	403,097	33,869,801
-	25,000	175,006
-	9,150,168	9,150,168
-	10,088,552	10,755,993
-	2,456,012	2,520,732
7,121,579	1,831,822	8,953,401
4,500,000	6,568,056	11,303,738
51,017	405,554	507,607
<u>11,672,596</u>	<u>31,316,971</u>	<u>85,820,498</u>
<u>(4,539,273)</u>	<u>(7,168,324)</u>	<u>(6,850,406)</u>
3,900,000	3,400,000	7,300,000
501,121	-	501,121
-	19,128	19,128
-	31,523	55,220
-	66,666	67,366
651,000	11,345,245	27,160,079
-	(9,146,245)	(27,160,079)
<u>5,052,121</u>	<u>5,716,317</u>	<u>7,942,835</u>
512,848	(1,452,007)	1,092,429
<u>(302,865)</u>	<u>13,533,778</u>	<u>21,794,039</u>
<u>\$ 209,983</u>	<u>\$ 12,081,771</u>	<u>\$ 22,886,468</u>



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

<b>Net change in fund balances - total governmental funds</b>		\$ 1,092,429
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts are:		
Capital asset additions	\$ 15,752,412	
Current year depreciation	(5,660,541)	
Total		10,091,871
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	804,038	
Real and other taxes	94,774	
Intergovernmental revenues	(1,139,437)	
Special assessments	13,277	
Charges for services	(17,969)	
Franchise fees	(146,768)	
Rental income	(67,059)	
Total		(459,144)
The issuance of loans and notes provide current financial resources to governmental funds, but in the statement of net position, the debt obligations are reported as a liability.		
		(7,801,121)
Payment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
General obligation refunding bond principal payments	1,164,000	
HUD Section 108 loan principal payments	152,000	
Long-term note principal payments	9,600,000	
ODSA loan payments	78,239	
OPWC loan principal payments	21,428	
Capital lease obligation principal payments	288,071	
Total		11,303,738
In the statement of activities, accrued interest on outstanding bonds and the deferred charges on debt refundings are amortized over the term of the bonds, whereas in governmental funds, other financing sources (uses) are reported when bonds are issued:		
Accrued interest payable	(33,612)	
Amortization of deferred charge on refunding	(43,450)	
Total		(77,062)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		5,425,754
OPEB		91,860
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension		(1,678,436)
OPEB		7,383,896
Some items reported as expenses in the statement of activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures.		
		1,719
The internal service funds are used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.		
		517,016
<b>Change in net position of governmental activities</b>		<b>\$ 25,892,520</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 22,818,300	\$ 24,445,000	\$ 24,471,423	\$ 26,423
Charges for services. . . . .	2,927,000	2,927,000	3,004,794	77,794
Licenses and permits . . . . .	652,000	97,000	57,403	(39,597)
Fines and forfeitures . . . . .	438,500	438,500	426,966	(11,534)
Intergovernmental. . . . .	2,989,250	3,784,250	3,904,932	120,682
Special assessments . . . . .	40,000	125,000	204,718	79,718
Investment income. . . . .	18,263	155,000	43,020	(111,980)
Rental income . . . . .	306,888	346,000	346,000	-
Franchise fees . . . . .	243,521	580,000	573,623	(6,377)
Other. . . . .	48,828	116,500	115,016	(1,484)
Total revenues . . . . .	<u>30,482,550</u>	<u>33,014,250</u>	<u>33,147,895</u>	<u>133,645</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	11,937,200	11,801,840	10,764,684	1,037,156
Security of persons and property . . . . .	1,297,301	1,298,300	1,263,875	34,425
Public health and welfare. . . . .	150,000	150,000	150,006	(6)
Community environment . . . . .	889,048	899,173	667,556	231,617
Total expenditures. . . . .	<u>14,273,549</u>	<u>14,149,313</u>	<u>12,846,121</u>	<u>1,303,192</u>
Excess of revenues over expenditures . . . . .	<u>16,209,001</u>	<u>18,864,937</u>	<u>20,301,774</u>	<u>1,436,837</u>
<b>Other financing sources (uses):</b>				
Insurance proceeds . . . . .	-	-	700	700
Advances (out) . . . . .	-	(2,006,000)	(2,006,000)	-
Transfers (out). . . . .	<u>(18,556,500)</u>	<u>(19,373,834)</u>	<u>(19,373,834)</u>	<u>-</u>
Total other financing sources (uses) . . . . .	<u>(18,556,500)</u>	<u>(21,379,834)</u>	<u>(21,379,134)</u>	<u>700</u>
Net change in fund balances . . . . .	(2,347,499)	(2,514,897)	(1,077,360)	1,437,537
<b>Unencumbered fund balance at beginning of year (restated) . . . . .</b>				
	3,074,979	3,074,979	3,074,979	-
<b>Prior year encumbrances appropriated . . . . .</b>				
	<u>230,999</u>	<u>230,999</u>	<u>230,999</u>	<u>-</u>
<b>Unencumbered fund balance at end of year.</b>	<u>\$ 958,479</u>	<u>\$ 791,081</u>	<u>\$ 2,228,618</u>	<u>\$ 1,437,537</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FIRE LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 6,332,300	\$ 6,775,000	\$ 6,795,954	\$ 20,954
Charges for services. . . . .	-	23,500	23,511	11
Intergovernmental. . . . .	7,400	7,400	5,000	(2,400)
Other . . . . .	87,006	136,000	136,347	347
Total revenues . . . . .	<u>6,426,706</u>	<u>6,941,900</u>	<u>6,960,812</u>	<u>18,912</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	13,567,021	14,383,687	14,339,912	43,775
Total expenditures . . . . .	<u>13,567,021</u>	<u>14,383,687</u>	<u>14,339,912</u>	<u>43,775</u>
Excess of expenditures over revenues . . . . .	<u>(7,140,315)</u>	<u>(7,441,787)</u>	<u>(7,379,100)</u>	<u>62,687</u>
<b>Other financing sources:</b>				
Sale of capital assets. . . . .	-	556	339	(217)
Transfers in . . . . .	6,876,000	7,226,000	7,226,000	-
Total other financing sources . . . . .	<u>6,876,000</u>	<u>7,226,556</u>	<u>7,226,339</u>	<u>(217)</u>
Net change in fund balances . . . . .	(264,315)	(215,231)	(152,761)	62,470
<b>Unencumbered fund balance at beginning of year . . . . .</b>	115,249	115,249	115,249	-
<b>Prior year encumbrances appropriated . . .</b>	<u>174,715</u>	<u>174,715</u>	<u>174,715</u>	<u>-</u>
<b>Unencumbered fund balance at end of year.</b>	<u>\$ 25,649</u>	<u>\$ 74,733</u>	<u>\$ 137,203</u>	<u>\$ 62,470</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
POLICE LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 8,448,000	\$ 9,025,000	\$ 9,066,268	\$ 41,268
Fines and forfeitures . . . . .	212	212	835	623
Intergovernmental . . . . .	314,000	582,000	582,174	174
Rental income . . . . .	60,000	60,000	62,515	2,515
Other . . . . .	285,500	285,000	275,436	(9,564)
Total revenues . . . . .	<u>9,107,712</u>	<u>9,952,212</u>	<u>9,987,228</u>	<u>35,016</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	17,841,921	18,382,768	18,286,448	96,320
Total expenditures . . . . .	<u>17,841,921</u>	<u>18,382,768</u>	<u>18,286,448</u>	<u>96,320</u>
Excess of expenditures over revenues . . . . .	<u>(8,734,209)</u>	<u>(8,430,556)</u>	<u>(8,299,220)</u>	<u>131,336</u>
<b>Other financing sources:</b>				
Sale of capital assets . . . . .	25,500	25,500	23,358	(2,142)
Transfers in . . . . .	8,088,500	7,937,834	7,937,834	-
Total other financing sources . . . . .	<u>8,114,000</u>	<u>7,963,334</u>	<u>7,961,192</u>	<u>(2,142)</u>
Net change in fund balances . . . . .	(620,209)	(467,222)	(338,028)	129,194
<b>Unencumbered fund balance (deficit) at beginning of year . . . . .</b>	(154,488)	(154,488)	(154,488)	-
<b>Prior year encumbrances appropriated . . .</b>	<u>522,209</u>	<u>522,209</u>	<u>522,209</u>	<u>-</u>
<b>Unencumbered fund balance (deficit) at end of year . . . . .</b>	<u>\$ (252,488)</u>	<u>\$ (99,501)</u>	<u>\$ 29,693</u>	<u>\$ 129,194</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
AMERICAN RESCUE PLAN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ -	\$ 41,387,685	\$ 41,387,685
Investment income . . . . .	-	-	9,513	9,513
Total revenues . . . . .	<u>-</u>	<u>-</u>	<u>41,397,198</u>	<u>41,397,198</u>
Net change in fund balances . . . . .	-	-	41,397,198	41,397,198
<b>Unencumbered fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unencumbered fund balance at end of year.</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 41,397,198</u></u>	<u><u>\$ 41,397,198</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2021

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Sewer</b>	<b>Water</b>	<b>Environmental Sanitation</b>	<b>Total</b>	
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 22,186,501	\$ 5,817,959	\$ 2,725,189	\$ 30,729,649	\$ 5,696,527
Receivables:					
Accounts . . . . .	5,202,942	4,314,430	420,075	9,937,447	-
Special assessments . . . . .	-	-	945,666	945,666	-
Due from other governments . . . . .	-	-	-	-	11,403
Loans receivable . . . . .	280,000	280,000	140,000	700,000	-
Materials and supplies inventory . . . . .	1,310,316	1,019,941	-	2,330,257	-
Total current assets . . . . .	<u>28,979,759</u>	<u>11,432,330</u>	<u>4,230,930</u>	<u>44,643,019</u>	<u>5,707,930</u>
Noncurrent assets:					
Net pension asset . . . . .	44,065	47,883	6,814	98,762	-
Net OPEB asset . . . . .	541,025	587,898	83,657	1,212,580	-
Capital assets:					
Land and construction in progress . . . . .	62,956,134	376,699	14,761	63,347,594	-
Depreciable capital assets, net . . . . .	54,955,113	35,379,499	1,994,735	92,329,347	-
Total capital assets, net . . . . .	<u>117,911,247</u>	<u>35,756,198</u>	<u>2,009,496</u>	<u>155,676,941</u>	<u>-</u>
Total noncurrent assets . . . . .	<u>118,496,337</u>	<u>36,391,979</u>	<u>2,099,967</u>	<u>156,988,283</u>	<u>-</u>
Total assets . . . . .	<u>147,476,096</u>	<u>47,824,309</u>	<u>6,330,897</u>	<u>201,631,302</u>	<u>5,707,930</u>
<b>Deferred outflows of resources:</b>					
Pension . . . . .	689,214	748,926	118,525	1,556,665	-
OPEB . . . . .	266,566	289,018	49,484	605,068	-
Total deferred outflows of resources . . . . .	<u>955,780</u>	<u>1,037,944</u>	<u>168,009</u>	<u>2,161,733</u>	<u>-</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable . . . . .	220,606	443,632	120,291	784,529	-
Contracts payable . . . . .	633,974	51,169	14,761	699,904	-
Accrued wages payable . . . . .	179,400	193,009	28,772	401,181	-
Compensated absences payable . . . . .	127,031	184,385	9,964	321,380	-
Due to other governments . . . . .	54,617	1,188,555	4,445	1,247,617	-
Accrued interest payable . . . . .	664,917	153,069	-	817,986	-
OWDA loans payable . . . . .	4,265,444	723,542	-	4,988,986	-
OPWC loans payable . . . . .	116,704	131,746	-	248,450	-
Claims payable . . . . .	-	-	-	-	1,484,891
Capital lease obligations payable . . . . .	-	-	419,000	419,000	-
Total current liabilities . . . . .	<u>6,262,693</u>	<u>3,069,107</u>	<u>597,233</u>	<u>9,929,033</u>	<u>1,484,891</u>

- (Continued)

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS - (Continued)  
DECEMBER 31, 2021

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Sewer</b>	<b>Water</b>	<b>Environmental Sanitation</b>	<b>Total</b>	
Long-term liabilities:					
Compensated absences payable . . . . .	\$ 580,611	\$ 842,757	\$ 45,542	\$ 1,468,910	\$ -
OWDA loans payable . . . . .	69,491,834	7,720,009	-	77,211,843	-
OPWC loans payable . . . . .	2,472,289	1,337,581	-	3,809,870	-
Capital lease obligations payable . . . . .	-	-	1,227,742	1,227,742	-
Claims payable . . . . .	-	-	-	-	1,507,214
Net pension liability . . . . .	4,680,946	5,086,495	723,800	10,491,241	-
Total long-term liabilities . . . . .	<u>77,225,680</u>	<u>14,986,842</u>	<u>1,997,084</u>	<u>94,209,606</u>	<u>1,507,214</u>
Total liabilities . . . . .	<u>83,488,373</u>	<u>18,055,949</u>	<u>2,594,317</u>	<u>104,138,639</u>	<u>2,992,105</u>
<b>Deferred inflows of resources:</b>					
Pension . . . . .	3,071,080	3,061,750	386,167	6,518,997	-
OPEB . . . . .	2,251,374	2,281,501	296,006	4,828,881	-
Total deferred inflows of resources . . . . .	<u>5,322,454</u>	<u>5,343,251</u>	<u>682,173</u>	<u>11,347,878</u>	<u>-</u>
<b>Net position:</b>					
Net investment in capital assets . . . . .	40,931,002	25,792,151	694,535	67,417,688	-
Unrestricted (deficit). . . . .	<u>18,690,047</u>	<u>(329,098)</u>	<u>2,527,881</u>	<u>20,888,830</u>	<u>2,715,825</u>
Total net position. . . . .	<u>\$ 59,621,049</u>	<u>\$ 25,463,053</u>	<u>\$ 3,222,416</u>	<u>88,306,518</u>	<u>\$ 2,715,825</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				<u>83,814</u>	
Net position of business-type activities				<u>\$ 88,390,332</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Business-type Activities - Enterprise Funds</u>				<b>Governmental Activities - Internal Service Funds</b>
	<u>Sewer</u>	<u>Water</u>	<u>Environmental Sanitation</u>	<u>Total</u>	
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 27,795,240	\$ 33,232,053	\$ 4,183,181	\$ 65,210,474	\$ 11,286,516
Other operating revenues . . . . .	301	279,137	33,549	312,987	-
Total operating revenues. . . . .	<u>27,795,541</u>	<u>33,511,190</u>	<u>4,216,730</u>	<u>65,523,461</u>	<u>11,286,516</u>
<b>Operating expenses:</b>					
Personal services . . . . .	2,855,013	3,921,822	825,750	7,602,585	-
Contract services. . . . .	8,442,469	4,321,814	2,504,274	15,268,557	-
Materials and supplies. . . . .	1,091,234	16,829,262	376,565	18,297,061	-
Administrative costs. . . . .	-	-	-	-	1,408,400
Claims expense . . . . .	-	-	-	-	9,564,088
Depreciation. . . . .	2,652,959	1,235,224	452,956	4,341,139	-
Other . . . . .	-	-	61,255	61,255	-
Total operating expenses. . . . .	<u>15,041,675</u>	<u>26,308,122</u>	<u>4,220,800</u>	<u>45,570,597</u>	<u>10,972,488</u>
Operating income (loss) . . . . .	<u>12,753,866</u>	<u>7,203,068</u>	<u>(4,070)</u>	<u>19,952,864</u>	<u>314,028</u>
<b>Nonoperating revenues (expenses):</b>					
Interest and fiscal charges . . . . .	(1,344,835)	(315,935)	(48,590)	(1,709,360)	-
Gain on sale of capital assets . . . . .	675	31,421	-	32,096	-
Special assessments. . . . .	-	-	301,002	301,002	-
Total nonoperating revenues (expenses). . . . .	<u>(1,344,160)</u>	<u>(284,514)</u>	<u>252,412</u>	<u>(1,376,262)</u>	<u>-</u>
Change in net position . . . . .	11,409,706	6,918,554	248,342	18,576,602	314,028
<b>Net position at beginning of year (restated) .</b>	<u>48,211,343</u>	<u>18,544,499</u>	<u>2,974,074</u>		<u>2,401,797</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 59,621,049</u>	<u>\$ 25,463,053</u>	<u>\$ 3,222,416</u>		<u>\$ 2,715,825</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				<u>(202,988)</u>	
Change in net position of business-type activities.				<u>\$ 18,373,614</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Sewer</b>	<b>Water</b>	<b>Environmental Sanitation</b>	<b>Total</b>	
<b>Cash flows from operating activities:</b>					
Cash received from charges for services . . . . .	\$ 28,162,764	\$ 33,570,139	\$ 4,367,800	\$ 66,100,703	\$ 11,286,516
Cash received from other operations . . . . .	301	281,006	33,549	314,856	-
Cash payments for personal services . . . . .	(7,941,374)	(9,170,938)	(1,465,115)	(18,577,427)	-
Cash payments for contractual services . . . . .	(8,194,616)	(4,270,112)	(2,627,793)	(15,092,521)	-
Cash payments for materials and supplies . . . . .	(1,249,206)	(17,129,561)	(408,404)	(18,787,171)	-
Cash payments for administrative costs . . . . .	-	-	-	-	(1,393,580)
Cash payments for claims . . . . .	-	-	-	-	(8,211,586)
Cash payments for other expenses . . . . .	-	-	(59,905)	(59,905)	-
Net cash provided by (used in) operating activities . . . . .	<u>10,777,869</u>	<u>3,280,534</u>	<u>(159,868)</u>	<u>13,898,535</u>	<u>1,681,350</u>
<b>Cash flows from capital and related financing activities:</b>					
Sale of capital assets . . . . .	675	31,421	-	32,096	-
Acquisition of capital assets . . . . .	(3,221,322)	(1,294,159)	(370,688)	(4,886,169)	-
OWDA loan issuance . . . . .	1,500,648	-	-	1,500,648	-
Principal retirement on loans . . . . .	(4,319,654)	(828,567)	-	(5,148,221)	-
Principal retirement on capital leases . . . . .	-	-	(410,000)	(410,000)	-
Interest and fiscal charges . . . . .	(1,381,326)	(328,726)	(48,590)	(1,758,642)	-
Special assessments . . . . .	-	-	244,784	244,784	-
Net cash (used in) capital and related financing activities . . . . .	<u>(7,420,979)</u>	<u>(2,420,031)</u>	<u>(584,494)</u>	<u>(10,425,504)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents .	3,356,890	860,503	(744,362)	3,473,031	1,681,350
<b>Cash and cash equivalents at beginning of year (restated) . . . . .</b>	<u>18,829,611</u>	<u>4,957,456</u>	<u>3,469,551</u>	<u>27,256,618</u>	<u>4,015,177</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 22,186,501</u>	<u>\$ 5,817,959</u>	<u>\$ 2,725,189</u>	<u>\$ 30,729,649</u>	<u>\$ 5,696,527</u>

- (Continued)

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Sewer</b>	<b>Water</b>	<b>Environmental Sanitation</b>	<b>Total</b>	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss) . . . . .	\$ 12,753,866	\$ 7,203,068	\$ (4,070)	\$ 19,952,864	\$ 314,028
Adjustments:					
Depreciation. . . . .	2,652,959	1,235,224	452,956	4,341,139	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) in materials and supplies inventory. . . . .	(109,808)	(319,480)	-	(429,288)	-
Decrease in accounts receivable. . . . .	367,524	339,955	185,969	893,448	-
Decrease in due from other governments. . . . .	-	-	-	-	14,820
(Increase) in net pension asset. . . . .	(6,452)	(8,241)	(1,461)	(16,154)	-
(Increase) in net OPEB asset. . . . .	(541,025)	(587,898)	(83,657)	(1,212,580)	-
Decrease in deferred outflows of resources - pension . . . . .	415,718	388,747	68,564	873,029	-
Decrease in deferred outflows of resources - OPEB. . . . .	558,810	560,327	84,648	1,203,785	-
Increase (decrease) in accounts payable . . . . .	(193,777)	29,768	(155,358)	(319,367)	-
Increase in contracts payable. . . . .	393,466	-	-	393,466	-
Increase in accrued wages. . . . .	8,732	9,299	2,995	21,026	-
Increase in due to other governments. . . . .	1,348	42,552	462	44,362	-
Increase (decrease) in compensated absences payable. . . . .	(26,395)	(22,449)	3,315	(45,529)	-
(Decrease) in net pension liability. . . . .	(2,811,190)	(2,809,781)	(342,435)	(5,963,406)	-
(Decrease) in net OPEB liability. . . . .	(5,016,090)	(5,286,668)	(713,859)	(11,016,617)	-
Increase in claims payable . . . . .	-	-	-	-	1,352,502
Increase in deferred inflows of resources - pension . . . . .	1,023,407	1,110,751	151,561	2,285,719	-
Increase in deferred inflows of resources - OPEB . . . . .	1,306,776	1,395,360	190,502	2,892,638	-
Net cash provided by (used in) operating activities. . . . .	<u>\$ 10,777,869</u>	<u>\$ 3,280,534</u>	<u>\$ (159,868)</u>	<u>\$ 13,898,535</u>	<u>\$ 1,681,350</u>

**Non-Cash Transactions:**

During 2021 and 2020, the Sewer fund purchased \$244,469 and \$3,961, respectively, of capital assets on account.  
 During 2021 and 2020, the Water fund purchased \$67,669 and \$695,454, respectively, of capital assets on account.  
 During 2021, the Environmental Sanitation fund purchased \$14,761 of capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2021

	<b>Custodial</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 1,517,965
Cash in segregated accounts . . . . .	215,084
Receivables (net of allowances for uncollectibles):	
Income taxes . . . . .	2,082
Accounts . . . . .	1,075,234
Total assets. . . . .	2,810,365
<b>Liabilities:</b>	
Due to other governments . . . . .	2,772,142
<b>Net position:</b>	
Restricted for individuals, organizations and other governments . . .	38,223
Total net position. . . . .	\$ 38,223

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Custodial</b>
<b>Additions:</b>	
Fines and forfeitures for other governments . . . . .	\$ 1,727,393
Property tax collection for other governments . . . . .	12,640
Charges for services collection for other governments . . . . .	17,885,605
Total additions . . . . .	19,625,638
<b>Deductions:</b>	
Fines and forfeitures distributions to other governments . . . . .	1,727,393
Property tax distributions to other governments . . . . .	12,640
Charges for services distributions to other governments . . . . .	17,947,748
Total deductions. . . . .	19,687,781
Net change in fiduciary net position. . . . .	(62,143)
<b>Net position beginning of year . . . . .</b>	<b>100,366</b>
<b>Net position end of year . . . . .</b>	<b>\$ 38,223</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 1 - DESCRIPTION OF THE CITY**

The City of Youngstown, Ohio (the "City") is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted May 15, 1923. The Mayor is elected to a four-year term and seven council members are each elected for a two-year term.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, agencies, boards, commissions, and departments that are not legally separate from the City. For the City of Youngstown, this includes police, fire, street construction, parks and recreation, sewer, water, environmental sanitation, and a City council.

Included as part of the City's primary government in the determination of the City's reporting entity is the Youngstown Municipal Court (the "Court"). The Court's operations are not legally separate from the City. In addition, the City is responsible for budgeting and appropriating funds for the operation of the Court and is ultimately responsible for any operating deficits sustained by the Court. The City's share of the fines and forfeitures collected by the Court along with its share of the Court's administrative and operating costs is recorded in the City's general fund. Fines and forfeitures collected and distributed by the Court to other governments, organizations and individuals are recorded in a custodial fund in the accompanying BFS.

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

*DISCRETELY PRESENTED COMPONENT UNIT*

The component unit column in the combined financial statements identifies the financial data of the City's component unit: Youngstown City Health District. It is reported separately to emphasize that it is legally separate from the City.

Youngstown City Health District (the "Health District") - The Health District was created as a legally separate organization under Chapter 3709 of the Ohio Revised Code. The Health District's services include communicable disease investigations, immunization clinics, tuberculosis screenings, home visits, public health nursing services and issues, health-related licenses and permits, emergency preparedness activities as well as birth certificates and death certificates. The Mayor appoints a voting majority of the Health District Board. The rates charged by the City are subject to the approval of City Council. In addition, the City provides funding to the Health District, thus the City can impose will on the Health District, and the Health District imposes a financial burden to the City. Therefore, the Health District is considered a discretely presented component unit of the City of Youngstown.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Separately issued financial statements can be obtained from the Finance Director, City of Youngstown, 26 S. Phelps Street, Youngstown, Ohio 44503.

Information related to the Health District is presented in Note 24.

*JOINTLY GOVERNED ORGANIZATIONS*

Western Reserve Transit Authority

The Western Reserve Transit Authority (WRTA) is a legally separate entity created pursuant to Sections 306.30 through 306.71 of the Ohio Revised Code for the purpose of providing public transportation in the greater Youngstown area. Prior to January 1, 2009, the WRTA was reported as a component unit of the City. Effective for 2009, an amendment was made to add and include Mahoning County to the WRTA. In addition, the former five-member Board of Trustees which was appointed by the City (four by the mayor and one by City Council) was amended to be governed by a seven member Board of Trustees in which the City appoints three members and Mahoning County appoints four members. Continued existence of the WRTA is not dependent on the City's continued participation. The City does not make any financial contributions to the WRTA. Funding is received through property taxes, charges for services, and State and federal subsidies and grants. Separately issued financial statements can be obtained from the Western Reserve Transit Authority, 604 Mahoning Avenue, Youngstown, Ohio 44502.

Mahoning County Drug Task Force

The City's police department participates in the Mahoning County Drug Task Force (the "Force") which is jointly governed by its thirteen participants: nine local police departments and four federal law enforcement agencies. Each participant has one representative on the Board of Control. Each participant's control over the operation of the Force is limited to its representation on the Board. The Force uses the talents and resources of the participants to combat the trafficking of illicit narcotics. Continued existence of the Force is not dependent on the City's continued participation. Funding is provided by the Governor's Office of Criminal Justice Services and forfeitures and fines. None of the participants made financial contributions in 2021. Austintown Township served as the fiscal agent for the Force during 2014. Financial information can be obtained from the Mahoning County Drug Task Force, 82 Ohltown Road, Austintown, Ohio 44515.

East Gate Regional Council of Governments

The East Gate Regional Council of Governments (EGRCG) is a jointly governed organization among 27 local governments in Ashtabula, Columbiana, Mahoning and Trumbull counties. The Board is comprised of one representative from each city, village, county or governmental agency and one additional representative for each 20,000 population. The City of Youngstown currently has five representatives on the 48-member Board. Each participant's control over the operation of EGRCG is limited to its representation on the Board. EGRCG develops and reviews plans for regional growth and development and aids in coordinating plans among local governments. Continued existence of EGRCG is not dependent on the City's continued participation. In 2021, the City contributed \$24,784. Complete financial statements can be obtained from the East Gate Regional Council of Governments, 100 Federal Plaza East, Youngstown, Ohio 44503.

Youngstown Metropolitan Housing Authority

The Youngstown Metropolitan Housing Authority (YMHA) is a jointly governed organization among four local governments created to provide subsidized public housing. The City appoints two members of the five-member Board. Each participant's control over the operation of YMHA is limited to its representation on the Board. Continued existence of the YMHA is not dependent on the City's continued participation. The City does not make any financial contributions to YMHA. Funding is received through state and federal subsidies and grants. Complete financial statements can be obtained from the Youngstown Metropolitan Housing Authority, 131 W. Boardman Street, Youngstown, Ohio 44503.



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Metropolitan Fire Investigation Unit

The Metropolitan Fire Investigation Unit (MFIU) is a jointly governed organization among eight local governments. The Board of Governors is comprised of one representative from each participating government. The MFIU was created to investigate major fires and explosions of unknown or suspicious cause and to aid in the prosecution of those persons or groups responsible. Each participant's control over the operation of MFIU is limited to its representation on the Board. Continued existence of MFIU is not dependent on the City's continued participation. The City does not make any financial contributions to MFIU. Funding is received through insurance companies and donations. Financial information can be obtained from the Metropolitan Fire Investigation Unit, 3025 South Avenue, Youngstown, Ohio 44502.

Regional Council of Governments

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) to administer tax collection and enforcement concerns facing the cities and villages. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for 324 municipalities throughout the State of Ohio. The City began using RITA for its income tax collection services during 2006. Each member municipality appoints its own delegate to the RCOG, including electing members to the RITA Board of Trustees. Regardless of the population or tax collections of member municipalities, each member of the RCOG has an equal say in the operations of RITA.

**B. Basis of Presentation - Fund Accounting**

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

***Government-Wide Financial Statements*** - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds, with the exception of services provided and used during the fiscal year, are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for services. Operating expenses for the enterprise funds include personnel and other expenses related to sewer, water and environmental sanitation operations. Operating expenses for the internal service fund include claims expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**C. Fund Accounting**

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

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

The following are the City's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Fire levy fund - This special revenue fund accounts for revenues collected for fire operations.

Police levy fund - This special revenue fund accounts for revenues collected for police operations.

American rescue plan fund - This special revenue fund accounts for monies received from the federal government as part of the American Rescue Plan Act (ARPA) of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

Capital projects public works fund - This capital projects fund accounts for various capital improvements financed through federal and state grants, note and loan proceeds, and transfers from other funds.

Other governmental funds of the City are used to account for (a) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (b) financial resources that are restricted or committed to expenditure for principal and interest. (c) financial resources that are restricted or committed to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets.

**Proprietary Funds** - Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

Sewer fund - This fund accounts for the operations of providing sewage services to customers and maintaining the local sewer system of the City.

Water fund - This fund accounts for the operations of providing water services to customers and maintaining the local water system of the City.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Environmental sanitation fund* - This fund accounts for the operations of providing sanitation services to customers of the City.

*Internal service funds* - The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on the operations of the workers' compensation retrospective rating plan and the self-insured dental and vision plans.

***Fiduciary Funds*** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's fiduciary funds are custodial funds which account income tax collected and distributed to other governments, charge for services collected and distributed to other governments on behalf of the Mahoning County Sewer District, and the Youngstown Municipal Court fines and forfeitures collected and distributed to other governments, organizations, and individuals.

**D. Measurement Focus and Basis of Accounting**

***Government-Wide Financial Statements*** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position.

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

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**E. Basis of Accounting**

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, payment in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 6). Revenue from property taxes and payment in lieu of taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income taxes, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), grants, fines and forfeitures, fees and special assessments.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, see Notes 16 and 17 for deferred outflows of resources related the City's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance 2022 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, see Notes 16 and 17 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

**F. Budgetary Data**

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 appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than the custodial funds, are legally required to be budgeted and appropriated. The legal level of budgetary controls is at the object level within each department. Any budgetary modifications at this level may only be made by resolution of City Council.

**Tax Budget** - Ohio Revised Code Section 5705.28 required the Mayor to present the annual operating budget for the following fiscal year to City Council for consideration and passage at the first Council meeting in July. This section requires the adopted budget to be 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. The City obtained a waiver as provided for by Ohio Revised Code Section 5705.281, in which they did not have to adopt an operating budget nor submit the operating budget to the County Auditor.

**Estimated Resources** - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate of estimated resources may be further amended during the year if the Finance Director determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the original and final amended official certificates of estimated resources issued during 2021.

**Appropriations** - A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of Council. The Director of Finance is authorized to transfer appropriations between line items within an object of any department.

During the year, several supplemental appropriation measures were passed. None of these supplemental appropriations had any significant effect on the original appropriations. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications passed by Council.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Lapsing of Appropriations* - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations except for grant funds and capital projects funds, unencumbered balances for these funds are rolled forward and are not reappropriated. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

**G. Cash and Cash Equivalents**

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

During 2021, investments were limited to a U.S. Treasury Bill and U.S. government money market mutual funds. Investments are reported at fair value, which is based on quoted market prices.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2021 amounted to \$43,020, of which \$39,024 was assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account for the Youngstown Municipal Court and land bank activity. The interest bearing depository accounts are presented on the financial statements as "cash in segregated accounts" since they are not required to be deposited into the City treasury.

For purposes of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City, are considered to be cash equivalents. Investments with maturities greater than three months at the time of purchase are not reported as investments.

An analysis of the City's investment account at year end is provided in Note 4.

**H. Inventories of Materials and Supplies**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported materials and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

**I. Capital Assets**

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City's capitalization thresholds are \$100,000 for infrastructure and \$10,000 for all other categories of capital assets. Expenditures that are below these capitalization thresholds are expensed as incurred. The City's infrastructure consists of traffic signals, sidewalks, bridges, culverts, storm sewers, streets, and water and sewer lines. Governmental activities infrastructure consisting of traffic signals, sidewalks and streets were reported retroactively back to 1980 and governmental activities infrastructure consisting of bridges and culverts were reported retroactively back to 1919. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives (in years)</u>	<u>Business-type Activities Estimated Lives (in years)</u>
Buildings	50	50
Improvements other than buildings	20	20
Machinery and equipment	5 - 20	5 - 20
Computer software	5	5
Vehicles	8	8
Infrastructure	15 - 65	65

**J. Prepaid Items**

Payments made to vendors for services that will benefit beyond December 31, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expense in the year in which the services are consumed. The City had no prepaid items at December 31, 2021.

**K. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability for the City using the vesting method. A liability is accrued for thirty-five percent of accumulated unused sick leave for all employees since the employees are entitled to that amount if they leave the City's employment for any reason. This item is discussed further in Note 15 to the BFS.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**L. Accrued Liabilities and Long-Term Obligations**

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

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

**M. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund loans receivable/payable and due from/to other funds, and receivables and payables resulting from long-term interfund loans are classified as advances to/from other funds. These amounts are eliminated in the governmental activities column on the statement of net position, except for any residual amounts between governmental and business-type activities, which are presented as internal balance.

**N. Interfund Activity**

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

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

**O. Fund Balance**

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

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

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

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. City Council has by ordinance authorized the City Auditor to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

The City applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

**P. Estimates**

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

**Q. Net Position**

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

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

**R. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss**

Bond discounts and premiums for government-wide statements and proprietary fund statements are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond discounts and premiums are presented as a reduction/increase to the face amount of bonds.

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

On the governmental fund financial statements, issuance costs, premiums, discounts, and deferred charges from refunding are recognized in the current period.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**S. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, environmental sanitation and workers compensation programs. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund.

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of City Council and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items during 2021.

**U. Capital Contributions**

Capital contributions in proprietary fund financial statements arise from contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements. The proprietary funds did not receive any capital contributions during 2021.

**V. Pensions/Other Postemployment Benefits (OPEB)**

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

**W. Fair Value Measurements**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Prior Period Adjustment and Restatement of Net Position/Fund Balance**

A prior period adjustment was made at January 1, 2021 to report certain expenditures/expenses from prior periods in the proper funds. The prior period adjustment had the following effect on net position as reported at January 1, 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net position as previously reported	\$ 45,349,025	\$ 65,601,386
Prior period adjustment	<u>(4,415,332)</u>	<u>4,415,332</u>
Restated net position at January 1, 2021	<u>\$ 40,933,693</u>	<u>\$ 70,016,718</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

The prior period adjustment had the following effect on governmental fund balances as reported at January 1, 2021:

	<u>General Fund</u>	<u>Fire Levy Fund</u>	<u>Police Levy Fund</u>
Fund balance as previously reported	\$ 11,420,660	\$ 358,524	\$ 674,655
Prior period adjustment	<u>(3,890,713)</u>	<u>-</u>	<u>-</u>
Restated fund balance at January 1, 2021	<u>\$ 7,529,947</u>	<u>\$ 358,524</u>	<u>\$ 674,655</u>

  

	<u>Capital Projects Public Works Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Fund</u>
Fund balance as previously reported	\$ (302,865)	\$ 14,058,397	\$ 26,209,371
Prior period adjustment	<u>-</u>	<u>(524,619)</u>	<u>(4,415,332)</u>
Restated fund balance at January 1, 2021	<u>\$ (302,865)</u>	<u>\$ 13,533,778</u>	<u>\$ 21,794,039</u>

The prior period adjustment had the following effect on enterprise fund net position reported at January 1, 2021:

	<u>Sewer</u>	<u>Water</u>	<u>Environmental Sanitation</u>	<u>Total</u>
Net position as previously reported	\$ 46,599,180	\$ 15,891,330	\$ 2,824,074	\$ 65,314,584
Prior period adjustment	<u>1,612,163</u>	<u>2,653,169</u>	<u>150,000</u>	<u>4,415,332</u>
Restated net position at January 1, 2021	<u>\$ 48,211,343</u>	<u>\$ 18,544,499</u>	<u>\$ 2,974,074</u>	<u>\$ 69,729,916</u>

The prior period adjustment also decreased the general fund unencumbered fund balance as previously reported from \$6,965,692 to \$3,074,979, as restated at January 1, 2021.

**B. Change in Accounting Principles**

For 2021, the City has implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the City.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

For 2021, the City has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncements are postponed by one year and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following pronouncements are postponed by eighteen months and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

**C. Deficit Fund Balance**

Fund balance at December 31, 2021 included the following individual fund deficit:

<u>Nonmajor funds</u>	<u>Deficit</u>
Covelli centre special revenue fund	\$ 1,030,359

The general fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the financial statements as "equity in pooled cash and cash equivalents". Statutes require the classification of monies held by the City into three categories:

*Active Monies:* those monies required to be kept in a "cash" or "near-cash" status for immediate use by the City. Such monies must by law be maintained either as cash in the City treasury; in depository accounts payable or withdrawable on demand; including negotiable order of withdrawal (NOW) account; or in money market deposit accounts.

*Inactive Monies:* those monies not required for use within the current five-year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories or as savings or deposit accounts including, but not limited to, passbook accounts.

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and,
3. Obligations of the City.

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

**A. Cash in Segregated Accounts**

The City has cash in the amount of \$216,084 being held in a segregated account for use Municipal Court and Land Bank. This amount is included in the City's depository balance below.

**B. Deposits with Financial Institutions**

At December 31, 2021, the carrying amount of all City deposits was \$76,545,550. Of the \$79,670,667 bank balance, \$1,249,282 was covered by the FDIC and \$78,421,385 was potentially exposed to custodial credit risk discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State For 2021, the City's financial institutions were collateralized at a rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**C. Investments**

As of December 31, 2021, the City had the following investments and maturities:

<u>Measurement/Investment Type</u>	<u>Measurement Amount</u>	<u>Investment Maturity</u>
<i>Fair Value:</i>		
U.S. government money market mutual fund	\$ 25,003,773	\$ 25,003,773
U.S. Treasury bill	<u>282,995</u>	<u>282,995</u>
Total	<u>\$ 25,286,768</u>	<u>\$ 25,286,768</u>

The City's investments in U.S. government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The City's investments in the U.S. Treasury bill and are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City's investment policy limits investment portfolio maturities to five years or less.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Credit Risk: The City's investment in the U.S. Treasury bill was rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The U.S. government money market mutual funds are not rated. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Treasury bill and U.S. government money market mutual funds are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific maturity, a specific obligor or a specific class or type of security. The following table includes the percentage of each investment type held by the City at December 31, 2021:

<u>Investment type</u>	<u>Measurement</u>	
	<u>Value</u>	<u>% to Total</u>
<i>Fair Value:</i>		
U.S. government money market mutual fund	\$ 25,003,773	98.88
U.S. Treasury bill	<u>282,995</u>	<u>1.12</u>
Total	<u>\$ 25,286,768</u>	<u>100.00</u>

**D. Reconciliation of Cash and Cash Equivalents to the Statement of Net Position**

The following is a reconciliation of cash and cash equivalents as reported in the note above to cash and cash equivalents as reported on the statement of net position as of December 31, 2021:

<u>Cash and cash equivalents per note</u>	
Carrying amount of deposits	\$ 76,545,550
Investments	<u>25,286,768</u>
Total	<u>\$ 101,832,318</u>

<u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	\$ 69,369,620
Business-type activities	30,729,649
Custodial funds	<u>1,733,049</u>
Total	<u>\$ 101,832,318</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. Interfund transfers for the year ended December 31, 2021, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>Transfers from</u>		
	General	Nonmajor Governmental	Total
Fire levy	\$ 7,226,000	\$ -	\$ 7,226,000
Police levy	7,937,834	-	7,937,834
Capital projects public works	651,000	-	651,000
Nonmajor governmental	<u>2,199,000</u>	<u>9,146,245</u>	<u>11,345,245</u>
Total	<u>\$ 18,013,834</u>	<u>\$ 9,146,245</u>	<u>\$ 27,160,079</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between nonmajor governmental funds were to move income tax revenue received from a capital improvement levy to other funds for capital improvement purposes and to pay current debt obligations. Transfers between governmental funds are eliminated on the government-wide financial statements.

- B. Interfund loans receivable/payable consisted of the following at December 31, 2021, as reported on the fund financial statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 2,006,000</u>

Interfund loans receivable/payable between governmental funds are eliminated for reporting on the statement of net position.

- C. Advances to other funds consisted of the following at December 31, 2021, as reported on the fund financial statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 450,000
General	Capital projects public works	<u>525,000</u>
		<u>\$ 975,000</u>

Advances to/from other funds between governmental funds are eliminated for reporting on the statement of net position.

- D. At December 31, 2021, a \$1,400 loan to the City to the Health District, a component unit, was outstanding.



**CITY OF YOUNGSTOWN  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 6 - INCOME TAXES**

The City levies an income tax of two and three-quarter percent on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit not to exceed two and three-quarter percent on income earned outside the City and paid to other municipalities.

Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

Income tax revenue is credited to four funds. Of the original two percent levied, the general fund receives one and one-half percent and of the remaining one-half percent, 40 percent is credited to the police levy special revenue fund, 35 percent to the fire levy special revenue fund, and 25 percent to the ¼ of 5 mil capital improvement capital projects fund.

An additional one-quarter percent was levied for 1997. Of this additional one-quarter percent 50 percent is credited to the police levy special revenue fund, 25 percent to the fire levy special revenue fund and 25 percent to the ¼ of 5 mil capital improvement capital projects fund.

Effective January 1, 2003, the citizens of the City voted for an additional one-half percent to bring the total tax levied on income to two and three-quarter percent. Of the additional one half percent levied, 45 percent is credited to the police levy special revenue fund, 35 percent to the fire levy special revenue fund and 20 percent to the ¼ of 5 mil capital improvement capital projects fund.

In addition, the City receives income tax monies as the result of its agreement with the City of Girard for a Joint Economic Development Zone (JEDZ). Businesses within the JEDZ pay taxes on income earned within the JEDZ and are required to withhold income tax on employee earnings and remit the tax to the City. The City is responsible for collection and administration of the income tax for the JEDZ. The City is entitled to 45% of all income taxes collected from the JEDZ and the City of Girard is entitled to the remaining 55%.

The Regional Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of three percent.

**NOTE 7 - PROPERTY TAXES**

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year proceeding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 7 - PROPERTY TAXES - (Continued)**

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Youngstown. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2021 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2021 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue.

The full tax rate for all City operations for the year ended December 31, 2021 was \$3.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 249,489,950
Commercial/industrial/mineral	170,603,840
<u>Public utility</u>	
Personal	<u>85,242,640</u>
Total assessed value	<u>\$ 505,336,430</u>

**NOTE 8 - SPECIAL ASSESSMENTS**

Special assessments include annually assessed service assessments. Service type special assessments are levied against all property owners which benefit from the provided service. Special assessments are payable by the time and in the manner stipulated in the assessing ordinance and are a lien from the date of the passage of the ordinance.

The City's special assessments include street lighting, demolitions including board-ups and asbestos abatement, curbs, sidewalks, sewer rehabilitation and weed cutting which are billed by the County Auditor and collected by the County Treasurer. The County Auditor periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. Special assessments are reported net of allowance for uncollectible.

**NOTE 9 - RECEIVABLES**

Receivables at December 31, 2021, consisted of taxes, accounts (billings for user charged services), loans, special assessments, and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2021.

A summary of the principal items of receivables reported on the statement of net position follows:

<b><u>Governmental activities:</u></b>	
Income taxes	\$ 12,170,141
Real and other taxes	2,680,316
Payment in lieu of taxes	3,600,000
Accounts	713,784
Special assessments	85,620
Due from other governments	12,151,005

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 9 - RECEIVABLES - (Continued)**

**Business-type activities:**

Accounts - gross	\$ 13,124,866
Less - allowance for uncollectibles	<u>(3,187,419)</u>
Net accounts receivable	<u>9,937,447</u>
Special assessments	945,666
Loans receivable	700,000

Receivables have been disaggregated on the face of the BFS. The only receivables not expected to be collected within the subsequent year are the notes, special assessments, and loans. The special assessments are collected over the life of the assessment and notes receivable which will be repaid over a period ranging from one to eight years. Accounts receivable in the business-type activities for utilities have been reported net of a twenty-five percent allowance for uncollectible accounts. The loans receivable in the business-type activities are term loans that will need to be repaid per the loan agreements. Loans receivable have been reported net of loan forgiveness of \$700,000.

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021, was as follows:

<b><u>Governmental activities:</u></b>	<u>Balance 12/31/20</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/21</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 14,516,203	\$ -	\$ -	\$ 14,516,203
Construction in progress	<u>5,347,432</u>	<u>12,848,725</u>	<u>(4,227,607)</u>	<u>13,968,550</u>
Total capital assets, not being depreciated	<u>19,863,635</u>	<u>12,848,725</u>	<u>(4,227,607)</u>	<u>28,484,753</u>
<i>Capital assets, being depreciated:</i>				
Buildings	69,374,652	50,466	-	69,425,118
Improvements other than buildings	7,963,621	-	-	7,963,621
Machinery and equipment	13,613,970	267,719	-	13,881,689
Computer software	889,980	-	-	889,980
Vehicles	12,183,621	1,225,171	-	13,408,792
Infrastructure	<u>67,014,435</u>	<u>5,587,938</u>	<u>-</u>	<u>72,602,373</u>
Total capital assets, being depreciated	<u>171,040,279</u>	<u>7,131,294</u>	<u>-</u>	<u>178,171,573</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(27,074,426)	(1,738,772)	-	(28,813,198)
Improvements other than buildings	(4,478,500)	(267,691)	-	(4,746,191)
Machinery and equipment	(10,414,661)	(475,881)	-	(10,890,542)
Computer software	(571,371)	(102,384)	-	(673,755)
Vehicles	(9,659,600)	(704,398)	-	(10,363,998)
Infrastructure	<u>(28,080,697)</u>	<u>(2,371,415)</u>	<u>-</u>	<u>(30,452,112)</u>
Total accumulated depreciation	<u>(80,279,255)</u>	<u>(5,660,541)</u>	<u>-</u>	<u>(85,939,796)</u>
Total capital assets, being depreciated, net	<u>90,761,024</u>	<u>1,470,753</u>	<u>-</u>	<u>92,231,777</u>
Governmental activities capital assets, net	<u>\$ 110,624,659</u>	<u>\$ 14,319,478</u>	<u>\$ (4,227,607)</u>	<u>\$ 120,716,530</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 10 - CAPITAL ASSETS - (Continued)**

Capital assets of the business-type activities for the year ended December 31, 2021, was as follows:

<b><u>Business-type activities:</u></b>	Balance 12/31/20	Additions	Disposals	Balance 12/31/21
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,268,120	\$ -	\$ -	\$ 1,268,120
Construction in progress	60,096,548	3,185,133	(1,202,207)	62,079,474
Total capital assets, not being depreciated	<u>61,364,668</u>	<u>3,185,133</u>	<u>(1,202,207)</u>	<u>63,347,594</u>
<i>Capital assets, being depreciated:</i>				
Buildings	76,026,327	19,122	-	76,045,449
Improvements other than buildings	3,945,076	-	-	3,945,076
Machinery and equipment	28,958,536	174,072	-	29,132,608
Computer software	791,804	-	-	791,804
Vehicles	10,150,251	441,982	-	10,592,233
Infrastructure	58,320,532	1,895,551	-	60,216,083
Total capital assets, being depreciated	<u>178,192,526</u>	<u>2,530,727</u>	<u>-</u>	<u>180,723,253</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(32,748,617)	(1,893,010)	-	(34,641,627)
Improvements other than buildings	(2,453,005)	(97,860)	-	(2,550,865)
Machinery and equipment	(23,825,078)	(663,473)	-	(24,488,551)
Computer software	(743,414)	(15,686)	-	(759,100)
Vehicles	(7,002,174)	(790,683)	-	(7,792,857)
Infrastructure	(17,280,479)	(880,427)	-	(18,160,906)
Total accumulated depreciation	<u>(84,052,767)</u>	<u>(4,341,139)</u>	<u>-</u>	<u>(88,393,906)</u>
Total capital assets, being depreciated, net	<u>94,139,759</u>	<u>(1,810,412)</u>	<u>-</u>	<u>92,329,347</u>
Business-type activities capital assets, net	<u>\$ 155,504,427</u>	<u>\$ 1,374,721</u>	<u>\$ (1,202,207)</u>	<u>\$ 155,676,941</u>

Depreciation expense was charged to functions/programs of the City as follows:

**Governmental activities:**

General government	\$ 709,557
Security of persons and property	840,514
Transportation	2,615,757
Leisure time activity	275,465
Community environment	<u>1,219,248</u>
Total depreciation expense - governmental activities	<u>\$ 5,660,541</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 10 - CAPITAL ASSETS - (Continued)**

**Business-type activities:**

Sewer	\$ 2,652,959
Water	1,235,224
Environmental sanitation	<u>452,956</u>
Total depreciation expense - business-type activities	<u>\$ 4,341,139</u>

**NOTE 11 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

**A. Governmental Activities**

In prior years, the City entered into capital leases for equipment, snowplow and a fire truck. Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined BFS for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General capital assets consisting of equipment and vehicles have been capitalized in the statement of net position in the amount of \$1,824,996 and \$1,151,512, respectively. These amounts represent the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the statement of net position. Principal payments made during 2021 totaled \$79,266 paid by the fire levy fund, \$156,416 paid by the police levy fund and \$52,389 paid by nonmajor governmental funds.

The following is a schedule of the future long-term minimum lease payments required under capital leases and the present value of the minimum lease payments as of December 31, 2021:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>
2022	\$ 342,729
2023	288,821
2024	200,220
2025	200,220
2026	200,220
Thereafter	<u>200,220</u>
Total	1,432,430
Less: amount representing interest	<u>(146,856)</u>
Present value of net minimum lease payments	<u>\$ 1,285,574</u>

**B. Business-Type Activities**

During 2016, the City entered into capital leases for garbage trucks and garbage cart containers.

Capital assets consisting of vehicles have been capitalized in the statement of net position in the amount of \$2,455,200. The value of assets related to the garbage cart containers, \$1,151,512, was not capitalized because the value of each individual item is under the City's capitalization threshold. These amounts represent the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the statement of net position. Principal payments made during 2021 totaled \$410,000 paid by the environmental sanitation enterprise fund.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 11 - CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)**

The following is a schedule of the future long-term minimum lease payments required under capital leases and the present value of the minimum lease payments as of December 31, 2021:

Year Ended December 31,	Business-Type Activities		
	Garbage Carts	Garbage Trucks	Total
2022	\$ 178,797	\$ 279,205	\$ 458,002
2023	179,492	279,253	458,745
2024	-	279,157	279,157
2025	-	278,917	278,917
2026	-	278,733	278,733
Total	358,289	1,395,265	1,753,554
Less: amount representing interest	(11,747)	(95,065)	(106,812)
Present value of net minimum lease payments	\$ 346,542	\$ 1,300,200	\$ 1,646,742

**NOTE 12 - LONG-TERM OBLIGATIONS**

During 2021, the following changes occurred in governmental activities long-term obligations.

	Balance 12/31/20	Additions	Reductions	Balance 12/31/21	Amounts Due in One Year
<b>Governmental activities:</b>					
<u>General obligation bonds:</u>					
2015 various purpose refunding bonds	\$ 1,969,000	\$ -	\$ (654,000)	\$ 1,315,000	\$ 679,000
2016 pension refunding bonds	6,410,000	-	(510,000)	5,900,000	525,000
Total general obligations bonds	8,379,000	-	(1,164,000)	7,215,000	1,204,000
<u>Other long-term obligations:</u>					
HUD section 108 loan (direct borrowing)	3,713,000	-	(152,000)	3,561,000	157,000
OPWC loan (direct borrowing)	117,858	-	(21,428)	96,430	21,429
ODSA/EPA loan (direct borrowing)	821,512	-	(78,239)	743,273	78,239
SIB loan (direct borrowing)	-	501,121	-	501,121	373,206
Notes payable	9,600,000	7,300,000	(9,600,000)	7,300,000	-
Capital lease obligation	1,573,645	-	(288,071)	1,285,574	297,789
Net pension liability	63,462,428	-	(5,010,473)	58,451,955	-
Net OPEB Liability	16,647,287	192,686	(9,400,663)	7,439,310	-
Claims payable	1,627,259	474,283	-	2,101,542	594,328
Compensated absences	6,350,799	3,557,677	(3,506,778)	6,401,698	1,149,188
Total governmental activities long-term obligations	\$ 112,292,788	\$ 12,025,767	\$ (29,221,652)	\$ 95,096,903	\$ 3,875,179

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

During 2021, the following changes occurred in business-type activities long-term obligations.

	Interest Rate	Balance 12/31/2020	Additions	Reductions	Balance 12/31/2021	Amounts Due In One Year
<b>Business-type activities:</b>						
<u>OWDA loans (direct borrowing):</u>						
Orchard meadow overflow elimination	3.81%	\$ 1,542,534	\$ -	\$ (257,181)	\$ 1,285,353	\$ 267,072
Pump station improvements	3.79%	509,019	-	(84,906)	424,113	88,154
Waterline replacement	4.48%	50,169	-	(11,721)	38,448	12,253
Elevated storage tanks	4.48%	758,279	-	(112,805)	645,474	117,916
Waterline construction	3.99%	90,580	-	(11,458)	79,122	11,919
WWTP roof replacement	3.25%	364,970	-	(31,434)	333,536	32,463
Sludge storage tank covers	3.25%	302,852	-	(26,084)	276,768	26,938
Woodland and Andrews Avenue	3.25%	212,550	-	(18,306)	194,244	18,906
Boardman storage tank	3.83%	1,050,490	-	(83,004)	967,486	86,214
Roger Lindgren Way - force main	4.14%	369,674	-	(25,687)	343,987	26,761
Roger Lindgren Way - waterlines	3.49%	882,844	-	(60,390)	822,454	62,516
Meadowbrook flow equalization basis	2.86%	3,549,757	-	(228,987)	3,320,770	235,582
Myrtle Avenue pump station	3.30%	783,602	-	(57,046)	726,556	58,945
Briar Hill elevated storage tank	4.29%	1,504,113	-	(98,188)	1,405,925	102,446
WWTP secondary treatment improvements	0.86%	23,979,769	22,707	(1,135,959)	22,866,517	1,143,291
WWTP electrical upgrades contract A	1.81%	9,443,371	13,340	(429,729)	9,026,982	435,571
WWTP improvements & microscreen system	2.15%	16,282,577	1,423,272	(783,511)	16,922,338	796,168
Interceptor sewer relocation	2.08%	5,753,773	-	(300,050)	5,453,723	304,739
WWTP UV disinfection improvement	2.12%	4,281,472	41,329	(199,755)	4,123,046	202,936
Water department maintenance complex	3.45%	4,020,295	-	(262,209)	3,758,086	271,333
WWTP electrical upgrades - contract B	1.17%	2,620,129	-	(187,338)	2,432,791	188,983
WWTP primary settling tanks improvements	1.04%	7,247,133	-	(494,023)	6,753,110	497,880
Total OWDA loans		<u>85,599,952</u>	<u>1,500,648</u>	<u>(4,899,771)</u>	<u>82,200,829</u>	<u>4,988,986</u>
<u>OPWC loans (direct borrowing):</u>						
Kirk Road water storage tank	0.00%	283,314	-	(47,219)	236,095	47,219
Boardman elevated water tank	0.00%	733,015	-	(56,386)	676,629	56,386
Gypsy Lane water and sanitary improvements	0.00%	106,860	-	(13,357)	93,503	13,358
Kirkmere sanitary sewer	0.00%	260,503	-	(11,578)	248,925	11,578
Phelps Street sanitary sewer	0.00%	619,850	-	(25,300)	594,550	25,300
Belle Vista waterline replacements	0.00%	558,027	-	(24,802)	533,225	24,801
WWTP electrical system upgrade	0.00%	1,745,201	-	(69,808)	1,675,393	69,808
Total OPWC loans		<u>4,306,770</u>	<u>-</u>	<u>(248,450)</u>	<u>4,058,320</u>	<u>248,450</u>
<u>Other long-term obligations:</u>						
Capital lease obligation		2,056,742	-	(410,000)	1,646,742	419,000
Net pension liability		16,454,647	-	(5,963,406)	10,491,241	-
Net OPEB liability		11,016,617	-	(11,016,617)	-	-
Compensated absences		1,835,819	1,448,934	(1,494,463)	1,790,290	321,380
Total other long-term obligations		<u>31,363,825</u>	<u>1,448,934</u>	<u>(18,884,486)</u>	<u>13,928,273</u>	<u>740,380</u>
Total business-type activities long-term obligations		<u>\$ 121,270,547</u>	<u>\$ 2,949,582</u>	<u>\$ (24,032,707)</u>	<u>\$ 100,187,422</u>	<u>\$ 5,977,816</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

Principal and interest requirements to retire the governmental activities long-term debt obligations outstanding at December 31, 2021, are as follows:

General Obligation Bonds Payable			
Year	Principal	Interest	Total
2022	\$ 1,204,000	\$ 188,432	\$ 1,392,432
2023	751,000	158,458	909,458
2024	767,000	139,066	906,066
2025	783,000	119,266	902,266
2026	580,000	99,057	679,057
2027 - 2031	3,130,000	253,916	3,383,916
Total	\$ 7,215,000	\$ 958,195	\$ 8,173,195

  

HUD Section 108 Loans Payable (Direct Borrowing)			
Year	Principal	Interest	Total
2022	\$ 157,000	\$ 113,893	\$ 270,893
2023	162,000	109,895	271,895
2024	168,000	105,653	273,653
2025	174,000	101,171	275,171
2026	180,000	96,407	276,407
2027-2031	999,000	398,256	1,397,256
2032-2036	1,186,000	222,924	1,408,924
2037-2038	535,000	29,203	564,203
Total	\$ 3,561,000	\$ 1,177,402	\$ 4,738,402

  

OPWC Loan Payable (Direct Borrowing)			
Year	Principal	Interest	Total
2022	\$ 21,429	\$ -	\$ 21,429
2023	21,429	-	21,429
2024	21,429	-	21,429
2025	21,429	-	21,429
2026	10,714	-	10,714
Total	\$ 96,430	\$ -	\$ 96,430



**CITY OF YOUNGSTOWN  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

Year	ODSA/EPA Loan Payable (Direct Borrowing)		
	Principal	Interest	Total
2022	\$ 78,239	\$ -	\$ 78,239
2023	78,239	-	78,239
2024	78,239	-	78,239
2025	78,239	-	78,239
2026	78,240	-	78,240
2027-2031	<u>352,077</u>	<u>17,967</u>	<u>370,044</u>
Total	<u>\$ 743,273</u>	<u>\$ 17,967</u>	<u>\$ 761,240</u>

Principal and interest requirements to retire the business-type activities long-term debt obligations outstanding at December 31, 2021, are as follows:

Year	OWDA Loan Payable (Direct Borrowing)		
	Principal	Interest	Total
2022	\$ 1,419,418	\$ 481,735	\$ 1,901,153
2023	1,471,290	433,211	1,904,501
2024	1,525,094	382,892	1,907,986
2025	1,566,905	330,849	1,897,754
2026	1,415,693	277,300	1,692,993
2027-2031	<u>5,705,591</u>	<u>780,013</u>	<u>6,485,604</u>
2032-2033	<u>1,518,331</u>	<u>51,015</u>	<u>1,569,346</u>
Total	<u>\$ 14,622,322</u>	<u>\$ 2,737,015</u>	<u>\$ 17,359,337</u>

Year	OPWC Loans Payable (Direct Borrowing)		
	Principal	Interest	Total
2022	\$ 248,450	\$ -	\$ 248,450
2023	248,448	-	248,448
2024	248,450	-	248,450
2025	248,450	-	248,450
2026	248,450	-	248,450
2027-2031	<u>966,078</u>	<u>-</u>	<u>966,078</u>
2032-2036	<u>770,208</u>	<u>-</u>	<u>770,208</u>
2037-2041	<u>657,434</u>	<u>-</u>	<u>657,434</u>
2042-2045	<u>422,352</u>	<u>-</u>	<u>422,352</u>
Total	<u>\$ 4,058,320</u>	<u>\$ -</u>	<u>\$ 4,058,320</u>

Legal Debt Margin

As of December 31, 2021, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$38,998,413 and unvoted legal debt margin was \$10,978,504.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

General Obligation Bonds

On November 16, 2015, the City issued \$4,817,000 in general obligation refunding bonds. The bond issue was used to currently refund the 2005 various purpose refunding bonds. The refunded debt is considered defeased (in-substance) and accordingly has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$72,231. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The bonds have a final maturity date of December 1, 2025 and bear an annual interest rate of 2.35%.

On September 2, 2016, the City issued \$8,090,000 in general obligation refunding bonds. The bond issue was used to currently refund the 2006 pension refunding bonds. The refunded debt is considered defeased (in-substance) and accordingly has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$541,340. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This current refunding was undertaken to reduce total debt service payments over the next 15 years by \$958,662 and resulted in an economic gain of \$814,450. The bonds have a final maturity date of December 1, 2031 and bear an annual interest rate of 2.57%.

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. The general obligation bonds are to be repaid from property tax revenues that are receipted in the debt service fund.

HUD Section 108 Loan

The HUD Section 108 loan will be paid from community development agency entitlements. The HUD Section 108 loan in the amount of \$4,000,000 was issued on December 14, 2018, to finance the construction of an amphitheater adjacent to the existing Covelli Centre. The Loan has a final maturity date of August 1, 2038 and a variable annual interest rate.

The HUD loan is a direct borrowing that has terms negotiated directly between the City and HUD and are not offered for public sale. In the event of default, HUD may make an acceleration payment to the fiscal agent/ trustee equal to the unpaid aggregate principal amount of the note, together with accrued and unpaid interest. In the event of any acceleration payment is made from sources other than funds pledged by the City as security under the contract (or other City funds), the amounts paid on the behalf of the City shall be deemed to be immediately due and payable to the Secretary.

ODSA/USEPA Loan

The Ohio Development Services Agency (ODSA)/United States Environmental Protection Agency (USEPA) Brownfield Revolving Loan will be paid from the bond retirement fund (a nonmajor governmental fund). The loan was made for the cleanup or remediation of a brownfield site within the City, referred to as the Dempsey Steel Project. The loan was approved for an amount not to exceed \$2,000,000. A balance of \$743,273 is outstanding at December 31, 2021. The loan bears no interest until April 1, 2026, at which time an interest rate of 2.00% will go into effect for the remaining term of the loan. Sale or transfer of the project property to any entity will initiate an immediate payoff of the loan.

The loan is a direct borrowing that has terms negotiated between the City and the ODSA/USEPA. In the event of default of any of the terms or conditions of the loan agreement beyond the lapse of any applicable notice or cure period, the entire outstanding principal balance amount of the loan shall become immediately due and payable, upon demand from the lender. The lender may take the following remedial steps on default: the interest rate may be increased to a rate not to exceed 10% annually, exercise rights in the collateral, obtain access to inspect, examine and make copies of the books and records accounts and financial data of the City, or secure the project property.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

State Infrastructure Bank (SIB) Loan

In 2020, the City and the Eastgate Regional Council of Governments (EGRCG) entered into SIB loan agreement with the State of Ohio for \$5,000,000 for the SMART2 Network Project as co-signers. This amount represents the EGRCG's construction commitment of \$5,000,000. Repayment of the loan will come from the EGRCG's annual federal funding allocation which is administered by the State of Ohio Department of Transportation (ODOT). The City has agreed to pay the interest costs on the loan. This 8-year loan has a 3.00% interest rate. The City receives the proceeds of the loan from ODOT as expenditures are incurred. During 2021, the City received \$501,121, which is being reported as a liability. A final amortization schedule was not available at year-end.

The SIB loan is considered a direct borrowing. Direct borrowings have terms negotiated directly between the City and the lender and are not offered for public sale. In an event of default, ODOT may assess a late charge equal to 5% of such unpaid amount shall be assessed, in addition to all other sums due, for each month during which the default exists.

Bond Anticipation Notes Payable

The City reissued \$3,900,000 in long-term city hall annex bond anticipation notes on July 7, 2021 that bear an interest rate of 1.00% and mature on July 7, 2022. The City reissued \$3,400,000 in long-term taxable convocation center bond anticipation notes on July 21, 2021 that bear an interest rate of 1.00% and mature on July 21, 2022.

Notes that were refinanced prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported in the government-wide statements as a long-term liability. The portion of the 2021 note issues that will be retired on July 7, 2022 and July 21, 2022 (see Note 25 for detail) have been reported as short-term notes payable in Note 13. The notes are backed by the full faith and credit of the City.

OWDA Loans

The City has entered into debt financing arrangements through the OWDA to fund construction projects. The amounts due to the OWDA are payable solely from water and sewer revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2021, the City has outstanding borrowings of \$82,200,829 in the business-type activities. The WWTP secondary treatment improvements project, WWTP electrical upgrades contract A and B projects, WWTP improvements & microscreen system replacement project, interceptor sewer relocation project, WWTP UV disinfection improvements project, and primary settling tanks improvement project amortization schedules (\$67,578,507) have not been completed at December 31, 2021 and are not included in the amortization schedule shown above. The loan agreements require semi-annual payments and are paid from the sewer and water funds.

OWDA loans are direct borrowings that have terms negotiated directly between the City and the OWDA and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

The City has pledged future water and sewer revenues to repay OWDA loans. The loans are payable solely from water and sewer fund revenues and are payable through 2033. Annual principal and interest payments on the water loans are expected to require 12.15 percent of net revenues and 3.06 percent of total operating revenue of the water fund. Water loan principal and interest paid for the current year was \$1,025,547. Annual principal and interest payments on the sewer loans are expected to require 36.25 percent of net revenues and 20.09 percent of total operating revenue of the sewer fund. Sewer loan principal and interest paid for the current year was \$5,584,276. The total principal and interest remaining to be paid on the water and sewer loans is \$84,937,844.

OPWC Loans

An Ohio Public Works Commission Loan (OPWC) was issued to finance the Federal Street reconstruction project and is reported in the governmental activities. The loan was issued in the amount of \$428,576, is interest free and is paid from the bond retirement fund (a nonmajor governmental fund).

**CITY OF YOUNGSTOWN  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

The City has also entered into debt financing arrangements through the OPWC to fund sewer and water construction projects. At December 31, 2021, the City has outstanding borrowings of \$4,058,320 in the business-type activities. The loan agreements require semi-annual payments and are paid from the sewer and water funds.

OPWC loans are direct borrowings that have terms negotiated directly between the County and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the County for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the County is located to pay the amount of the default from funds that would otherwise be appropriated to the County from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

The City has pledged future water and sewer revenues to repay OPWC loans. The loans in the business-type activities are payable solely from water and sewer fund revenues and are payable through 2045. Annual principal payments on the water loans are expected to require 1.56 percent of net revenues and 0.39 percent of total operating revenue of the water fund. Water loan principal paid for the current year was \$131,746. Annual principal payments on the sewer loans are expected to require 0.76 percent of net revenues and 0.42 percent of total operating revenue of the sewer fund. Sewer loan principal paid for the current year was \$116,704. The total principal remaining to be paid on the water and sewer loans is \$4,058,320.

For compensated absences, additions and deletions of accrued vacation and sick leave are shown net since it is impractical for the City to determine these amounts separately. Compensated absences and the net pension liability will be paid from the fund from which the employees' salaries are paid.

The claims payable liability will be paid from the workers' compensation internal service fund.

See Notes 16 and 17 for additional disclosure on net pension liability and net OPEB liability, respectively. The City pays obligations related to employee compensation from the fund benefitting from their service.

**NOTE 13 - NOTES PAYABLE**

Note activity during 2021 consisted of the following:

<b><u>Governmental activities:</u></b>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Balance 12/31/20</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/21</u>
<i>Covelli Centre fund:</i>						
Convocation center	2020	1.00%	\$ 1,460,000	\$ -	\$ (1,460,000)	\$ -
Convocation center	2021	1.00%	-	1,700,000	-	1,700,000
<i>Capital Projects</i>						
<i>Public works fund:</i>						
City hall annex	2020	1.00%	600,000	-	(600,000)	-
City hall annex	2021	1.00%	-	600,000	-	600,000
Total notes payable			<u>\$ 2,060,000</u>	<u>\$ 2,300,000</u>	<u>\$ (2,060,000)</u>	<u>\$ 2,300,000</u>

Convocation center: On July 21, 2021, the City issued \$5,100,000 in bond anticipation notes, of which \$1,700,000 are considered short-term. The proceeds were used to retire the 2020 convocation center notes that matured July 22, 2021. The 2021 note matures on July 21, 2022. The notes are recorded as a liability in the Covelli Centre fund, which is the fund that originally received the proceeds. The short-term notes outstanding at December 31, 2021 represent the portion of the 2021 note issues that will be retired when the notes are refinanced on July 20, 2022 (see Note 25 for detail).

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 13 - NOTES PAYABLE - (Continued)**

*City hall annex:* On July 7, 2021, the City issued \$4,500,000 in bond anticipation notes, of which \$600,000 are considered short-term. The proceeds were used to retire the 2020 city hall annex notes that matured July 8, 2021. The 2021 note matures on July 7, 2022. The notes are recorded as a liability in the capital projects public works fund, which is the fund that originally received the proceeds. The short-term notes outstanding at December 31, 2021 represent the portion of the 2021 note issues that will be retired when the notes are refinanced on July 6, 2022 (see Note 25 for detail).

**NOTE 14 - RISK MANAGEMENT**

**A. Property and Liability**

For calendar year 2021, the City contracted for a package of municipal liability and property insurance through Jackson, Dieken and Associates at an annual premium of \$866,740. This package included coverage for deadly weapons, protection for civilians at nine City owned facilities and cyber risk insurance.

The insurance package consisted of a policy from U.S Specialty Insurance Company including: comprehensive general liability and automobile liability with limits of \$1 million per occurrence, aggregate \$3 million and deductibles of \$50,000 per occurrence; public officials liability with prior acts coverage and law enforcement liability coverage with limits of \$1 million per occurrence and deductibles of \$50,000. Two umbrella policies provided additional coverage in the amount of \$10 million. The policy also included JAC Management, LLC and Eric Ryan as additional insured for management of the Covelli Centre, at a premium cost of \$112,405. Coverage was provided for loss to buildings and personal property in the amount of \$281,077,026 with a \$10,000 deductible, coverage for inland marine for scheduled equipment in the amount of \$17,698,250 with a \$10,000 deductible, coverage for vehicles, contractor's equipment and EDP equipment in the amount of \$18,888,474 and auto physical damage catastrophic coverage at two locations with a limit of \$1 million per occurrence and \$25,000 deductible.

Personal faithful performance bonds were purchased for the Clerk of Court in the amount of \$25,000; for the Mayor, the Finance Director and the Law Director in the amount of \$100,000 and for the Bailiff in the amount of \$3,000 and deputy bailiffs in the amount of \$1,000.

In 2021, the City paid deductibles to Tokio Marine HCC in the amount of \$101,090.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

**B. Workers' Compensation**

The City has elected to take advantage of the workers' compensation plan being offered by the State of Ohio. This plan, called retrospective rating, allows the City to pay a fraction of the premium it would pay as an experience-rated risk.

In 2021, the City paid premiums to the State Fund for Workers' Compensation for calendar year 2021 in the amount of approximately \$412,212. The City reimbursed the Bureau of Workers Compensation for actual medical costs and compensation paid to injured workers in the amount of \$401,516 under the Retrospective Rating Plan.

Retrospective rating constitutes a step closer to self-insurance. In the retrospective rating plan, the City agrees to assume a portion of the risk in return for a possible reduction in premiums. The greater the percentage of the risk the City assumes, the greater the potential reduction in the premium. If the City's loss experience is better than predicted by the experience-rating system, its premium obligation will be less than what it would have paid under experience rating. If its experience is worse than predicted, its premium obligation will be more than it would have been assessed under experience rating, limited to a maximum premium. The City has assumed the risk for individual claims up to a maximum of \$300,000.

**CITY OF YOUNGSTOWN  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 14 - RISK MANAGEMENT - (Continued)**

The City has agreed to pay all claims up to a maximum of 200% of what the City would have paid had the City remained an experience-rated risk. Claims exceeding these limits will be paid by the State. Each year, the City pays the State a minimum premium for retaining the risk of having to pay claims which exceeds the City's maximum claim limits. Ten years after each year the City elected the retrospective plan for workers' compensation, the City settles up for the reserve on any claims that are still open. The City has established a workers' compensation internal service fund to account for and finance its uninsured risks of loss in this program.

The claims liability of \$2,101,542 reported at December 31, 2021, as estimated by the third party administrator, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Of the \$2,101,542 claims liability, \$594,328 of the liability is due within one year and is reported as a current liability in the statement of net position for the proprietary funds. The remaining portion is a noncurrent liability of \$1,507,214. The estimate was not affected by non-incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount in 2021 and 2020 were:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims/ Adjustments*</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2021	\$ 1,627,259	\$ 875,799	\$ (401,516)	\$ 2,101,542
2020	2,035,104	(220,917)	(186,928)	1,627,259

\*The negative prior year claims/adjustments in 2020 is due to a significant decrease in reserve for open claims that were determined not to be the responsibility of the City upon the ten-year settlement.

**C. Medical, Prescription, Dental and Vision Insurance**

The City is self-insured for employee medical, prescription, dental and vision insurance. The medical and prescription program is administered by UnitedHealthcare, which provides claims review and processing services. The dental and vision programs are administered through Anthem Blue Cross Blue Shield. These self-insurance programs are reported in the self-insurance internal service fund.

The claims liability of \$890,563 reported at December 31, 2021, as estimated by the third party administrators, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Estimates were calculated based upon an independent actuarial evaluation of claims payable. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

A summary of the fund's claims liability during 2021 and 2020 were:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2021	\$ 12,344	\$ 8,688,289	\$ (7,810,070)	\$ 890,563
2020	-	287,264	(274,920)	12,344

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 15 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

City employees earn sick leave at a rate of one and one quarter days per month, not to exceed 15 days per year. Sick leave may be accumulated without limit. The City's policy is that 35 percent of accrued sick leave will be paid to an employee upon retirement or termination of service.

City employees earn two to six weeks of vacation per year, depending upon length of service. Upon termination of service, an employee is entitled to receive payment for any unused vacation time plus accrued vacation time earned during the year.

For governmental funds, the current portion of unpaid compensated absences is recorded as a current liability in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the statement of activities. In proprietary funds, the entire amount of compensated absences is reported as a fund liability. As of December 31, 2021, the liability for unpaid compensated absences was \$8,191,988 for the entire City.

**B. Life Insurance**

During 2021, the City provided life insurance and accidental death and dismemberment insurance in equal amounts to its active employees with the exception of AFSCME employees through a plan with Standard Life. The benefit amounts remained the same: \$9,500 with the exception of Waste Water Treatment Plant union employees who had coverage in the amount of \$15,000 and Fire Department, 911, Police and Street department union employees who had coverage in the amount of \$20,000. In addition, eligible retirees were covered for death amount benefit amounts ranging from \$1,500 to \$4,750, depending on retirement date.

**NOTE 16 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Asset and Net OPEB Liability/Asset***

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

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

**CITY OF YOUNGSTOWN  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

The remainder of this note includes the pension disclosures. See Note 17 for the OPEB disclosures.

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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



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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

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. 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), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

**CITY OF YOUNGSTOWN  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

	State and Local
<b>2021 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2021 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

\*\* This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$3,091,028 for 2021. Of this amount, \$458,589 is reported as due to other governments and payroll withholding payable.

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

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

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

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

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
<b>2021 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2021 Actual Contribution Rates</b>		
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	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$3,873,270 for 2021. Of this amount, \$584,120 is reported as due to other governments and payroll withholding payable.

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2020, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS - Traditional	OPERS - Combined	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.154286%	0.072501%	0.733633%	
Proportion of the net pension liability/asset current measurement date	<u>0.142341%</u>	<u>0.068737%</u>	<u>0.702142%</u>	
Change in proportionate share	<u>-0.011945%</u>	<u>-0.003764%</u>	<u>-0.031490%</u>	
Proportionate share of the net pension liability	\$ 21,077,539	\$ -	\$ 47,865,657	\$ 68,943,196
Proportionate share of the net pension asset	-	(198,419)	-	(198,419)
Pension expense	(1,729,041)	4,678	2,120,531	396,168

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OP&F	Total
<b>Deferred outflows of resources:</b>				
Differences between expected and actual experience	\$ -	\$ -	\$ 2,000,946	\$ 2,000,946
Changes of assumptions	-	12,392	802,731	815,123
Changes in employer's proportionate percentage/difference between employer contributions	44,006	-	-	44,006
Contributions subsequent to the measurement date	<u>3,040,137</u>	<u>50,891</u>	<u>3,873,270</u>	<u>6,964,298</u>
Total deferred outflows of resources	<u>\$ 3,084,143</u>	<u>\$ 63,283</u>	<u>\$ 6,676,947</u>	<u>\$ 9,824,373</u>

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	OPERS - Traditional	OPERS - Combined	OP&F	Total
<b>Deferred inflows of resources:</b>				
Differences between expected and actual experience	\$ 881,691	\$ 37,434	\$ 1,864,702	\$ 2,783,827
Net difference between projected and actual earnings on pension plan investments	8,215,409	29,507	2,321,802	10,566,718
Changes in employer's proportionate percentage/ difference between employer contributions	2,088,273	-	4,154,601	6,242,874
Total deferred inflows of resources	<u>\$ 11,185,373</u>	<u>\$ 66,941</u>	<u>\$ 8,341,105</u>	<u>\$ 19,593,419</u>

\$6,964,298 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2022.

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

	OPERS - Traditional	OPERS - Combined	OP&F	Total
Year Ending December 31:				
2022	\$ (4,940,096)	\$ (14,205)	\$ (1,699,888)	\$ (6,654,189)
2023	(1,731,933)	(9,022)	(216,442)	(1,957,397)
2024	(3,348,878)	(15,823)	(2,816,690)	(6,181,391)
2025	(1,120,460)	(7,367)	(703,172)	(1,830,999)
2026	-	(3,152)	(101,236)	(104,388)
Thereafter	-	(4,980)	-	(4,980)
Total	<u>\$ (11,141,367)</u>	<u>\$ (54,549)</u>	<u>\$ (5,537,428)</u>	<u>\$ (16,733,344)</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.

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

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

The most recent experience study was completed for the five-year period ended December 31, 2015.

During 2020, 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 11.70% for 2020.

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 arithmetic real rates of return were provided by the Board's investment consultant.

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.32 %
Domestic equities	21.00	5.64
Real estate	10.00	5.39
Private equity	12.00	10.42
International equities	23.00	7.36
Other investments	9.00	4.75
Total	<u>100.00 %</u>	<u>5.43 %</u>

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2020 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate** - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 40,205,519	\$ 21,077,539	\$ 5,172,657
Combined Plan	(138,162)	(198,419)	(243,330)

**Actuarial Assumptions - OP&F**

OP&F's total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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 were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2021, are presented below.

Valuation date	1/1/20 with actuarial liabilities rolled forward to 12/31/20
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

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

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

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

<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, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. 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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.



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**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation		
Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

\* levered 2x

\*\* numbers include inflation

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

**Discount Rate** - The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	Current		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability	\$ 66,635,126	\$ 47,865,657	\$ 32,157,507

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS**

*Net OPEB Liability/Asset*

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

*Plan Description - Ohio Public Employees Retirement System (OPERS)*

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

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

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

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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.

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

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

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was zero for 2021.

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

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

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

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$91,860 for 2021. Of this amount, \$13,853 is reported as due to other governments and payroll withholding payable.

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

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.147816%	0.733633%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.136741%</u>	<u>0.702142%</u>	
Change in proportionate share	<u>-0.011075%</u>	<u>-0.031490%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 7,439,310	\$ 7,439,310
Proportionate share of the net OPEB asset	(2,436,146)	-	(2,436,146)
OPEB expense	(15,823,531)	306,861	(15,516,670)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources:</b>			
Changes of assumptions	\$ 1,197,638	\$ 4,109,816	\$ 5,307,454
Changes in employer's proportionate percentage/ difference between employer contributions	54,918	-	54,918
Contributions subsequent to the measurement date	<u>-</u>	<u>91,860</u>	<u>91,860</u>
Total deferred outflows of resources	<u>\$ 1,252,556</u>	<u>\$ 4,201,676</u>	<u>\$ 5,454,232</u>

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred inflows of resources:</b>			
Differences between expected and actual experience	\$ 2,198,609	\$ 1,227,088	\$ 3,425,697
Net difference between projected and actual earnings on OPEB plan investments	1,297,527	276,458	1,573,985
Changes of assumptions	3,947,288	1,185,964	5,133,252
Changes in employer's proportionate percentage/ difference between employer contributions	<u>1,200,803</u>	<u>1,621,179</u>	<u>2,821,982</u>
Total deferred inflows of resources	<u>\$ 8,644,227</u>	<u>\$ 4,310,689</u>	<u>\$ 12,954,916</u>

\$91,860 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2022.

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2022	\$ (4,039,343)	\$ (85,547)	\$ (4,124,890)
2023	(2,635,586)	(20,083)	(2,655,669)
2024	(563,851)	(123,289)	(687,140)
2025	(152,890)	(75,078)	(227,968)
2026	-	53,919	53,919
Thereafter	<u>-</u>	<u>49,204</u>	<u>49,204</u>
Total	<u>\$ (7,391,670)</u>	<u>\$ (200,874)</u>	<u>\$ (7,592,544)</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, 2019, rolled forward to the measurement date of December 31, 2020.

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate	
Current measurement date	8.50% initial, 3.50% ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

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

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2020, 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 10.50% for 2020.

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 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.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	<u>4.43 %</u>

**Discount Rate** - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20- year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

**Change in Benefit Terms** - On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City at December 31, 2021. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

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



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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB asset	\$ 605,762	\$ 2,436,146	\$ 3,940,870

***Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate -*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% 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 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ 2,495,520	\$ 2,436,146	\$ 2,369,718

***Actuarial Assumptions - OP&F***

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.96%
Prior measurement date	3.56%
Cost of Living Adjustments	2.20% simple per year

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 Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in 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.

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation		
Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

\* levered 2.5x

\*\* numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on 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 2020, the total OPEB liability was calculated using the discount rate of 2.96%. For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. 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 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12% at December 31, 2020 and 2.75% at December 31, 2019, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 2.96% for 2020 and 3.56% for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96%), or one percentage point higher (3.96%) than the current rate.

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 9,276,395	\$ 7,439,310	\$ 5,923,931

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

**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis) presented for the general fund and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP);
4. Investments are reported at fair value (GAAP) rather than cost (budget); and,
5. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

	<b>Net Change in Fund Balance</b>			
	General	Fire Levy	Police Levy	American Rescue Plan
Budget basis	\$ (1,077,360)	\$ (152,761)	\$ (338,028)	\$ 41,397,198
Net adjustment for revenue accruals	(2,325,631)	(82,199)	(215,157)	(41,387,685)
Net adjustment for expenditure accruals	1,408,280	156,779	279,641	-
Net adjustment for other financing sources/uses	3,366,000	-	-	-
Funds budgeted elsewhere	(316,300)	-	-	-
Adjustment for encumbrances	159,013	429,491	730,307	-
GAAP basis	\$ 1,214,002	\$ 351,310	\$ 456,763	\$ 9,513

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**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the emergency 911 system fund, unclaimed monies fund, federal plaza ad hoc committee fund, business development lease payments fund, rental property registration fund, parking lot fund, contingency fund, fire demolition escrow fund, suspense fund, vacant property foreclosure fund and payroll fund.

**NOTE 19 - CONTINGENCIES**

**A. Grants**

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2021.

**B. Litigation**

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

**C. Asset Retirement Obligations**

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio Environmental Protection Agency (Ohio EPA) for approval. Through this permitting process, the City would be responsible for addressing any public safety issues associated with their sewage treatment facilities and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. Due to the lack of specific legal requirements for retiring the sewage treatment plant, the City has determined that the asset retirement obligation cannot be reasonably estimated.

**NOTE 20 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 101,269
Fire levy	421,095
Police levy	708,688
Other governmental	<u>13,182,355</u>
Total	<u>\$ 14,413,407</u>

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**NOTE 21 - FUND BALANCE**

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

Fund Balances	General	Fire Levy	Police Levy	American Rescue Plan	Capital Projects Public Works	Nonmajor Governmental Funds	Total Governmental
<b><i>Nonspendable</i></b>							
Materials and supplies inventory	\$ 1,368	\$ 3,620	\$ 40,673	\$ -	\$ -	\$ 605,466	\$ 651,127
Loans receivable	976,400	-	-	-	-	-	976,400
Unclaimed monies	28,435	-	-	-	-	-	28,435
<b><i>Total Nonspendable</i></b>	<b>1,006,203</b>	<b>3,620</b>	<b>40,673</b>	<b>-</b>	<b>-</b>	<b>605,466</b>	<b>1,655,962</b>
<b><i>Restricted For</i></b>							
Capital projects	-	-	-	-	209,983	1,526,128	1,736,111
Debt service	-	-	-	-	-	2,753,088	2,753,088
Community development	-	-	-	-	-	591,771	591,771
Street maintenance and repair	-	-	-	-	-	2,690,484	2,690,484
Public health and welfare	-	-	-	-	-	1,686	1,686
Coronavirus relief	-	-	-	9,513	-	-	9,513
Law enforcement	-	-	1,090,745	-	-	2,001,003	3,091,748
Fire services	-	706,214	-	-	-	-	706,214
Leisure time activities	-	-	-	-	-	402,192	402,192
<b><i>Total Restricted</i></b>	<b>-</b>	<b>706,214</b>	<b>1,090,745</b>	<b>9,513</b>	<b>209,983</b>	<b>9,966,352</b>	<b>11,982,807</b>
<b><i>Committed To</i></b>							
Community development	-	-	-	-	-	87,885	87,885
Capital projects	-	-	-	-	-	2,452,427	2,452,427
<b><i>Total Committed</i></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,540,312</b>	<b>2,540,312</b>
<b><i>Assigned To</i></b>							
Subsequent year appropriations	1,970,858	-	-	-	-	-	1,970,858
General government	197,724	-	-	-	-	-	197,724
Community development	338,144	-	-	-	-	-	338,144
Law enforcement	49,643	-	-	-	-	-	49,643
<b><i>Total Assigned</i></b>	<b>2,556,369</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,556,369</b>
<b><i>Unassigned (deficit)</i></b>	<b>5,181,377</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,030,359)</b>	<b>4,151,018</b>
<b><i>Total Fund Balances</i></b>	<b>\$ 8,743,949</b>	<b>\$ 709,834</b>	<b>\$ 1,131,418</b>	<b>\$ 9,513</b>	<b>\$ 209,983</b>	<b>\$ 12,081,771</b>	<b>\$ 22,886,468</b>

**CITY OF YOUNGSTOWN  
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**NOTE 22 - TAX ABATEMENTS**

As of December 31, 2021, the City provides tax abatements through the Community Reinvestment Area One (CRA) program, which was passed by Ordinance by City Council on May 18, 2011 and was amended on July 20, 2011. This program relates to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The City has entered into agreements to abate property taxes through this CRA program. During 2021, the City's property tax revenues were reduced by approximately \$79,087 as a result of this program.

**NOTE 23 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**NOTE 24 - YOUNGSTOWN CITY HEALTH DISTRICT**

The constitution and laws of the State of Ohio establish the rights and privileges of the Youngstown City Health District (the "Health District") as a body corporate and politic. A five-member Board and a Health Commissioner govern the Health District. Consistent with the provisions of the Ohio Revised Code Section 3709.36, the Health District is a legally separate organization. The Health District's services include communicable disease investigations, immunization clinics, tuberculosis screenings, home visits, public health nursing services and issues, health-related licenses and permits, emergency preparedness activities as well as birth certificates and death certificates. The Mayor appoints a voting majority of the Health District Board. The rates charged by the City are subject to the approval of City Council. In addition, the City provides funding to the Health District, thus the City can impose will on the Health District, and the Health District imposes a financial burden to the City. Therefore, The Health District is considered a discretely presented component unit of the City of Youngstown.

The Health District's management believes these financial statements present all activities for which the Health District is financially accountable. The Health District has no component units.

**Summary of Significant Accounting Policies**

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 24 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

***Basis of Presentation - Government-Wide Financial Statements*** - The statement of net position and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The Health District has no fiduciary funds. The statements distinguish between those activities of the Health District that are governmental and those that are considered business-type activities. The Health District has no business-type activities.

The statement of net position presents the financial condition of the governmental activities and business-type activities for the Health District at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Health District's activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are 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 operation of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Health District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Health District.

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

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

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

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

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

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

***Estimates*** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 24 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

**Capital Assets** - Capital assets are reported in the government-wide financial statements. In accordance with the City's policy, all capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Health District maintains a capitalization threshold of \$10,000, in accordance with the City's policy.

All reported capital assets are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Machinery and equipment	5 - 20
Vehicles	8

**Inventories of Materials and Supplies** - On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. Inventory consists of expendable supplies held for consumption.

**Compensated Absences** - Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Health District will compensate the employees for the benefits through paid time off or some other means. The Health District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability for the Health District using the vesting method, which follows the City's policy. A liability is accrued for thirty-five percent of accumulated unused sick leave for all employees since the employees are entitled to that amount if they leave the City's employment for any reason, which follows the City's policy.

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

**Net Position** - Net position represents the difference between all other elements on the statement of net position. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Health District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**Deposits and Investments**

The City of Youngstown Treasurer is custodian for the Health District's deposits. The City's deposit and investment pool holds the Board of Health's assets, valued at the Treasurer's reported carrying amount.

**Receivables**

Receivables at December 31, 2021 consisted of intergovernmental receivables arising from grants. Receivables have been recorded to the extent that they are measurable at December 31, 2021. All receivables are expected to be collected in the subsequent year. At December 31, 2021, the Health District had \$61,118 in intergovernmental receivables.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 24 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

A summary of the intergovernmental receivables reported on the statement of net position follows:

<u>Intergovernmental receivables:</u>	
COVID 19 subsidy	\$ 5,016
Minority health	11,102
Reproductive health and wellness	<u>45,000</u>
Total	<u>\$ 61,118</u>

**Capital Assets**

Capital asset activity for the year ended December 31, 2021, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/21</u>
<i>Capital assets, being depreciated:</i>				
Machinery equipment	\$ 177,682	\$ -	\$ -	\$ 177,682
Vehicles	<u>248,127</u>	<u>20,000</u>	<u>-</u>	<u>268,127</u>
Total capital assets, being depreciated	<u>425,809</u>	<u>20,000</u>	<u>-</u>	<u>445,809</u>
<i>Less: accumulated depreciation:</i>				
Machinery and equipment	(168,234)	(6,412)	-	(174,646)
Vehicles	<u>(238,798)</u>	<u>(5,160)</u>	<u>-</u>	<u>(243,958)</u>
Total accumulated depreciation	<u>(407,032)</u>	<u>(11,572)</u>	<u>-</u>	<u>(418,604)</u>
Total capital assets being depreciated, net	<u>18,777</u>	<u>8,428</u>	<u>-</u>	<u>27,205</u>
Governmental activities capital assets, net	<u>\$ 18,777</u>	<u>\$ 8,428</u>	<u>\$ -</u>	<u>\$ 27,205</u>

Depreciation expense was charged to governmental activities as follows:

<u>Governmental activities:</u>	
Public Health and Welfare	<u>\$ 11,572</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 24 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

**Long-Term Obligations**

Changes in the Health District's long-term obligations during the year consisted of the following.

	Balance <u>01/01/21</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/21</u>	Due Within <u>One Year</u>
Compensated absences	\$ 118,817	\$ 111,826	\$ (66,690)	\$ 163,953	\$ 29,432
Net pension liability	1,208,477	-	(484,904)	723,573	-
Net OPEB liability	<u>809,092</u>	<u>-</u>	<u>(809,092)</u>	<u>-</u>	<u>-</u>
Total governmental-type long-term obligations	<u>\$ 2,136,386</u>	<u>\$ 111,826</u>	<u>\$ (1,360,686)</u>	<u>\$ 887,526</u>	<u>\$ 29,432</u>

Compensated absences, net pension liability and net OPEB liability are paid from the fund from which the respective employees' salaries are paid.

**Risk Management**

The Health District is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The Health District is included under the City's programs for property and liability and workers' compensation, health, dental and vision insurance, see Note 14 for detail.

**Employee Benefits**

The Health District is included under the City's programs for compensated absences and life insurance benefits, see Note 15 for detail.

**Defined Benefit Pension Plans**

Plan descriptions and actuarial information for the Health District's defined benefit pension plans are the same as the City's (see Note 16 for detail).

The Health District's contractually required contribution for the Traditional Pension Plan and the Combined Plan was \$106,112 for 2021.

The net pension liability and net pension asset for OPERS were measured as of December 31, 2020, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. The Health District's proportion of the net pension liability or asset was based on the Health District's share of contributions to the pension plan relative to the contributions of all participating entities.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 24 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

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

	OPERS - Traditional	OPERS - Combined	Total
Proportion of the net pension liability/asset prior measurement date	0.006114%	0.002873%	
Proportion of the net pension liability/asset current measurement date	<u>0.004886%</u>	<u>0.002360%</u>	
Change in proportionate share	<u>-0.001228%</u>	<u>-0.000513%</u>	
Proportionate share of the net pension liability	\$ 723,573	\$ -	\$ 723,573
Proportionate share of the net pension asset	-	(6,812)	(6,812)
Pension expense	(76,496)	161	(76,335)

At December 31, 2021, the Health District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	Total
<b>Deferred outflows of resources:</b>			
Changes of assumptions	\$ -	\$ 425	\$ 425
Contributions subsequent to the measurement date	<u>104,365</u>	<u>1,747</u>	<u>106,112</u>
Total deferred outflows of resources	<u>\$ 104,365</u>	<u>\$ 2,172</u>	<u>\$ 106,537</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 24 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

	OPERS - Traditional	OPERS - Combined	Total
<b>Deferred inflows of resources:</b>			
Differences between expected and actual experience	\$ 30,268	\$ 1,285	\$ 31,553
Net difference between projected and actual earnings on pension plan investments	282,028	1,013	283,041
Changes in employer's proportionate percentage/ difference between employer contributions	176,075	-	176,075
Total deferred inflows of resources	<u>\$ 488,371</u>	<u>\$ 2,298</u>	<u>\$ 490,669</u>

\$106,112 reported as deferred outflows of resources related to pension resulting from Health District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2022.

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

	OPERS - Traditional	OPERS - Combined	Total
Year Ending December 31:			
2022	\$ (216,544)	\$ (488)	\$ (217,032)
2023	(75,918)	(310)	(76,228)
2024	(146,795)	(543)	(147,338)
2025	(49,114)	(253)	(49,367)
2026	-	(108)	(108)
Thereafter	-	(171)	(171)
Total	<u>\$ (488,371)</u>	<u>\$ (1,873)</u>	<u>\$ (490,244)</u>

**Sensitivity of the Health District's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate** - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Health District's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 1,380,220	\$ 723,573	\$ 177,573
Combined Plan	(4,743)	(6,812)	(8,353)

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 24 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

**Defined Benefit OPEB Plan**

Plan descriptions and actuarial information for the Health District's defined benefit OPEB plan are the same as the City's (see Note 17 for detail).

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was zero for 2021.

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Health District's proportion of the net OPEB liability was based on the Health District's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	OPERS
Proportion of the net OPEB liability prior measurement date	0.005858%
Proportion of the net OPEB liability/asset current measurement date	<u>0.004694%</u>
Change in proportionate share	<u>-0.001164%</u>
Proportionate share of the net OPEB asset	\$ (83,631)
OPEB expense	(556,797)

At December 31, 2021, the Health District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
<b>Deferred outflows of resources:</b>	
Changes of assumptions	\$ 41,114
Changes in employer's proportionate percentage/difference between employer contributions	<u>384</u>
Total deferred outflows of resources	<u>\$ 41,498</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 24 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

	OPERS
<b>Deferred inflows of resources:</b>	
Differences between expected and actual experience	\$ 75,476
Net difference between projected and actual earnings on OPEB plan investments	44,543
Changes of assumptions	135,507
Changes in employer's proportionate percentage/difference between employer contributions	101,103
Total deferred inflows of resources	\$ 356,629

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

	OPERS
Year Ending December 31:	
2022	\$ (172,210)
2023	(112,364)
2024	(24,039)
2025	(6,518)
Total	\$ (315,131)

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

	1% Decrease	Current Discount Rate	1% Increase
Health District's proportionate share of the net OPEB asset	\$ 20,795	\$ 83,631	\$ 135,287

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 24 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

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 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Health District's proportionate share of the net OPEB asset	\$ 85,669	\$ 83,631	\$ 81,350

**Contingencies**

**Grants** - The Health District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Health District at December 31, 2021.

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

**COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Health District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Health District. The impact on the Health District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**NOTE 25 - SIGNIFICANT SUBSEQUENT EVENTS**

The \$4,500,000 city annex bond anticipation notes issued in 2021 were retired and \$3,900,000 was refinanced on July 6, 2022. The \$5,100,000 taxable convocation center bond anticipation notes issued in 2021 were retired and \$3,400,000 was refinanced July 20, 2022. The notes will mature in July 2023.



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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.142341%	0.154286%	0.160884%	0.172400%
City's proportionate share of the net pension liability	\$ 21,077,539	\$ 30,495,671	\$ 44,062,779	\$ 27,046,218
City's covered payroll	\$ 19,054,707	\$ 20,676,121	\$ 21,435,150	\$ 22,684,269
City's proportionate share of the net pension liability as a percentage of its covered payroll	110.62%	147.49%	205.56%	119.23%
Plan fiduciary net position as a percentage of the total pension liability	86.88%	82.17%	74.70%	84.66%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.068737%	0.072501%	0.070680%	0.079377%
City's proportionate share of the net pension asset	\$ 198,419	\$ 151,182	\$ 79,078	\$ 108,058
City's covered payroll	\$ 301,379	\$ 323,071	\$ 313,950	\$ 325,085
City's proportionate share of the net pension asset as a percentage of its covered payroll	65.84%	46.80%	25.19%	33.24%
Plan fiduciary net position as a percentage of the total pension asset	157.67%	145.28%	126.64%	137.28%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.173353%	0.177908%	0.177897%	0.177897%
\$ 39,365,518	\$ 30,815,908	\$ 21,456,366	\$ 20,971,738
\$ 22,805,742	\$ 22,931,033	\$ 21,738,708	\$ 20,677,369
172.61%	134.39%	98.70%	101.42%
77.25%	81.08%	86.45%	86.36%
0.077737%	0.070410%	0.070825%	0.070825%
\$ 43,266	\$ 34,263	\$ 27,269	\$ 7,432
\$ 302,592	\$ 256,225	\$ 258,892	\$ 237,800
14.30%	13.37%	10.53%	3.13%
116.55%	116.90%	114.83%	104.56%

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability	0.702142%	0.733633%	0.758922%	0.794354%
City's proportionate share of the net pension liability	\$ 47,865,657	\$ 49,421,404	\$ 61,948,089	\$ 48,753,106
City's covered payroll	\$ 18,073,891	\$ 18,435,823	\$ 18,094,058	\$ 17,495,355
City's proportionate share of the net pension liability as a percentage of its covered payroll	264.83%	268.07%	342.37%	278.66%
Plan fiduciary net position as a percentage of the total pension liability	70.65%	69.89%	63.07%	70.91%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.803213%	0.856255%	0.872449%	0.872449%
\$ 50,874,690	\$ 55,083,495	\$ 45,196,507	\$ 42,491,013
\$ 17,490,726	\$ 18,068,047	\$ 17,266,849	\$ 17,294,527
290.87%	304.87%	261.75%	245.69%
68.36%	66.77%	72.20%	73.00%

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 3,040,137	\$ 2,667,659	\$ 2,894,657	\$ 3,000,921
Contributions in relation to the contractually required contribution	<u>(3,040,137)</u>	<u>(2,667,659)</u>	<u>(2,894,657)</u>	<u>(3,000,921)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 21,715,264	\$ 19,054,707	\$ 20,676,121	\$ 21,435,150
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 50,891	\$ 42,193	\$ 45,230	\$ 43,953
Contributions in relation to the contractually required contribution	<u>(50,891)</u>	<u>(42,193)</u>	<u>(45,230)</u>	<u>(43,953)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 363,507	\$ 301,379	\$ 323,071	\$ 313,950
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 2,948,955	\$ 2,736,689	\$ 2,751,724	\$ 2,608,645	\$ 2,688,058	\$ 2,231,911
<u>(2,948,955)</u>	<u>(2,736,689)</u>	<u>(2,751,724)</u>	<u>(2,608,645)</u>	<u>(2,688,058)</u>	<u>(2,231,911)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 22,684,269	\$ 22,805,742	\$ 22,931,033	\$ 21,738,708	\$ 20,677,369	\$ 22,319,110
13.00%	12.00%	12.00%	12.00%	13.00%	10.00%
\$ 42,261	\$ 36,311	\$ 30,747	\$ 31,067	\$ 30,914	\$ 18,672
<u>(42,261)</u>	<u>(36,311)</u>	<u>(30,747)</u>	<u>(31,067)</u>	<u>(30,914)</u>	<u>(18,672)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 325,085	\$ 302,592	\$ 256,225	\$ 258,892	\$ 237,800	\$ 234,868
13.00%	12.00%	12.00%	12.00%	13.00%	7.95%



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>				
Contractually required contribution	\$ 1,875,307	\$ 1,886,140	\$ 2,009,648	\$ 1,962,364
Contributions in relation to the contractually required contribution	<u>(1,875,307)</u>	<u>(1,886,140)</u>	<u>(2,009,648)</u>	<u>(1,962,364)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,870,037	\$ 9,927,053	\$ 10,577,095	\$ 10,328,232
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
 <i>Fire:</i>				
Contractually required contribution	\$ 1,997,963	\$ 1,914,507	\$ 1,846,801	\$ 1,824,969
Contributions in relation to the contractually required contribution	<u>(1,997,963)</u>	<u>(1,914,507)</u>	<u>(1,846,801)</u>	<u>(1,824,969)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 8,501,970	\$ 8,146,838	\$ 7,858,728	\$ 7,765,826
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 1,847,579	\$ 1,868,450	\$ 1,940,251	\$ 1,811,884	\$ 1,533,127	\$ 1,251,051
<u>(1,847,579)</u>	<u>(1,868,450)</u>	<u>(1,940,251)</u>	<u>(1,811,884)</u>	<u>(1,533,127)</u>	<u>(1,251,051)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,724,100	\$ 9,833,947	\$ 10,211,847	\$ 9,536,232	\$ 9,652,426	\$ 9,812,165
19.00%	19.00%	19.00%	19.00%	15.88%	12.75%
\$ 1,826,245	\$ 1,799,343	\$ 1,846,207	\$ 1,816,695	\$ 1,557,715	\$ 1,341,026
<u>(1,826,245)</u>	<u>(1,799,343)</u>	<u>(1,846,207)</u>	<u>(1,816,695)</u>	<u>(1,557,715)</u>	<u>(1,341,026)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,771,255	\$ 7,656,779	\$ 7,856,200	\$ 7,730,617	\$ 7,642,101	\$ 7,774,064
23.50%	23.50%	23.50%	23.50%	20.38%	17.25%

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability/asset	0.136741%	0.147816%	0.153860%	0.165290%	0.165889%
City's proportionate share of the net OPEB liability/(asset)	\$ (2,436,146)	\$ 20,417,280	\$ 20,059,776	\$ 17,949,276	\$ 16,755,327
City's covered payroll	\$ 19,356,086	\$ 20,999,192	\$ 21,749,100	\$ 23,009,354	\$ 23,108,334
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	12.59%	97.23%	92.23%	78.01%	72.51%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

Note: Covered payroll for 2020 and prior has been restated to exclude Member Directed Plan contributions.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.702142%	0.733633%	0.758922%	0.794354%	0.803213%
City's proportionate share of the net OPEB liability	\$ 7,439,310	\$ 7,246,624	\$ 6,911,149	\$ 45,006,996	\$ 38,126,715
City's covered payroll	\$ 18,073,891	\$ 18,435,823	\$ 18,094,058	\$ 17,495,355	\$ 17,490,726
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	41.16%	39.31%	38.20%	257.25%	217.98%
Plan fiduciary net position as a percentage of the total OPEB liability	45.42%	47.08%	46.57%	14.13%	15.96%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ -	\$ 13,100	\$ 12,063	\$ 11,574
Contributions in relation to the contractually required contribution	<u>-</u>	<u>(13,100)</u>	<u>(12,063)</u>	<u>(11,574)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 22,078,771	\$ 19,356,086	\$ 20,999,192	\$ 21,749,100
Contributions as a percentage of covered payroll	0.00%	0.07%	0.06%	0.05%

Note: Covered payroll for 2020 and prior has been restated to exclude Member Directed Plan contributions.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 242,252	\$ 468,063	\$ 463,745	\$ 232,922	\$ 221,993	\$ 906,909
<u>(242,252)</u>	<u>(468,063)</u>	<u>(463,745)</u>	<u>(232,922)</u>	<u>(221,993)</u>	<u>(906,909)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 23,009,354	\$ 23,108,334	\$ 23,187,258	\$ 21,997,600	\$ 20,915,169	\$ 22,553,978
1.05%	2.03%	2.00%	1.06%	1.06%	4.02%

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>				
Contractually required contribution	\$ 49,350	\$ 49,635	\$ 52,885	\$ 51,641
Contributions in relation to the contractually required contribution	<u>(49,350)</u>	<u>(49,635)</u>	<u>(52,885)</u>	<u>(51,641)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,870,037	\$ 9,927,053	\$ 10,577,095	\$ 10,328,232
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
 <i>Fire:</i>				
Contractually required contribution	\$ 42,510	\$ 40,734	\$ 39,294	\$ 38,829
Contributions in relation to the contractually required contribution	<u>(42,510)</u>	<u>(40,734)</u>	<u>(39,294)</u>	<u>(38,829)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 8,501,970	\$ 8,146,838	\$ 7,858,728	\$ 7,765,826
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 48,621	\$ 49,170	\$ 52,439	\$ 52,545	\$ 350,779	\$ 662,321
<u>(48,621)</u>	<u>(49,170)</u>	<u>(52,439)</u>	<u>(52,545)</u>	<u>(350,779)</u>	<u>(662,321)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,724,100	\$ 9,833,947	\$ 10,211,847	\$ 9,536,232	\$ 9,652,426	\$ 9,812,165
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%
\$ 38,856	\$ 38,284	\$ 39,281	\$ 42,051	\$ 277,130	\$ 524,749
<u>(38,856)</u>	<u>(38,284)</u>	<u>(39,281)</u>	<u>(42,051)</u>	<u>(277,130)</u>	<u>(524,749)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,771,255	\$ 7,656,779	\$ 7,856,200	\$ 7,730,617	\$ 7,642,101	\$ 7,774,064
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021

PENSION

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2014-2021.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2014-2021.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

(Continued)

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2021

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms :*

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

*Changes in assumptions :*

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

OHIO POLICE AND FIRE (OP&F) PENSION FUND

*Changes in benefit terms :*

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

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% down to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.

## **SUPPLEMENTARY INFORMATION**

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/ Pass Through Grantor Program/Cluster Title	Assistance Listing Number	Pass Through Entity Number/Grant Number	Passed Through to Subrecipients	Disbursements
<b><u>U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>Direct Programs</i>				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grant/Entitlement Grants - 42nd Year	14.218	B-16-MC-39-0023	\$ 45,000	\$ 45,000
Community Development Block Grant/Entitlement Grants - 43rd Year	14.218	B-17-MC-39-0023	-	2,779
Community Development Block Grant/Entitlement Grants - 44th Year	14.218	B-18-MC-39-0023	8,780	497,528
Community Development Block Grant/Entitlement Grants - 45th Year	14.218	B-19-MC-39-0023	89,529	231,469
COVID-19 Community Development Block Grant/Entitlement Grants - 45th Year CARES Act	14.218	B-20-MW-39-0023	797,618	877,138
Community Development Block Grant/Entitlement Grants - 46th Year	14.218	B-20-MC-39-0023	1,113,302	1,276,531
Community Development Block Grant/Entitlement Grants - 47th Year	14.218	B-21-MC-39-0023	1,352,936	1,352,936
<i>Subtotal CDBG - Entitlement Grants Cluster</i>			<u>3,407,165</u>	<u>4,283,381</u>
Emergency Solutions Grants Program	14.231	E-19-MC-39-0023	132,929	155,274
Emergency Solutions Grants Program	14.231	E-20-MC-39-0023	85,900	85,900
COVID-19 Emergency Solutions Grants Program CARES Act	14.231	E-20-MW-39-0023	477,921	477,921
<i>Subtotal Emergency Solutions Grants Program</i>			<u>696,750</u>	<u>719,095</u>
HOME Investment Partnerships Program	14.239	MC-16-MC-39-0209	70,000	70,000
HOME Investment Partnerships Program	14.239	MC-18-MC-39-0209	12,916	12,916
HOME Investment Partnerships Program	14.239	MC-19-MC-39-0209	253,380	253,380
HOME Investment Partnerships Program	14.239	MC-20-MC-39-0209	225,934	225,934
<i>Subtotal HOME Investment Partnerships Program</i>			<u>562,230</u>	<u>562,230</u>
<b><i>Total U.S. Department of Housing and Urban Development</i></b>			<b><u>4,666,145</u></b>	<b><u>5,564,706</u></b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<i>Passed through the Ohio Office of Criminal Justice Services</i>				
Edward Byrne Memorial Justice Assistance Program	16.738	2019-JG-A02-6811	-	4,147
Edward Byrne Memorial Justice Assistance Program	16.738	2020-JG-A02-6811	-	16,632
<i>Direct Programs:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0179	-	22,118
<i>Subtotal Edward Byrne Memorial Justice Assistance Grant Program</i>			<u>-</u>	<u>42,897</u>
Bulletproof Vest Partnership Program	16.607	2019-BU-BX-19019094	-	9,169
Bulletproof Vest Partnership Program	16.607	2020-BU-BX-20020817	-	431
<i>Subtotal Bulletproof Vest Partnership Program</i>			<u>-</u>	<u>9,600</u>
COVID-19 Emergency Supplemental Funding Program	16.034	2020-VD-BX-1437	-	139,227
Drug Court Discretionary Grant Program	16.585	2019-DC-BX-0054	-	134,698
Public Safety Partnership and Community Policing Grants	16.710	2016-UM-WX-0201	-	69,625
<b><i>Total U.S. Department of Justice</i></b>			<b><u>-</u></b>	<b><u>396,047</u></b>
<b><u>U.S. DOT- FEDERAL HIGHWAY ADMINISTRATION</u></b>				
<i>Passed Through The Ohio Department of Transportation</i>				
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction	20.205	102542	-	1,410
Highway Planning and Construction	20.205	103742	-	299,934
Highway Planning and Construction	20.205	104659	-	5,391
Highway Planning and Construction	20.205	107228	-	136,310
Highway Planning and Construction	20.205	109140	-	342,117
Highway Planning and Construction	20.205	109622	-	88,480
Highway Planning and Construction	20.205	110187	-	5,240,486
<b><i>Total U.S. DOT - Federal Highway Administration and Highway Planning and Construction Cluster</i></b>			<b><u>-</u></b>	<b><u>6,114,128</u></b>

Continued

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/ Pass Through Grantor Program/Cluster Title	Assistance Listing Number	Pass Through Entity Number/Grant Number	Passed Through to Subrecipients	Disbursements
<b><u>U.S. DOT - NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u></b>				
<i>Passed Through The Ohio Department of Public Safety</i>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-2021-00075-2A	-	10,824
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-2022-00075-2A	-	2,431
<i>Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated</i>			-	13,255
<i>Highway Safety Cluster</i>				
National Priority Safety Programs	20.616	DDEP-2021-00011	-	1,466
State and Community Highway Safety	20.600	STEP-2021-00075-2B	-	9,974
State and Community Highway Safety	20.600	STEP-2022-00075-2B	-	2,750
<i>Subtotal State and Community Highway Safety</i>			-	12,724
<i>Subtotal Highway Safety Cluster</i>			-	14,190
<b><i>Total U.S. DOT - National Highway Traffic Safety Administration</i></b>			-	<b>27,445</b>
<b><u>U.S. DEPARTMENT OF THE TREASURY</u></b>				
<i>Passed through the Ohio Office of Budget and Management</i>				
COVID-19 Coronavirus Relief Fund	21.019	HB481-CRF-Local	-	381,448
<b><i>Total U.S. Department of the Treasury</i></b>			-	<b>381,448</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 4,666,145</b>	<b>\$ 12,483,774</b>

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
*2 CFR § 200.510(b)(6)*  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Youngstown (the City) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE 2 – DE MINIMIS INDIRECT COST RATE**

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The City has not elected to use the 10% de minimis indirect cost rate.

**NOTE 3 – MATCHING REQUIREMENTS**

Certain Federal programs require the City contribute non-federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-federal matching funds.

**NOTE 4 - SUBRECIPIENTS**

The City passes certain federal awards received from Community Development Block Grant - Entitlement Grants (CDBG) Cluster, CDBG - Emergency Solutions Grant Program, and HOME Investments Partnership Program to other governments or not-for-profit agencies (subrecipients). As Note 1 describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

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

City of Youngstown  
Mahoning County  
26 South Phelps Street  
Youngstown, Ohio 44503

To the Members of the City Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Youngstown, Mahoning County, Ohio, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Youngstown's basic financial statements, and have issued our report thereon dated October 27, 2022, wherein we noted as described in Note 3 to the financial statements, the City of Youngstown posted a prior period adjustment to properly report certain expenditures/expenses from prior periods in the proper funds. Furthermore, as described in Note 23 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

**Report on Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City of Youngstown'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.

City of Youngstown

Mahoning County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Page 2

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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



Julian & Grube, Inc.

October 27, 2022



**Independent Auditor’s Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

City of Youngstown  
Mahoning County  
26 South Phelps Street  
Youngstown, Ohio 44503

To the Members of the City Council and Mayor:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Youngstown’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Youngstown’s major federal programs for the year ended December 31, 2021. The City of Youngstown’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings.

In our opinion, the City of Youngstown complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the “Auditor’s Responsibilities for the Audit of Compliance” section of our report.

We are required to be independent of the City of Youngstown and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Youngstown’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Youngstown’s federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Youngstown's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Youngstown's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Youngstown's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Youngstown's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Youngstown's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a period at the end.

Julian & Grube, Inc.  
October 27, 2022

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021**

<b>1. SUMMARY OF AUDITORS' RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Highway Planning and Construction Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

**2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**CITY OF YOUNGSTOWN  
MAHONING COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
2 CFR § 200.511(b)  
DECEMBER 31, 2021**

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	2017	<u>Material Weakness/Noncompliance - Improper Use of Funds:</u> Ohio Revised Code Sections 743.04 and 729.52 delineate the allowable usage of funds received from the collection of water and sewer charges respectively. Ohio Revised Code § 5705.10(I) provides that money paid into any fund shall be used only for the purposes for which such fund was established. During 2017 and 2018, the City granted money from and posted other expenses to the wrong funds. The City declined to record these adjustments to its financial statements and system.	Corrective Action Taken and Finding is Fully Corrected	N/A
2020-002	2017	<u>Material Weakness – Allocation of Utility Department Charges:</u> The City currently allocates a portion of some of the costs of various departments, including Computer Services, Board of Control, Law Department, Public Works, Finance Department, Mayor’s Office, Civil Service Office and City Council, to the utility funds (water, sewer, and environmental sanitation). However, the City does not have detailed documentation supporting these allocations.	Corrective Action Taken and Finding is Fully Corrected	N/A
2020-003	2020	<u>Noncompliance – Appropriations in Excess of Estimated Resources:</u> Ohio Revised Code Section 5705.39 requires that a subdivision’s total appropriations from each fund should not exceed total estimated resources. In addition, Ohio Revised Code Section 5705.36 in part, requires subdivisions to request increased or reduced amended certificates of estimated resources. The City did not timely request amended certificates throughout the year upon notice of increased or decreased resources and therefore had total appropriations exceeding total estimated resources in the Community Development Fund and the Police Levy Fund for the year ending December 31, 2020.	Corrective Action Taken and Finding is Fully Corrected	N/A
2020-004	2020	<u>Noncompliance - Appropriations in Excess of Actual Resources:</u> Ohio Revised Code Section 5705.36(A)(4) states that upon determination by the Fiscal Officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in the official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the Fiscal Officer shall certify the amount of the deficiency to the Commission, and the Commission shall certify an amended certificate reflecting the deficiency. The City had appropriations that were greater than actual resources in the Community Development Fund and the Police Levy Fund during the year ending December 31, 2020.	Corrective Action Taken and Finding is Fully Corrected	N/A

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF YOUNGSTOWN**

**MAHONING 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 12/13/2022**

88 East Broad 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](http://www.ohioauditor.gov)