CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CITY OF PERRYSBURG, OHIO

WOOD COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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Members of Council
City of Perrysburg
201 West Indiana Avenue
Perrysburg, Ohio 43551

We have reviewed the *Independent Auditors' Report* of the City of Perrysburg, Wood County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2022 through December 31, 2022. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

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.

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 Perrysburg is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

June 28, 2023

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BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Perrysburg, Ohio:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perrysburg, Ohio (the "City"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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 June 21, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 21, 2023

Management's Discussion and Analysis
For the Year Ended December 31, 2022

The discussion and analysis of the City of Perrysburg's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2022 are as follows:

- In total, net position increased $13,680,215. Net position of governmental activities increased $8,996,806, an increase of 6.9% from 2021. Net position of business-type activities increased $4,683,409 or 4.7% from 2021.

- General revenues accounted for $31,388,817 in revenue or 58.7% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 41.3% of total revenues of $53,430,089

- The City had $27,051,422 in expenses related to governmental activities; only $4,734,411 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of $31,388,817 were adequate to provide for these programs.

- Among major funds, the general fund had $28,275,619 in revenues and other financing sources, including $372,121 in transfers in from other funds. The general fund had $24,502,034 in expenditures and other financing uses, including $2,450,000 in transfers out to other funds. The general fund's fund balance increased $3,773,585 to $21,904,200.

- Net position for enterprise funds increased by $4,549,921. Proprietary funds are very capital-intensive in their nature. A substantial portion of the increase in net position is attributable to an increase in capital assets through capital contributions of water and sewer lines. In 2022, construction continued on a major project at the Wastewater Treatment Plant which included a dewatering press and specialized UV equipment. An update to the SCADA system was completed and water and sewer infrastructure was contributed from one developer. The City of Perrysburg continues to experience steady growth and is committed to keeping pace with the infrastructure needs of the community. The City has numerous projects on the horizon, most notably, the replacement of old water lines within the City and a new campus for the department.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.

2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

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

Government-wide Statements

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

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

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the City you need to consider additional nonfinancial factors such as property tax base, current property tax laws, conditions of the City's streets and continued growth within the City.

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

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

- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer and utility collection services are reported as business-type activities.

Fund Financial Statements

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

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

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of net position between 2022 and 2021:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$47,057,803	$41,414,981	$40,904,471	$36,415,245	$87,962,274	$77,830,226
Capital assets, Net	124,488,441	123,306,881	82,753,641	84,244,200	207,242,082	207,551,081
Total assets	171,546,244	164,721,862	123,658,112	120,659,445	295,204,356	285,381,307
Deferred outflows of resources	7,670,284	5,523,552	823,303	822,667	8,493,587	6,346,219
Net pension liability	17,124,506	20,738,940	1,030,717	1,632,690	18,155,223	22,371,630
Net OPEB liability	2,418,008	2,314,210	0	0	2,418,008	2,314,210
Other long-term liabilities	1,455,006	1,320,802	14,983,413	16,439,711	16,438,419	17,760,513
Other liabilities	3,375,024	3,581,689	1,605,416	1,566,705	4,980,440	5,148,394
Total liabilities	24,372,544	27,955,641	17,619,546	19,639,106	41,992,090	47,594,747
Deferred inflows of resources	15,214,538	11,657,133	1,640,244	1,304,790	16,854,782	12,961,923
Net position:						
Net investment in capital assets	124,467,686	123,306,881	68,307,681	68,408,701	192,775,367	191,715,582
Restricted	9,447,860	8,547,009	0	0	9,447,860	8,547,009
Unrestricted (Deficit)	5,713,900	(1,221,250)	36,913,944	32,129,515	42,627,844	30,908,265
Total net position	$139,629,446	$130,632,640	$105,221,625	$100,538,216	$244,851,071	$231,170,856

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach.

This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability/(asset).*

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

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/(asset) 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/(asset). As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

Management's Discussion and Analysis
For the Year Ended December 31, 2022

Changes in Net position – The following table shows the changes in net position for the fiscal year 2022 and 2021:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services and Sales	$2,243,517	$2,781,900	$17,000,996	$16,623,599	$19,244,513	$19,405,499
Operating Grants and Contributions	1,943,790	2,060,856	0	0	1,943,790	2,060,856
Capital Grants and Contributions	547,104	5,010,373	305,865	1,397,929	852,969	6,408,302
Total Program Revenues	4,734,411	9,853,129	17,306,861	18,021,528	22,041,272	27,874,657
General revenues:						
Property Taxes	3,900,215	3,664,803	0	0	3,900,215	3,664,803
Income Taxes	23,676,367	23,268,447	0	0	23,676,367	23,268,447
Intergovernmental Revenues, Unrestricted	2,972,464	1,309,772	0	0	2,972,464	1,309,772
Investment Earnings	(271,837)	31,938	0	0	(271,837)	31,938
Miscellaneous	1,111,608	544,667	0	0	1,111,608	544,667
Total General Revenues	31,388,817	28,819,627	0	0	31,388,817	28,819,627
Total Revenues	36,123,228	38,672,756	17,306,861	18,021,528	53,430,089	56,694,284
Program Expenses:						
Security of Persons and Property	12,389,557	10,957,249	0	0	12,389,557	10,957,249
Public Health and Welfare Services	25,236	25,931	0	0	25,236	25,931
Leisure Time Activities	1,347,246	1,463,185	0	0	1,347,246	1,463,185
Community Development	460,345	501,909	0	0	460,345	501,909
Basic Utility Service	1,458,376	900,297	0	0	1,458,376	900,297
Transportation	4,369,553	5,346,188	0	0	4,369,553	5,346,188
General Government	7,000,489	3,596,630	0	0	7,000,489	3,596,630
Interest and Fiscal Charges	620	25,833	0	0	620	25,833
Sewer	0	0	5,078,019	4,904,203	5,078,019	4,904,203
Water	0	0	7,620,433	6,639,912	7,620,433	6,639,912
Utility Collection	0	0	0	266,937	0	266,937
Total Expenses	27,051,422	22,817,222	12,698,452	11,811,052	39,749,874	34,628,274
Change in Net Position before Transfers	9,071,806	15,855,534	4,608,409	6,210,476	13,680,215	22,066,010
Transfers	(75,000)	(45,000)	75,000	45,000	0	0
Total Change in Net Position	8,996,806	15,810,534	4,683,409	6,255,476	13,680,215	22,066,010
Beginning Net Position	130,632,640	114,822,106	100,538,216	94,282,740	231,170,856	209,104,846
Ending Net Position	$139,629,446	$130,632,640	$105,221,625	$100,538,216	$244,851,071	$231,170,856

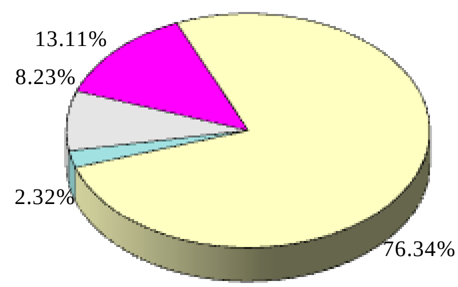
Management's Discussion and Analysis
For the Year Ended December 31, 2022

The net position of the City's governmental activities increased by $8,996,806, which represents a 6.9% increase from to 2021. Much of this increase was due to continued strong revenues. The increase was less than the previous year, as the OPERS OPEB plan reporting leveled off and operational costs continued to rise.

The City receives an income tax, which is based on 1.5% of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City.

Property taxes and income taxes made up 10.8% and 65.5% respectively of revenues for governmental activities for the City in fiscal year 2022. The City's reliance upon tax revenues is demonstrated by the following graph indicating 76.4% of total revenues from general tax revenues:

Revenue Sources	2022	Percent of Total
Intergovernmental Revenues, Unrestricted	$2,972,464	8.23%
Program Revenues	4,734,411	13.11%
General Tax Revenues	27,576,582	76.34%
General Other	839,771	2.32%
Total Revenue	$36,123,228	100.00%



Management's Discussion and Analysis
For the Year Ended December 31, 2022

Business-Type Activities
Net position of the business-type activities increased by $4,683,409. This is a reflection of consistent year over year revenues exceeding operating expenditures, and developer donations of water and sewer lines. Excess revenue is used to finance large capital projects. Although there might not be large capital projects each year, there are numerous projects on the horizon for the City of Perrysburg.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of $35,523,718, which is an increase from last year's balance of $31,012,362. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2022 and 2021:

	Fund Balance December 31, 2022	Fund Balance December 31, 2021	Increase (Decrease)
General	$21,904,200	$18,130,615	$3,773,585
Local Fiscal Recovery	0	0	0
Police Pension	1,415,977	1,407,458	8,519
Capital Improvements	4,513,989	4,276,510	237,479
Nonmajor Governmental Funds	7,689,552	7,197,779	491,773
Total	$35,523,718	$31,012,362	$4,511,356

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

	2022 Revenues	2021 Revenues	Increase (Decrease)
Taxes	$24,836,541	$24,567,494	$269,047
Intergovernmental Revenue	972,171	935,642	36,529
Charges for Services	1,163,368	928,039	235,329
Fines, Licenses and Permits	651,203	837,916	(186,713)
Investment Earnings	(467,360)	27,353	(494,713)
Special Assessments	216,538	211,555	4,983
All Other Revenue	510,902	462,873	48,029
Total	$27,883,363	$27,970,872	($87,509)

General Fund revenues in 2022 decreased by $87,509 compared to revenues in fiscal year 2021. There were several factors affecting this total. The most significant factor contributing to this decrease was investment earnings, due to market conditions. Fines, Licenses and Permits also had a decrease due to fines received from the Municipal Court.

	2022 Expenditures	2021 Expenditures	Increase (Decrease)
Security of Persons and Property	$11,527,404	$10,939,535	$587,869
Public Health and Welfare Services	25,236	25,931	(695)
Leisure Time Activities	1,864,778	1,611,125	253,653
Community Development	444,713	429,311	15,402
Transportation	2,227,464	2,043,850	183,614
General Government	5,962,439	5,146,879	815,560
Total	$22,052,034	$20,196,631	$1,855,403

General Fund expenditures increased by $1,855,403 or 9.2% from the prior year. The largest increase is in security of persons and property and general government. Most of the increase in security of persons and property can be attributed to an increase in personnel expenses driven by union contracts. The increase in general government is related to personnel expenses, with additional positions that were added to the Human Resources, Municipal Court, Administration and Engineering departments. Along with fuel and supply cost increases, the finance department implemented a new account system in 2022.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Management's Discussion and Analysis
For the Year Ended December 31, 2022

During the course of fiscal year 2022 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of $29.4 million increased from the original budget estimates of $25.0 million as a result of various adjustments to revenues throughout the year. The City has taken a very cautious approach to the creation of new positions, and other on-going expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2022 the City had $207,242,082 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, $124,488,441 was related to governmental activities and $82,753,641 to the business-type activities. The following table shows fiscal year 2022 and 2021 balances:

	Governmental Activities		Increase (Decrease)
	2022	2021	
Land	$10,586,544	$10,586,544	$0
Construction in Progress	14,498,236	15,159,798	(661,562)
Buildings	27,200,646	27,148,294	52,352
Improvements Other Than Buildings	10,236,881	9,677,896	558,985
Machinery and Equipment	20,906,070	19,586,092	1,319,978
Infrastructure	98,607,189	94,626,105	3,981,084
Less: Accumulated Depreciation	(57,547,125)	(53,477,848)	(4,069,277)
Totals	$124,488,441	$123,306,881	$1,181,560

Much of the increase in governmental activities type capital assets is attributed to Fire Station Improvements, Indiana Avenue Widening, and 2021/2022 Resurfacing Programs being completed. The increase in machinery and equipment includes purchases of a hydro seeder, inflatable boat, wide format printer, traffic signals, refuse trucks, and vehicles for multiple departments. Additional information on the City's capital assets can be found in Note 9.

Management's Discussion and Analysis
For the Year Ended December 31, 2022

	Business-Type Activities		Increase (Decrease)
	2022	2021	
Land	$542,394	$268,733	$273,661
Construction in Progress	19,961,830	21,670,241	(1,708,411)
Buildings	17,085,514	17,085,514	0
Improvements Other Than Buildings	77,166,091	76,860,226	305,865
Machinery and Eqiupment	16,609,549	14,696,863	1,912,686
Less: Accumulated Depreciation	(48,611,737)	(46,337,377)	(2,274,360)
Totals	$82,753,641	$84,244,200	($1,490,559)

The primary decrease in the business-type capital assets occurred in Construction in Progress. This is due to the completion of dewatering press construction improvements that were started in 2021. This project along with the completion of the SCADA upgrade project at the WWTP were the contributing factors in the decrease in Construction in Progress. This decrease was offset by the increase in Machinery and Equipment, with the assets being put into service. Additional information on the City's capital assets can be found in Note 9.

Debt

The following table summarizes the City's debt outstanding as of December 31, 2022 and 2021:

	2022	2021
Governmental Activities:		
Compensated Absences	1,434,871	1,320,802
Financing Obligations	20,135	0
Net Pension Liability	17,124,506	20,738,940
Net OPEB Liability	2,418,008	2,314,210
Total Governmental Activities	20,997,520	24,373,952
Business-Type Activities:		
OWDA Loans Payable	10,118,243	10,701,540
General Obligation Bonds	4,688,022	5,575,626
Compensated Absences	177,148	162,545
Net Pension Liability	1,030,717	1,632,690
Total Business-Type Activities	16,014,130	18,072,401
Totals	$37,011,650	$42,446,353

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Perrysburg lies, is limited to ten mills. At December 31, 2022, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Notes 12 and 14.

ECONOMIC FACTORS

The City of Perrysburg continues to be a vibrant, growing community. Business and industry have established offices and plants in the City due in part to its proximity to major east/west and north/south highways, as well as major rail systems and airports. The City is home to the Owens-Illinois World Headquarters and Levis Commons Towne Center, a 400 acre open air lifestyle shopping center. During 2022 the City has continued to see steady development in both the residential and commercial areas. The City looks forward to continued development into 2023.

The City uses many economic development tools to encourage economic growth. The City currently has a JEDZ with the City of Toledo, a TIF within the area of the Owens-Illinois /Levis Towne Center, and multiple Community Reinvestment Areas (CRA) Enterprise Zones. (EZ) These tools have been used judiciously to encourage specific industries which provide the types of employment that mesh with the existing development in the City. As a means of fostering business growth without sacrificing school district revenues through tax abatement, the City initiated in 2005, a Job Creation and Retention Grant program. The Program rebates 1/3 of annual withholdings for a period of 5 years. Businesses must meet certain job creation and payroll criteria to be eligible for the program.

Some of the largest employers in the City of Perrysburg include: Owens Illinois, Owens Brockway, First Solar, ProMedica, Bon Secours Mercy, Perrysburg Schools and Costco Wholesale.

The City of Perrysburg has taken a conservative approach to budgeting for many years. Up until 2020, income tax collections had shown a trend of steady growth for the past 20+ years. As a consequence of the COVID pandemic, income tax collections decreased by approximately 5% from calendar year 2019. Then in 2021 income tax collections rebounded with a 9% increase from 2020. In 2022 income tax collections increased by 2% from 2021. The City continues to monitor tax collections. Perrysburg is a thriving community, experiencing growth in both residential and commercial construction. The City is vigilant in containing its operational costs. To support the growth of the community, in 2018 the City completed construction of a new Fire Station, and took on General Fund debt for the first time in several years. The City paid off the balance of this debt in 2021.

The City has been able to balance its tax burden between residents and business/commercial taxpayers and continues to experience significant growth in both of these sectors. There are several potential projects on the horizon. The City has recently completed several large projects related to its water and sewer facilities to provide required services for this growth.

In 2022 the City received the second half of its funding from the American Rescue Plan Act, a COVID-related federal response bill which was enacted on March 11, 2021. The City has allocated most of this funding to park improvements including all-inclusive playground equipment and fencing, in addition to retrofitting all street lights within the City to LED fixtures. The law allows the funds to be used through December 31, 2024.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department by calling 419-872-8030 or writing to City of Perrysburg Finance Department, 201 West Indiana Avenue, Perrysburg, Ohio 43551.

Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	$ 33,372,574	$ 37,407,241	$ 70,779,815
Receivables:			
Taxes	7,944,451	0	7,944,451
Accounts	271,545	2,076,211	2,347,756
Intergovernmental	1,540,255	0	1,540,255
Interest	211,022	0	211,022
Special Assessments	286,054	181,327	467,381
Loans	47,917	0	47,917
Leases	93,936	0	93,936
Internal Balances	(136,361)	136,361	0
Inventory of Supplies at Cost	112,816	639,467	752,283
Prepaid Items	1,356,473	93,343	1,449,816
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	755,582	0	755,582
Capital Assets:			
Capital Assets Not Being Depreciated	25,084,780	20,504,224	45,589,004
Capital Assets Being Depreciated, Net	99,403,661	62,249,417	161,653,078
Net OPEB Asset	1,201,539	370,521	1,572,060
Total Assets	171,546,244	123,658,112	295,204,356
Deferred Outflows of Resources:			
Deferred Loss on Debt Refunding	0	368,055	368,055
Pension	6,325,289	454,084	6,779,373
OPEB	1,344,995	1,164	1,346,159
Total Deferred Outflows of Resources	7,670,284	823,303	8,493,587
Liabilities:			
Accounts Payable	1,004,874	1,116,941	2,121,815
Accrued Wages and Benefits	569,669	73,715	643,384
Intergovernmental Payable	339,505	407,010	746,515
Unearned Revenue	1,460,356	0	1,460,356
Accrued Interest Payable	620	7,750	8,370
Long-Term Liabilities:			
Due Within One Year	598,821	1,588,148	2,186,969
Due in More Than One Year	856,185	13,395,265	14,251,450
Net Pension Liability	17,124,506	1,030,717	18,155,223
Net OPEB Liability	2,418,008	0	2,418,008
Total Liabilities	24,372,544	17,619,546	41,992,090

(Continued)

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	4,000,293	0	4,000,293
Pension	8,719,733	1,256,222	9,975,955
OPEB	2,400,576	384,022	2,784,598
Deferred Revenue - Lease Revenue	93,936	0	93,936
Total Deferred Inflows of Resources	15,214,538	1,640,244	16,854,782
Net Position:			
Net Investment in Capital Assets	124,467,686	68,307,681	192,775,367
Restricted For:			
Street Construction, Maintenance and Repair	2,401,338	0	2,401,338
State Highway Improvement	1,011,972	0	1,011,972
Police Pension	1,478,335	0	1,478,335
Garbage and Refuse	121,045	0	121,045
Public Transportation	398,380	0	398,380
Other Purposes	4,036,790	0	4,036,790
Unrestricted	5,713,900	36,913,944	42,627,844
Total Net Position	$ 139,629,446	$ 105,221,625	$ 244,851,071

See accompanying notes to the basic financial statements

Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Current:				
Security of Persons and Property	$ 12,389,557	$ 815,771	$ 5,274	$ 443,930
Public Health and Welfare Services	25,236	0	0	0
Leisure Time Activities	1,347,246	243,418	12,719	0
Community Development	460,345	135,526	0	103,174
Basic Utility Services	1,458,376	12,290	37,562	0
Transportation	4,369,553	5,545	1,888,235	0
General Government	7,000,489	1,030,967	0	0
Interest and Fiscal Charges	620	0	0	0
Total Governmental Activities	27,051,422	2,243,517	1,943,790	547,104
Business-Type Activities:				
Sewer	5,078,019	8,777,083	0	171,427
Water	7,620,433	8,009,769	0	134,438
Utility Collection	0	214,144	0	0
Total Business-Type Activities	12,698,452	17,000,996	0	305,865
Totals	$ 39,749,874	$ 19,244,513	$ 1,943,790	$ 852,969

General Revenues

Property Taxes

Municipal Income Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (11,124,582)	$ 0	$ (11,124,582)
(25,236)	0	(25,236)
(1,091,109)	0	(1,091,109)
(221,645)	0	(221,645)
(1,408,524)	0	(1,408,524)
(2,475,773)	0	(2,475,773)
(5,969,522)	0	(5,969,522)
(620)	0	(620)
(22,317,011)	0	(22,317,011)
0	3,870,491	3,870,491
0	523,774	523,774
0	214,144	214,144
0	4,608,409	4,608,409
(22,317,011)	4,608,409	(17,708,602)
3,900,215	0	3,900,215
23,676,367	0	23,676,367
2,972,464	0	2,972,464
(271,837)	0	(271,837)
1,111,608	0	1,111,608
(75,000)	75,000	0
31,313,817	75,000	31,388,817
8,996,806	4,683,409	13,680,215
130,632,640	100,538,216	231,170,856
$ 139,629,446	$ 105,221,625	$ 244,851,071

Balance Sheet
Governmental Funds
December 31, 2022

	General	Local Fiscal Recovery	Police Pension
Assets:			
Equity in Pooled Cash and Investments	$ 18,601,591	$ 1,958,426	$ 1,517,817
Receivables:			
Taxes	5,363,492	0	1,275,986
Accounts	239,621	0	0
Intergovernmental	468,301	0	56,637
Interest	211,022	0	0
Special Assessments	216,054	0	0
Loans	0	0	0
Leases	93,936	0	0
Inventory of Supplies, at Cost	0	0	0
Prepaid Items	516,206	0	0
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Total Assets	$ 25,710,223	$ 1,958,426	$ 2,850,440
Liabilities:			
Accounts Payable	307,142	498,070	0
Accrued Wages and Benefits Payable	328,475	0	101,840
Intergovernmental Payable	339,505	0	0
Unearned Revenue	0	1,460,356	0
Total Liabilities	975,122	1,958,426	101,840
Deferred Inflows of Resources:			
Unavailable Amounts	1,305,116	0	62,358
Property Tax for Next Fiscal Year	1,431,849	0	1,270,265
Deferred Revenue - Lease Revenue	93,936	0	0
Total Deferred Inflows of Resources	2,830,901	0	1,332,623
Fund Balances:			
Nonspendable	516,206	0	0
Restricted	0	0	1,415,977
Committed	0	0	0
Assigned	7,555,614	0	0
Unassigned	13,832,380	0	0
Total Fund Balances	21,904,200	0	1,415,977
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 25,710,223	$ 1,958,426	$ 2,850,440

See accompanying notes to the basic financial statements

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
$ 3,749,167	$ 6,523,755	$ 32,350,756
0	1,304,973	7,944,451
0	1,965	241,586
0	1,015,317	1,540,255
0	0	211,022
0	70,000	286,054
0	47,917	47,917
0	0	93,936
0	112,816	112,816
806,219	34,048	1,356,473
0	755,582	755,582
$ 4,555,386	$ 9,866,373	$ 44,940,848
41,397	155,265	1,001,874
0	11,738	442,053
0	0	339,505
0	0	1,460,356
41,397	167,003	3,243,788
0	711,639	2,079,113
0	1,298,179	4,000,293
0	0	93,936
0	2,009,818	6,173,342
806,219	146,864	1,469,289
0	7,203,353	8,619,330
3,707,770	338,572	4,046,342
0	763	7,556,377
0	0	13,832,380
4,513,989	7,689,552	35,523,718
$ 4,555,386	$ 9,866,373	$ 44,940,848

Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2022

Total Governmental Fund Balances		$ 35,523,718
Amounts reported for governmental activities in the statement of net position are different because		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		124,488,441
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Income Taxes	526,026	
Property Taxes	19,034	
Interest	166,550	
Intergovernmental	1,081,449	
Special Assessments	286,054	2,079,113
The net pension and OPEB assets/liabilities are not available or payable in the current period; therefore the assets, liabilities and related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	1,201,539	
Deferred Outflows - Pension	6,325,289	
Deferred Inflows - Pension	(8,719,733)	
Deferred Outflows - OPEB	1,344,995	
Deferred Inflows - OPEB	(2,400,576)	
Net Pension Liability	(17,124,506)	
Net OPEB Liability	(2,418,008)	(21,791,000)
Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds: it is reported when due.		(620)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		784,800
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Financing Obligation Payable	(20,135)	
Compensated Absences Payable	(1,434,871)	(1,455,006)
Net Position of Governmental Activities		$ 139,629,446

See accompanying notes to the basic financial statements

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Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Local Fiscal Recovery	Police Pension
Revenues:			
Property Taxes	$ 1,372,999	$ 0	$ 1,231,646
Municipal Income Tax	23,463,542	0	0
Intergovernmental Revenues	972,171	814,034	111,809
Charges for Services	1,163,368	0	0
Licenses and Permits	106,703	0	0
Investment Earnings	(467,360)	0	0
Special Assessments	216,538	0	0
Fines and Forfeitures	544,500	0	0
All Other Revenues	510,902	0	0
Total Revenue	27,883,363	814,034	1,343,455
Expenditures:			
Current:			
Security of Persons and Property	11,527,404	0	1,334,936
Public Health and Welfare Services	25,236	0	0
Leisure Time Activities	1,864,778	0	0
Community Development	444,713	0	0
Basic Utility Services	0	0	0
Transportation	2,227,464	0	0
General Government	5,962,439	814,034	0
Capital Outlay	0	0	0
Total Expenditures	22,052,034	814,034	1,334,936
Excess (Deficiency) of Revenues Over Expenditures	5,831,329	0	8,519
Other Financing Sources (Uses):			
Proceeds from Finance Purchase	20,135	0	0
Transfers In	372,121	0	0
Transfers Out	(2,450,000)	0	0
Total Other Financing Sources (Uses)	(2,057,744)	0	0
Net Change in Fund Balances	3,773,585	0	8,519
Fund Balances at Beginning of Year	18,130,615	0	1,407,458
Decrease in Inventory Reserve	0	0	0
Fund Balances End of Year	$ 21,904,200	$ 0	$ 1,415,977

See accompanying notes to the basic financial statements

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
$ 0	$ 1,285,632	$ 3,890,277
0	0	23,463,542
594,604	3,518,338	6,010,956
0	40,460	1,203,828
0	12,130	118,833
0	44,052	(423,308)
0	72,209	288,747
0	196,896	741,396
326,396	43,354	880,652
921,000	5,213,071	36,174,923
0	91,457	12,953,797
0	0	25,236
0	0	1,864,778
0	148,616	593,329
0	1,500,104	1,500,104
0	1,726,206	3,953,670
0	1,351,930	8,128,403
2,338,521	241,638	2,580,159
2,338,521	5,059,951	31,599,476
(1,417,521)	153,120	4,575,447
0	0	20,135
1,655,000	720,000	2,747,121
0	(372,121)	(2,822,121)
1,655,000	347,879	(54,865)
237,479	500,999	4,520,582
4,276,510	7,197,779	31,012,362
0	(9,226)	(9,226)
$ 4,513,989	$ 7,689,552	$ 35,523,718

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, 2022

Net Change in Fund Balances - Total Governmental Funds		$ 4,520,582
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Outlay	5,618,316	
Depreciation	(4,414,370)	1,203,946
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received.		(22,386)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income Taxes	212,825	
Property Taxes	9,938	
Interest	151,471	
Intergovernmental	(547,598)	
Special Assessments	121,669	(51,695)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	2,133,522	
OPEB	30,617	2,164,139
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities/(assets) are reported as pension/OPEB expense in the statement of activities:		
Pension	(368,134)	
OPEB	928,336	560,202

(Continued)

The repayment of bond, note and financing principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
New Financing Obligation		(20,135)
Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of net position.		
Accrued Interest Payable		(620)
Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease in Supplies Inventory	(9,226)	
Increase in Compensated Absences Payable	(114,069)	(123,295)
The internal service funds are used by management to charge the costs of services to individual funds and is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.		766,068
Change in Net Position of Governmental Activities		$ 8,996,806

See accompanying notes to the basic financial statements

Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities Enterprise Funds			
	Sewer	Water	Nonmajor Enterprise	Total
Assets:				
Current Assets:				
Equity in Pooled Cash and Investments	$ 27,267,407	$ 9,799,756	$ 340,078	$ 37,407,241
Receivables:				
Accounts	947,473	914,594	214,144	2,076,211
Special Assessments	170,048	11,279	0	181,327
Inventory of Supplies at Cost	8,355	631,112	0	639,467
Prepaid Items	51,937	41,406	0	93,343
Total Current Assets	28,445,220	11,398,147	554,222	40,397,589
Non Current Assets:				
Capital Assets Not Being Depreciated	19,737,385	766,839	0	20,504,224
Capital Assets Being Depreciated, Net	45,889,224	16,360,193	0	62,249,417
Net OPEB Asset	248,395	122,126	0	370,521
Total Assets	94,320,224	28,647,305	554,222	123,521,751
Deferred Outflows of Resources:				
Deferred Loss on Debt Refunding	368,055	0	0	368,055
Pension	304,425	149,659	0	454,084
OPEB	781	383	0	1,164
Total Deferred Outflows of Resources	673,261	150,042	0	823,303
Liabilities:				
Current Liabilities:				
Accounts Payable	294,022	822,919	0	1,116,941
Accrued Wages and Benefits	49,075	24,640	0	73,715
Intergovernmental Payable	0	0	407,010	407,010
Accrued Interest Payable	7,750	0	0	7,750
Compensated Absences Payable - Current	65,219	29,809	0	95,028
General Obligation Bonds - Current	890,000	0	0	890,000
OWDA Loans - Current	603,120	0	0	603,120
Total Current Liabilities	1,909,186	877,368	407,010	3,193,564

Governmental Activities Internal Service Funds
$ 1,021,818
29,959
0
0
0
1,051,777
0
0
0
1,051,777
0
0
0
0
3,000
127,616
0
0
0
0
0
130,616

(Continued)

Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities			
	Enterprise Funds			
	Sewer	Water	Nonmajor Enterprise	Total
Long Term Liabilities:				
Compensated Absences Payable	50,796	31,324	0	82,120
Net Pension Liability	690,987	339,730	0	1,030,717
General Obligation Bonds Payable	3,798,022	0	0	3,798,022
OWDA Loans Payable	9,515,123	0	0	9,515,123
Total Liabilities	15,964,114	1,248,422	407,010	17,619,546
Pension	842,162	414,060	0	1,256,222
OPEB	257,446	126,576	0	384,022
Total Deferred Inflows of Resources	1,099,608	540,636	0	1,640,244
Net Position:				
Net Investment in Capital Assets	51,180,649	17,127,032	0	68,307,681
Unrestricted	26,749,114	9,881,257	147,212	36,777,583
Total Net Position	$ 77,929,763	$ 27,008,289	$ 147,212	105,085,264
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.				136,361
Net Position of Business-type Activities				$105,221,625

See accompanying notes to the basic financial statements

Governmental Activities Internal Service Funds
0
0
0
0
130,616
0
0
0
0
921,161
$ 921,161

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities Enterprise Funds			
	Sewer	Water	Nonmajor Enterprise	Total
Operating Revenues:				
Charges for Services	$ 8,484,870	$ 8,009,769	$ 214,144	$ 16,708,783
Other Operating Revenue	292,213	0	0	292,213
Total Operating Revenues	8,777,083	8,009,769	214,144	17,000,996
Operating Expenses:				
Personal Services	1,656,833	824,477	0	2,481,310
Contractual Services	1,101,779	5,940,510	0	7,042,289
Materials and Supplies	352,142	190,690	0	542,832
Depreciation	1,564,543	709,817	0	2,274,360
Total Operating Expenses	4,675,297	7,665,494	0	12,340,791
Operating Income	4,101,786	344,275	214,144	4,660,205
Nonoperating Revenue (Expenses):				
Investment Earnings	0	0	0	0
Interest Expense	(491,149)	0	0	(491,149)
Total Nonoperating Revenues (Expenses)	(491,149)	0	0	(491,149)
Income Before Transfers and Contributions	3,610,637	344,275	214,144	4,169,056
Transfers In	75,000	0	0	75,000
Capital Contributions	171,427	134,438	0	305,865
Total Transfers and Contributions	246,427	134,438	0	380,865
Change in Net Position	3,857,064	478,713	214,144	4,549,921
Net Position (Deficit) Beginning of Year	74,072,699	26,529,576	(66,932)	100,535,343
Net Position End of Year	$ 77,929,763	$ 27,008,289	$ 147,212	105,085,264
Change in Net Position - Total Enterprise Funds				4,549,921
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.				133,488
Change in Net Position - Business-type Activities				$ 4,683,409

See accompanying notes to the basic financial statements

Governmental Activities - Internal Service Funds
$ 4,108,017
0
4,108,017
3,193,657
4,560
21,119
0
3,219,336
888,681
10,875
0
10,875
899,556
0
0
0
899,556
21,605
$ 921,161

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities		
	Enterprise Funds		
	Sewer	Water	Nonmajor Enterprise
Cash Flows from Operating Activities:			
Cash Received from Customers	$8,694,863	$7,942,368	$1,569,289
Cash Payments for Goods and Services	(1,316,814)	(6,028,636)	(1,692,942)
Cash Payments to Employees	(1,987,243)	(983,046)	0
Net Cash Provided (Used) by Operating Activities	5,390,806	930,686	(123,653)
Cash Flows from Noncapital Financing Activities:			
Transfers In from Other Funds	75,000	0	0
Net Cash Provided by Noncapital Financing Activities	75,000	0	0
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Assets	(537,525)	(76,288)	0
Principal Paid on General Obligation Bonds	(880,000)	0	0
Principal Paid on Ohio Water Development Authority Loans	(583,297)	0	0
Interest Paid on All Debt	(426,608)	0	0
Net Cash Used for Capital and Related Financing Activities	(2,427,430)	(76,288)	0
Cash Flows from Investing Activities:			
Receipts of Interest	0	0	0
Net Cash Provided by Investing Activities	0	0	0
Net Increase (Decrease) in Cash and Cash Equivalents	3,038,376	854,398	(123,653)
Cash and Cash Equivalents at Beginning of Year	24,229,031	8,945,358	463,731
Cash and Cash Equivalents at End of Year	$27,267,407	$9,799,756	$340,078

	Governmental Activities
Totals	Internal Service Funds
$18,206,520	$4,078,058
(9,038,392)	(22,679)
(2,970,289)	(3,320,242)
6,197,839	735,137
75,000	0
75,000	0
(613,813)	0
(880,000)	0
(583,297)	0
(426,608)	0
(2,503,718)	0
0	10,875
0	10,875
3,769,121	746,012
33,638,120	275,806
$37,407,241	$1,021,818

(Continued)

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities		
	Enterprise Funds		
	Sewer	Water	Nonmajor Enterprise
Reconciliation of Operating Income to Net Cash			
Provided (Used) by Operating Activities:			
Operating Income	$4,101,786	$344,275	$214,144
Adjustments to Reconcile Operating Income to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	1,564,543	709,817	0
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(65,088)	(106,480)	(14,139)
Decrease (Increase) in Special Assessments Receivable	(17,132)	4,528	0
Increase in Inventory	(1,146)	(171,062)	0
Increase in Prepaid Items	(17,579)	(24,262)	0
Increase in Deferred Outflows of Resources	(49,802)	(24,446)	0
Increase in Net OPEB Asset	(116,657)	(57,600)	0
Increase in Accounts Payable	155,294	331,907	0
Decrease in Intergovernmental Payables	0	0	(323,658)
Increase (Decrease) in Accrued Wages and Benefits	7,566	4,946	0
Decrease in Net Pension Liability	(404,924)	(197,049)	0
Increase in Deferred Inflows of Resources	223,809	111,645	0
Increase in Compensated Absences	10,136	4,467	0
Total Adjustments	1,289,020	586,411	(337,797)
Net Cash Provided (Used) by Operating Activities	$5,390,806	$930,686	($123,653)

Schedule of Noncash Investing, Capital and Financing Activities:

During 2022, the Sewer and Water Funds received $171,427 and $134,438, respectively of capital contributions from other sources.

See accompanying notes to the basic financial statements

	Governmental Activities
Totals	Internal Service Funds
$4,660,205	$888,681
2,274,360	0
(185,707)	(29,959)
(12,604)	0
(172,208)	0
(41,841)	11,179
(74,248)	0
(174,257)	0
487,201	3,000
(323,658)	0
12,512	(137,764)
(601,973)	0
335,454	0
14,603	0
1,537,634	(153,544)
$6,197,839	$735,137

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Custodial Funds
Assets:	
Cash and Cash Equivalents	$ 46,156
Receivables:	
Taxes	243,719
Intergovernmental	18,519
Payments in Lieu of Taxes	1,995,101
Special Assessments	38,691
Total Assets	2,342,186
Liabilities:	
Intergovernmental Payable	2,342,186
Total Liabilities	2,342,186
Net Position:	
Total Net Position	$ 0

See accompanying notes to the basic financial statements

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

	Custodial Funds
Additions:	
Property Taxes Collected for Distribution	$ 273,806
Payments in Lieu of Taxes Collected for Distribution	1,934,068
Special Assessments Collected for Distribution	353,410
Fines, Licenses and Permits for Distribution	1,528,874
Total Contributions	4,090,158
Deductions:	
Distributions to Other Governments	4,090,158
Total Deductions	4,090,158
Change in Net Position	0
Net Position at Beginning of Year	0
Net Position End of Year	$ 0

See accompanying notes to the basic financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Perrysburg, Ohio (the "City") was incorporated in 1816 under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Mayor/Council form of government, was adopted in 1960 and has been amended several times, most recently in 2008.

A. Reporting Entity

The accompanying basic financial statements of the City present the financial position of the various fund types and, the results of operations of the various fund types and the cash flows of the proprietary funds. The financial statements are presented as of December 31, 2022 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity,*" as amended by GASB Statement No. 61 *"The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34,*" in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which includes the following services: public safety, highways and streets, water, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services. In addition, the City maintains water, sewer and utility collections operations which are reported as enterprise funds.

The accounting policies and financial reporting practices of the City conform to GAAP as applicable to governmental units. The following is a summary of its significant accounting policies.

B. Basis of Presentation - Fund Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

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

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

Local Fiscal Recovery Fund - This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act.

Police Pension Fund - This fund is used to account for financial resources to be used for the police pension.

Capital Improvements Fund - This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

Proprietary Funds

All proprietary funds are reported using the flow of "economic resources" measurement focus. This measurement focus provides that all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

The nonmajor enterprise fund of the City is used to account for utility collections.

Internal Service Funds - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has two internal service funds, the Employees Health and Welfare Fund, which is used to account for monies received from City departments to cover the cost of health care for employees of the City's departments and the Postage Meter Fund, which is used to account for postage used by the various City departments.

Fiduciary Funds

These funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's only fiduciary fund is a custodial fund. This fund is used to account for the collection and distribution of municipal court fines and forfeitures and various other outside entities.

C. Basis of Presentation – Financial Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

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

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

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

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

Revenues resulting from exchange transactions in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual at year end include income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees, and local government assistance). Other revenues, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Special assessment installments, which are measurable, but not available at December 31, are recorded as deferred inflow of resources – unavailable amount. Property taxes measurable as of December 31, 2022, but which are not intended to finance 2022 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflow of resources as further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and fiduciary funds. Revenues are recognized when they are earned and expenses recognized when incurred. Government-Wide Statements are also prepared using the accrual basis of accounting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Deferred Inflows/Outflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditures) until then. For the City, deferred outflows of resources have been reported for the following items related to the City's net pension and other postemployment benefits (OPEB) liability/asset: (1) net difference between projected and actual investment earnings on pension plan investments, (2) the City's contributions to the pension systems subsequent to the measurement date and (3) differences between the City's contributions and the City's proportionate share of contributions. The City also reports deferred outflows related to the deferred loss on debt refunding. The City's deferred outflows of resources related to pension and OPEB are further discussed in Notes 10 and 11.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for delinquent property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The City also reports deferred inflows of resources for the differences between expected and actual experience related to the City's net pension and OPEB liability/asset. This deferred inflows of resources are only reported on the government-wide statement of net position and in the proprietary funds financial statements. The deferred inflows of resources related to pension and OPEB are further discussed in Notes 10 and 11.

The City also reports deferred inflows of resources for the collection of lease revenues. This represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. This deferred inflows of resources are reported on the governmental funds balance sheet, and the government-wide statement of net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Cash, Cash Equivalents and Investments."

For purposes of the statement of cash flows and for the 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 an initial maturity of more than three months are reported as investments.

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", the City records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements) which are reported at cost. See Note 4, "Cash, Cash Equivalents and Investments."

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type activities. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements. All infrastructure acquired prior to the implementation of GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", has been reported.

Contributed capital assets are measured at their acquisition value at the date received. Capital assets include land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at acquisition value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective proprietary funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (in years)
Buildings	30 - 40
Improvements other than Buildings	50
Infrastructure	10-50
Machinery and Equipment	5 - 15

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

Obligation	Fund
General Obligation Bond	Sewer Fund
Ohio Water Development Authority Loans	Sewer Fund
Compensated Absences	General Fund Income Tax Fund Litter Control Fund Water Fund Sewer Fund
Financing Obligations	General Fund
Pension/OPEB Liabilities	General Fund Water Fund Sewer Fund

L. Compensated Absences

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Position

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

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

N. Fund Balances

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

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

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balances (Continued)

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

O. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability/(asset), 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 positon 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.

P. Interfund Activity

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

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

Q. Estimates

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

R. Restricted Assets

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Operating Revenues and Expenses

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

T. Contributions of Capital

Contributions of capital in proprietary fund financial statements and for governmental activities arise from outside contributions of capital assets 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 and on the statement of activities.

U. Fair Value

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

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The accumulated deficit at December 31, 2022 $2,910 in the Postage Meter Fund (internal service fund) arose from the recognition of expenses on the accrual basis of accounting which are greater than expenses on the cash basis of accounting. Deficits do not exist under the budgetary/cash basis of accounting. The general fund provides transfers when cash is required, not when accruals occur.

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General Fund	Local Fiscal Recovery Fund	Police Pension Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Supplies Inventory	$0	$0	$0	$0	$112,816	$112,816
Prepaid Items	516,206	0	0	806,219	34,048	1,356,473
Total Nonspendable	516,206	0	0	806,219	146,864	1,469,289
Restricted:						
Hotel/Motel Tax	0	0	0	0	47,800	47,800
Federal Grants	0	0	0	0	30,210	30,210
Street Construction and Maintenance	0	0	0	0	2,005,187	2,005,187
State Highway Improvements	0	0	0	0	916,781	916,781
Police Pension	0	0	1,415,977	0	0	1,415,977
Garbage and Refuse	0	0	0	0	155,105	155,105
Motor Vehicle License Tax	0	0	0	0	944,950	944,950
ASR Radio	0	0	0	0	41,106	41,106
Street Trees	0	0	0	0	459,839	459,839
Public Transportation	0	0	0	0	369,935	369,935
Municipal Court Computer	0	0	0	0	213,491	213,491
Municipal Court Probation Services	0	0	0	0	83,629	83,629
Municipal Court Special Projects	0	0	0	0	196,841	196,841
CARES Act 2	0	0	0	0	14	14
Federal Law Enforcement Trust	0	0	0	0	348,993	348,993
CDBG Revolving Loan	0	0	0	0	803,499	803,499
DUI Indigent Drivers Alcohol Treatment	0	0	0	0	320,063	320,063
Indigent Drivers	0	0	0	0	232,961	232,961
Match Surplus	0	0	0	0	32,949	32,949
Total Restricted	0	0	1,415,977	0	7,203,353	8,619,330
Committed:						
Capital Improvements	0	0	0	3,707,770	0	3,707,770
Parkland Acquisition and Development	0	0	0	0	338,572	338,572
Total Committed	0	0	0	3,707,770	338,572	4,046,342
Assigned						
Encumbrances for Purchase Orders	728,386	0	0	0	0	728,386
Budget Resource	6,827,228	0	0	0	0	6,827,228
Debt Service	0	0	0	0	763	763
Total Assigned	7,555,614	0	0	0	763	7,556,377
Unassigned	13,832,380	0	0	0	0	13,832,380
Total Fund Balances	$21,904,200	$0	$1,415,977	$4,513,989	$7,689,552	$35,523,718

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the City into three categories:

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

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

- 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;

- Interim deposits in eligible institutions applying for interim funds;

- Bonds and other obligations of the State of Ohio;

- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and

- The State Treasury Asset Reserve of Ohio (STAR Ohio).

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is to place deposits with major local banks.

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

At year end the carrying amount of the City's deposits was $11,574,066 and the bank balance was $12,216,541. Federal depository insurance covered $500,000 of the bank balance and $11,716,541 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name and securities held in the Ohio Pooled Collateral System.

B. Investments

The City's investments at December 31, 2022 are summarized below:

				Investments Maturities (in Years)		
	Fair Value	Credit Rating	Fair Value Hierarchy	less than 1	1-3	3-5
Negotiable CD's	$8,154,010	N/A	Level 1	$3,587,964	$4,060,605	$505,441
STAR Ohio	16,195,039	N/A		16,195,039	0	0
FFCB	8,368,088	AA+[1] / Aaa[2]	Level 2	0	7,474,318	893,770
FHLB	6,678,415	AA+[1] / Aaa[2]	Level 2	1,971,360	3,815,635	891,420
U.S. Treasury Notes	20,611,935	N/A	Level 1	9,209,431	11,402,504	0
Total Investments	$60,007,487			$30,963,794	$26,753,062	$2,290,631

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest Rate Risk – The City's investment policy limits security purchases to those that mature within five years of settlement date with an average weighted maturity not to exceed two years.

Custodial Credit Risk – The City's investments in Negotiable CD's, FFCB, FHLB and U.S. Treasury Notes securities in the amounts of $8,154,010, $8,368,088, $6,678,415 and $20,611,935, respectively, are uninsured and unregistered with securities held by the counterparty's trust department or agent in the City's name.

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

C. Reconciliation of Cash and Cash Equivalents

A reconciliation between cash and cash equivalents on the financial statements and classification per item A of this note is as follows:

	Deposits	Investments
Statement of Net Position cash and investments	$70,779,815	$0
Restricted Assets: Cash and cash equivalents with fiscal agent	755,582	0
Statement of Fiduciary Net Position cash and cash equivalents	46,156	0
Investments	(60,007,487)	60,007,487
Total	$11,574,066	$60,007,487

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2022 were levied after October 1, 2021 on assessed values as of January 1, 2021, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed during 2017 and the last equalization adjustment was completed in 2020. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

NOTE 5 - TAXES (Continued)

A. Property Taxes (Continued)

Public utility real property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Perrysburg. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2022 was $5.65 per $1,000 of assessed value. The assessed value upon which the 2022 receipts were based was $803,747,860. This amount constitutes $793,633,400 in real property assessed value and $10,114,460 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .565% (5.65 mills) of assessed value.

B. Income Tax

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 50% of the tax paid to another municipality to a maximum of 50% of the total amount assessed.

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

NOTE 6 – TAX ABATEMENT DISCLOSURES

Real Estate Tax Abatements

As of December 31, 2022, the City of Perrysburg provides tax incentives under three programs: Tax Increment Financing (TIF), Jobs Grant, and Community Reinvestment Area (CRA).

Real Estate Tax Abatement

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment Area. The City authorizes incentives through passage of public ordinances, based upon each businesses investment criteria and through a contractual application process with each business. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Community Reinvestment Area gave the City the ability to maintain and expand business located within the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements in specified areas.

The City has offered the CRA abatements to encourage economic stability, maintain property values, and generate new employment opportunities and population growth.

Below is the information relevant to the disclosure of those programs for the year ending December 31, 2022.

Property Tax Abatement	Total Amount of Taxes Abated (Incentives Abated For the Year 2022 In Actual Dollars)
OI Levis Park STS (2007 - 2022) (CRA)	
- Gross Dollar amount of taxes abated during 2022	$283,394
OI Levis Park STS (2015 - 2024) (CRA)	
- Gross Dollar amount of taxes abated during 2022	31,379
SEP Perrysburg MOB LLC (2019 - 2028) (CRA)	
- Gross Dollar amount of taxes abated during 2022	30,066
Cutting Edge Countertops (2019 - 2032) (CRA)	
- Gross Dollar amount of taxes abated during 2022	56,964
All Others (CRA)	
- Gross Dollar amount of taxes abated during 2022	269,584
Mercy Health North (Jobs Grant)	
- Gross Dollar amount of taxes abated during 2022	126,788
Total Fleet Solutions (Jobs Grant)	
- Gross Dollar amount of taxes abated during 2022	10,693
A Renewed Mind (Jobs Grant)	
- Gross Dollar amount of taxes abated during 2022	10,043
Total	$818,911

NOTE 7 - RECEIVABLES

Receivables at December 31, 2022 consisted of taxes, loans, leases, special assessments, interest receivable, accounts receivable and intergovernmental receivables.

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2022:

	Transfers In:				
Transfers Out:	General Fund	Capital Improvements Fund	Other Governmental Funds	Sewer Fund	Total
General Fund	$0	$1,655,000	$720,000	$75,000	$2,450,000
Other Governmental Funds	372,121	0	0	0	372,121
	$372,121	$1,655,000	$720,000	$75,000	$2,822,121

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets for the year ended December 31, 2022 was as follows:

Historical Cost:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Capital assets not being depreciated:				
Land	$10,586,544	$0	$0	$10,586,544
Construction in Progress	15,159,798	2,006,422	(2,667,984)	14,498,236
Subtotal	25,746,342	2,006,422	(2,667,984)	25,084,780
Capital assets being depreciated:				
Buildings	27,148,294	52,352	0	27,200,646
Improvements Other than Buildings	9,677,896	598,985	(40,000)	10,236,881
Machinery and Equipment	19,586,092	1,446,900	(126,922)	20,906,070
Infrastructure	94,626,105	4,181,641	(200,557)	98,607,189
Subtotal	151,038,387	6,279,878	(367,479)	156,950,786
Total Cost	$176,784,729	$8,286,300	($3,035,463)	$182,035,566

Accumulated Depreciation:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Buildings	($9,909,571)	($521,358)	$0	($10,430,929)
Improvements Other than Buildings	(2,827,694)	(188,423)	40,000	(2,976,117)
Machinery and Equipment	(12,408,294)	(1,348,635)	126,922	(13,630,007)
Infrastructure	(28,332,289)	(2,355,954)	178,171	(30,510,072)
Total Depreciation	($53,477,848)	($4,414,370) *	$345,093	($57,547,125)
Capital assets being depreciated, net:	97,560,539	1,865,508	(22,386)	99,403,661
Total Net Value:	$123,306,881			$124,488,441

NOTE 9 - CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	$923,818
Leisure Time Activities	174,561
Community Development	10,437
Basic Utility Services	266,672
Transportation	2,719,272
General Government	319,610
Total Depreciation Expense	$4,414,370

B. Business-Type Activities Capital Assets

Summary by category of changes in business- type activities capital assets for the year ended December 31, 2022 was as follows:

Historical Cost:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Capital assets not being depreciated:				
Land	$268,733	$273,661	$0	$542,394
Construction in Progress	21,670,241	0	(1,708,411)	19,961,830
Subtotal	21,938,974	273,661	(1,708,411)	20,504,224
Capital assets being depreciated:				
Buildings	17,085,514	0	0	17,085,514
Improvements Other than Buildings	76,860,226	305,865	0	77,166,091
Machinery and Equipment	14,696,863	1,912,686	0	16,609,549
Subtotal	108,642,603	2,218,551	0	110,861,154
Total Cost	$130,581,577	$2,492,212	($1,708,411)	$131,365,378

Accumulated Depreciation:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Buildings	($7,230,881)	($422,263)	$0	($7,653,144)
Improvements Other than Buildings	(27,260,691)	(1,440,130)	0	(28,700,821)
Machinery and Equipment	(11,845,805)	(411,967)	0	(12,257,772)
Total Depreciation	($46,337,377)	($2,274,360)	$0	($48,611,737)
Capital assets being depreciated, net:	62,305,226	(55,809)	0	62,249,417
Total Net Value:	$84,244,200			$82,753,641

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2022 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $1,103,910 for 2022.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

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

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	Police	Firefighters
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was $1,289,794 for 2022.

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

The net pension liability for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	$4,373,165	$13,782,058	$18,155,223
Proportion of the Net Pension Liability-2022	0.050264%	0.220604%	
Proportion of the Net Pension Liability-2021	0.050525%	0.218421%	
Percentage Change	(0.000261%)	0.012183%	
Pension Expense	($553,404)	$956,158	$402,754

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$0	$185,440	$185,440
Changes in assumptions	546,864	2,518,765	3,065,629
Differences between expected and actual experience	222,938	211,954	434,892
Change in proportionate share	57,116	642,592	699,708
City contributions subsequent to the measurement date	1,103,910	1,289,794	2,393,704
Total Deferred Outflows of Resources	$1,930,828	$4,848,545	$6,779,373
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$5,201,731	$3,613,442	$8,815,173
Changes in assumptions	0	334,339	334,339
Differences between expected and actual experience	95,914	382,136	478,050
Change in proportionate share	32,296	316,097	348,393
Total Deferred Inflows of Resources	$5,329,941	$4,646,014	$9,975,955

$2,393,704 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. 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	OP&F	Total
Year Ending December 31:			
2023	($653,909)	($7,411)	($661,320)
2024	(1,798,507)	(842,850)	(2,641,357)
2025	(1,223,135)	(286,276)	(1,509,411)
2026	(827,472)	(241,827)	(1,069,299)
2027	0	291,101	291,101
Total	($4,503,023)	($1,087,263)	($5,590,286)

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.

NOTE 10 – 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 in the December 31, 2021 and December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

	December 31, 2020
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	0.5 percent simple through 2021. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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

The long-term 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.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3% for 2021.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	24.00 %	1.03 %
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other Investments	4.00	2.85
Total	100.00 %	4.21 %

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	$11,530,059	$4,373,165	($1,582,311)

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2021 is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, compared with January 1, 2020, are presented below.

	January 1, 2021	January 1, 2020
Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2021 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2021 valuation, 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.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The most recent experience study was completed for the five year period ended December 31, 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. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2021 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	125.00 %	

* levered 2x
Note: Assumptions are geometric

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2021, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2020 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	$20,438,597	$13,782,058	$8,238,801

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NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

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

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

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

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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. These changes are reflected in the December 31, 2020, measurement date health care valuation.

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 0% during calendar year 2022. For the Combined Plan, the portion of the employer contributions allocated to health care was 0% from January 1, 2022 to June 30, 2022, and was 2% from July 1, 2022 to December 31, 2022. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.0%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $0 for 2022.

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was $30,617 for 2022.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability (Asset)	($1,572,060)	$2,418,008	$845,948
Proportion of the Net OPEB Liability (Asset) -2022	0.050191%	0.220604%	
Proportion of the Net OPEB Liability (Asset) -2021	0.050481%	0.218421%	
Percentage Change	(0.00029%)	0.012183%	
OPEB Expense	($1,335,662)	$116,864	($1,218,798)

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	$0	$1,070,284	$1,070,284
Differences between expected and actual experience	0	109,998	109,998
Change in proportionate share	5,336	129,924	135,260
City contributions subsequent to the measurement date	0	30,617	30,617
Total Deferred Outflows of Resources	$5,336	$1,340,823	$1,346,159
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	$749,448	$218,428	$967,876
Changes in assumptions	636,547	280,838	917,385
Differences between expected and actual experience	238,458	319,571	558,029
Change in proportionate share	4,879	336,429	341,308
Total Deferred Inflows of Resources	$1,629,332	$1,155,266	$2,784,598

$30,617 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 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2023	($1,002,507)	$18,671	($983,836)
2024	(350,233)	(13,756)	(363,989)
2025	(163,750)	9,172	(154,578)
2026	(107,506)	25,623	(81,883)
2027	0	58,864	58,864
2028	0	35,645	35,645
2029	0	20,721	20,721
Total	($1,623,996)	$154,940	($1,469,056)

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	1.84 percent
Prior measurement date	2.00 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2034
Prior measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.3% for 2021.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, 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 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00 percent was used to measure the 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) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index").

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	($924,518)	($1,572,060)	($2,109,528)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	($1,589,047)	($1,572,060)	($1,551,906)

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	2.84 percent	2.96 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	125.00 %	

* levered 2x
Note: Assumptions are geometric

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 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.50 percent. 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 2.05 percent at December 31, 2021 and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. 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 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	$3,039,490	$2,418,008	$1,907,149

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 12 - COMPENSATED ABSENCES

Employees are eligible for vacation at varying rates depending on their years of service to the City. Any vacation earned during the year must be taken during the subsequent year. Unless requested by the City, no employee will receive vacation pay in lieu of vacation time off with pay.

Sick leave is accrued by all employees at the rate of .0577 hours for each hour worked for a total of 120 hours in an employee's anniversary year. A percentage of accrued sick leave time is liquidated in cash upon normal retirement under the appropriate State of Ohio retirement system after ten years of credited service, or upon death, or upon termination of employment other than for disciplinary reasons after fifteen years of service with the City. The rate of cash compensation for sick leave payout varies within specified limits under collective bargaining agreements or under law. Generally, employees may receive 50% of their sick leave accrued prior to September 14, 1976, up to 720 hours, 25% of their sick leave accrued after September 14, 1976, up to 1,000 hours and 50% of their sick leave thereafter, after meeting the minimum service time requirement. Cash compensation for sick leave is paid at the employee's full rate of pay at the time of termination or retirement.

At December 31, 2022, the City's accumulated, unpaid compensated absences amounted to $1,612,019, of which $1,434,871 is recorded as a liability of the Governmental Activities and $177,148 is recorded as a liability of the Business-Type Activities.

NOTE 13 – LEASES

The City of Perrysburg (Landlord) has entered into a lease agreement with T-Mobile Central LLC (Tenant). The lease was for space to place a cell tower for T-Mobile to provide cell phone service to the surrounding area. As part of the lease agreement, T-Mobile has agreed to pay the City $1,927 annually through 2024. The lease can be renewed with both parties' agreement to do so.

The City of Perrysburg (Landlord) has entered into a lease agreement with Crown Castle LLC (Tenant). The lease was for space to place a cell tower for Crown Castle to provide cell phone service to the surrounding area. As part of the lease agreement, Crown Castle has agreed to pay the City a monthly fee of $1,290 through April 30, 2028. The lease can be renewed with both parties' agreement to do so.

The City of Perrysburg (Landlord) has entered into a lease agreement with Verizon LLC (Tenant). The lease was for space to place a cell tower for Verizon to provide cell phone service to the surrounding area. As part of the lease agreement, Verizon has agreed to pay the City a monthly fee of $1,749 through December 31, 2023. The lease can be renewed with both parties' agreement to do so.

A summary of future lease payments to be received by the City, including lease revenue and interest payments as of December 31, 2022, follows:

Years	Lease Revenue	Interest	Total
2023	$35,235	$3,229	$38,464
2024	15,157	2,251	17,408
2025	13,778	1,702	15,480
2026	14,340	1,140	15,480
2027	12,355	476	12,831
2028	3,071	16	3,087
Totals	$93,936	$8,814	$102,750

NOTE 14 - LONG-TERM LIABILITIES

Long-term liabilities of the City at December 31, 2022 was as follows:

	Balance December 31, 2021	Additions	(Reductions)	Balance December 31, 2022	Due Within One Year
Governmental Activities:					
Compensated Absences	$1,320,802	$1,434,871	($1,320,802)	$1,434,871	$591,964
Financing Obligations	0	20,135	0	20,135	6,857
Net Pension Liability	20,738,940	0	(3,614,434)	17,124,506	0
Net OPEB Liability	2,314,210	103,798	0	2,418,008	0
Total Governmental Activities Long-Term Liabilities	$24,373,952	$1,558,804	($4,935,236)	$20,997,520	$598,821

			Balance December 31, 2021	Additions	(Reductions)	Balance December 31, 2022	Due Within One Year
Business-Type Activities:							
Direct Borrowings							
Ohio Water Development Authority (O.W.D.A.) Loan:							
3.37%	Waste Water Treatment Plant	2014	$10,701,540	$0	($583,297)	$10,118,243	$603,120
General Obligation Bonds:							
2.00%	Refunding Various Purpose Sewer	2016	5,530,000	0	(880,000)	4,650,000	890,000
	Premium		45,626	0	(7,604)	38,022	0
Total General Obligation Bonds			5,575,626	0	(887,604)	4,688,022	890,000
Compensated Absences			162,545	177,148	(162,545)	177,148	95,028
Net Pension Liability			1,632,690	0	(601,973)	1,030,717	0
Total Business-Type Long-Term Liabilities			$18,072,401	$177,148	($2,235,419)	$16,014,130	$1,588,148

NOTE 14 - LONG-TERM LIABILITIES (Continued)

A summary of the City's future long-term debt funding requirements, including principal and interest payments as of December 31, 2022 follows:

	OWDA Loans		General Obligation Bonds		Financing Obligations	
Years	Principal	Interest	Principal	Interest	Principal	Interest
2023	$603,120	$309,839	$890,000	$93,000	$6,857	$672
2024	646,090	290,936	910,000	75,200	3,717	463
2025	668,047	271,390	935,000	57,000	3,869	312
2026	690,751	251,179	950,000	38,300	4,026	154
2027	714,225	230,282	965,000	19,300	1,666	15
2028-2032	3,952,128	812,239	0	0	0	0
2033-2035	2,843,882	194,403	0	0	0	0
Totals	$10,118,243	$2,360,268	$4,650,000	$282,800	$20,135	$1,616

In 2019 and 2022, the City entered into financing obligations with Pitney Bowes and Mail Finance for the use of two postage machines by the City. The six year financing obligations have been included as part of the long-term liabilities in the Government-Wide Statement of Net Position with a remaining balance of $20,135.

The City's direct borrowings from OWDA in the amount of $10,118,243 contains a provision that in the event of default, the amount of such default shall bear interest at the default rate from the due date until the date of the payment. In addition to the interest, a late charge of one percent on the amount of each default shall also be paid to OWDA by the City.

2016 Sewer System General Obligation Refunding Bonds

The Sewer System General Obligation Bonds are term bonds issued to advance refund $7,985,000, including a call premium of $173,951, of general obligation bonds issued in 2009. Refinancing of the bonds resulted in a cash savings of $2,047,743 (net present value savings of $1,607,092) or 7.75%. The amount of $8,868,339 from the 2009 bonds was placed in an escrow fund to defease the 2009 bonds. The bonds bear an interest rate of 2.00%. These bonds will be retired from the City's Sewer Fund. The refunding bonds are not included in the City's debt since the City has in-substance satisfied its obligations through the advance refunding. The refunding bonds had an outstanding principal balance of $5,910,000 as of December 31, 2022.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 15 - INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1989, the City joined the Ohio Government Risk Management Plan (the "OGRMP"), a public entity risk plan formed under Section 2744.081 of the Ohio Revised Code that operates as a common risk management and insurance program for 585 member political subdivisions. The City pays an annual premium to the OGRMP for its general insurance coverage. The agreement for formation of the OGRMP provides that the organization will be self-sustaining through member premiums and will reinsure all claims in excess of a member's deductible through commercial insurance and reinsurance companies.

The City pays the State Workers' Compensation System a premium based upon a rate per $100 of payroll. The rate is determined based on accident history and administrative costs.

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

The City maintains a self-funded health insurance program with claims processed by NFP Benefit Alliance on behalf of the City. A separate Self Insurance Fund (an internal service fund) was created in 1980 to account for and finance the health insurance program. As an integral part of the health insurance program, a reinsurance policy has been purchased covering claims in excess of $35,000 per individual per year up to a maximum of $1,000,000 per individual per lifetime. Settled claims have not exceeded the commercial coverage limits in any of the past five fiscal years.

All funds of the City from which employee salaries are paid participate in the health insurance program and make payments to the Self Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. Total contributions to the program during the year were $4,085,248. The claims liability of $127,616 reported in the Self Insurance Fund at December 31, 2022 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 Management Omnibus*," which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and if the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in fiscal 2021 and 2022 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2021	$141,996	$3,155,331	($3,031,947)	$265,380
2022	265,380	3,055,893	(3,193,657)	127,616

NOTE 16 - CONTINGENCIES

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

The City has received several federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.

NOTE 17 - RELATED ORGANIZATION

Perrysburg Public Library (Library) - The Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Perrysburg City Council. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the City for operational subsidies. Although the City does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Perrysburg Public Library, Clerk/Treasurer, 101 East Indiana Avenue, Perrysburg, Ohio 43551.

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, “Leases.”

GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The implementation of this Statement had no effect on beginning net position/fund balance. The effect on the financial statements was to add new lease receivables to the governmental funds balance sheet and the entity-wide financial statements associated with this activity.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) General Fund For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 1,340,240	$ 1,511,864	$ 1,372,999	$ (138,865)
Municipal Income Tax	20,150,000	24,393,000	24,208,421	(184,579)
Intergovernmental Revenue	884,100	884,100	1,032,732	148,632
Charges for Services	977,800	977,800	1,095,930	118,130
Licenses and Permits	145,000	145,000	107,948	(37,052)
Investment Earnings	100,000	100,000	732,844	632,844
Special Assessments	212,000	212,000	216,538	4,538
Fines and Forfeitures	730,600	730,600	548,164	(182,436)
All Other Revenues	479,802	479,802	344,876	(134,926)
Total Revenues	25,019,542	29,434,166	29,660,452	226,286
Expenditures:				
Current:				
Security of Persons and Property	12,624,509	12,864,798	12,165,476	699,322
Public Health and Welfare Services	27,000	27,000	25,236	1,764
Leisure Time Activities	2,221,114	2,235,304	1,882,063	353,241
Community Development	564,780	571,661	543,719	27,942
Transportation	2,339,094	2,345,219	2,238,410	106,809
General Government	7,082,616	7,421,654	6,064,802	1,356,852
Total Expenditures	24,859,113	25,465,636	22,919,706	2,545,930
Excess of Revenues Over Expenditures	160,429	3,968,530	6,740,746	2,772,216
Other Financing Sources (Uses):				
Transfers In	250,000	250,000	372,121	122,121
Transfers Out	(2,450,131)	(2,450,131)	(2,450,000)	131
Total Other Financing Sources (Uses):	(2,200,131)	(2,200,131)	(2,077,879)	122,252
Net Change In Fund Balance	(2,039,702)	1,768,399	4,662,867	2,894,468
Fund Balance at Beginning of Year	13,453,643	13,453,643	13,453,643	0
Prior Year Encumbrances	410,108	410,108	410,108	0
Fund Balance at End of Year	$ 11,824,049	$ 15,632,150	$ 18,526,618	$ 2,894,468

See accompanying notes to the required supplementary information

Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Local Fiscal Recovery Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenue	$ 1,132,673	$ 1,132,673	$ 1,141,717	$ 9,044
Total Revenues	1,132,673	1,132,673	1,141,717	9,044
Expenditures:				
Current:				
General Government	2,265,346	2,265,346	1,824,472	440,874
Total Expenditures	2,265,346	2,265,346	1,824,472	440,874
Excess of Expenditures Over Revenues	(1,132,673)	(1,132,673)	(682,755)	449,918
Fund Balance at Beginning of Year	1,132,673	1,132,673	1,132,673	0
Fund Balance at End of Year	$ 0	$ 0	$ 449,918	$ 449,918

See accompanying notes to the basic financial statements

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Special Revenue Fund – Police Pension Fund For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 1,206,922	$ 1,326,902	$ 1,231,646	$ (95,256)
Intergovernmental Revenue	101,000	101,000	111,809	10,809
Total Revenues	1,307,922	1,427,902	1,343,455	(84,447)
Expenditures:				
Current:				
Security of Persons and Property	1,290,500	1,334,500	1,331,988	2,512
Total Expenditures	1,290,500	1,334,500	1,331,988	2,512
Excess of Revenues Over Expenditures	17,422	93,402	11,467	(81,935)
Fund Balance at Beginning of Year	1,506,350	1,506,350	1,506,350	0
Fund Balance at End of Year	$ 1,523,772	$ 1,599,752	$ 1,517,817	$ (81,935)

See accompanying notes to the basic financial statements

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Schedule of City's Proportionate Share of the Net Pension Liability
Last Nine Years

Ohio Public Employees Retirement System

Year	2014	2015	2016
City's proportion of the net pension liability	0.046948%	0.046948%	0.046239%
City's proportionate share of the net pension liability	$5,534,558	$5,662,454	$8,009,242
City's covered payroll	$6,702,723	$5,878,717	$6,544,450
City's proportionate share of the net pension liability as a percentage of its covered payroll	82.57%	96.32%	122.38%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2014	2015	2016
City's proportion of the net pension liability	0.2170836%	0.2170836%	0.216954%
City's proportionate share of the net pension liability	$10,572,652	$11,245,835	$13,956,817
City's covered payroll	$5,344,502	$4,461,974	$4,631,832
City's proportionate share of the net pension liability as a percentage of its covered payroll	197.82%	252.04%	301.32%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.
The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.
The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See accompanying notes to required supplementary information

2017	2018	2019	2020	2021	2022
0.045699%	0.049169%	0.047354%	0.049293%	0.050525%	0.050264%
$10,377,558	$7,713,620	$12,969,295	$9,743,089	$7,481,645	$4,373,165
$5,907,617	$6,611,185	$6,396,243	$6,935,207	$7,125,436	$7,294,836
175.66%	116.68%	202.76%	140.49%	105.00%	59.95%
77.25%	84.66%	74.70%	82.17%	86.88%	92.62%

2017	2018	2019	2020	2021	2022
0.220121%	0.220481%	0.208040%	0.214628%	0.218421%	0.220604%
$13,942,265	$13,531,924	$16,981,562	$14,458,484	$14,889,985	$13,782,058
$4,973,360	$5,073,783	$4,959,418	$5,368,074	$5,315,746	$5,589,221
280.34%	266.70%	342.41%	269.34%	280.11%	246.58%
68.36%	70.91%	63.07%	69.89%	70.65%	75.03%

Schedule of City Pension Contributions
Last Ten Years

Ohio Public Employees Retirement System

Year	2013	2014	2015	2016
Contractually required contribution	$871,354	$705,446	$785,334	$708,914
Contributions in relation to the contractually required contribution	871,354	705,446	785,334	708,914
Contribution deficiency (excess)	$0	$0	$0	$0
City's covered payroll	$6,702,723	$5,878,717	$6,544,450	$5,907,617
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2013	2014	2015	2016
Contractually required contribution	$912,841	$908,458	$930,535	$999,148
Contributions in relation to the contractually required contribution	912,841	908,458	930,535	999,148
Contribution deficiency (excess)	$0	$0	$0	$0
City's covered payroll	$5,344,502	$4,461,974	$4,631,832	$4,973,360
Contributions as a percentage of covered payroll	17.08%	20.36%	20.09%	20.09%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

See accompanying notes to required supplementary information

2017	2018	2019	2020	2021	2022
$859,454	$895,474	$970,929	$997,561	$1,021,277	$1,103,910
859,454	895,474	970,929	997,561	1,021,277	1,103,910
$0	$0	$0	$0	$0	$0
$6,611,185	$6,396,243	$6,935,207	$7,125,436	$7,294,836	$7,885,071
13.00%	14.00%	14.00%	14.00%	14.00%	14.00%

2017	2018	2019	2020	2021	2022
$1,019,323	$996,347	$1,078,446	$1,132,254	$1,190,504	$1,289,794
1,019,323	996,347	1,078,446	1,132,254	1,190,504	1,289,794
$0	$0	$0	$0	$0	$0
$5,073,783	$4,959,418	$5,368,074	$5,315,746	$5,589,221	$6,055,371
20.09%	20.09%	20.09%	21.30%	21.30%	21.30%

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

Ohio Public Employees Retirement System

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.048113%	0.051968%	0.050087%
City's proportionate share of the net OPEB liability (asset)	$4,859,594	$5,643,310	$6,530,154
City's covered payroll	$5,907,617	$6,611,185	$6,396,243
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	82.26%	85.36%	102.09%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	54.50%	54.14%	46.33%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.220121%	0.220481%	0.208040%
City's proportionate share of the net OPEB liability (asset)	$10,448,664	$12,492,152	$1,894,522
City's covered payroll	$4,973,360	$5,073,783	$4,959,418
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	210.09%	246.21%	38.20%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.
Information prior to 2017 is not available.
The schedule is reported as of the measurement date of the Net OPEB Liability.

See accompanying notes to required supplementary information

2020	2021	2022
0.050318%	0.050481%	0.050191%
$6,950,215	($899,360)	($1,572,060)
$6,935,207	$7,125,436	$7,294,836
100.22%	(12.62%)	(21.55%)
47.80%	115.57%	128.23%

2020	2021	2022
0.214628%	0.218421%	0.220604%
$2,120,036	$2,314,210	$2,418,008
$5,368,074	$5,315,746	$5,589,221
39.49%	43.53%	43.26%
47.08%	45.42%	46.86%

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

Ohio Public Employees Retirement System

Year	2013	2014	2015	2016
Contractually required contribution	$67,027	$117,574	$130,889	$118,152
Contributions in relation to the contractually required contribution	67,027	117,574	130,889	118,152
Contribution deficiency (excess)	$0	$0	$0	$0
City's covered payroll	$6,702,723	$5,878,717	$6,544,450	$5,907,617
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%	2.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2013	2014	2015	2016
Contractually required contribution	$26,723	$22,310	$23,159	$24,867
Contributions in relation to the contractually required contribution	26,723	22,310	23,159	24,867
Contribution deficiency (excess)	$0	$0	$0	$0
City's covered payroll	$5,344,502	$4,461,974	$4,631,832	$4,973,360
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

See accompanying notes to required supplementary information

2017	2018	2019	2020	2021	2022
$66,112	$0	$0	$0	$0	$0
66,112	0	0	0	0	0
$0	$0	$0	$0	$0	$0
$6,611,185	$6,396,243	$6,935,207	$7,125,436	$7,294,836	$7,885,071
1.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2017	2018	2019	2020	2021	2022
$24,128	$23,632	$25,466	$26,684	$28,122	$30,617
24,128	23,632	25,466	26,684	28,122	30,617
$0	$0	$0	$0	$0	$0
$5,073,783	$4,959,418	$5,368,074	$5,315,746	$5,589,221	$6,055,371
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

NOTE 1 – BUDGETARY PROCESS

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

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by ordinance of the City Council.

A. <u>Estimated Resources</u>

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2022.

B. <u>Appropriations</u>

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. During 2022, several supplemental appropriations were necessary to budget for unanticipated expenditures. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual—General Fund Local Fiscal Recovery Fund," are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

NOTE 1 – BUDGETARY PROCESS (Continued)

C. Encumbrances

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

D. Lapsing of Appropriations

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

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Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

NOTE 1 – BUDGETARY PROCESS (Continued)

E. Budgetary Basis of Accounting

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

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

Net Change In Fund Balance

	General Fund	Police Pension Fund	Local Fiscal Recovery Fund
GAAP Basis (as reported)	$3,773,585	$8,519	$0
Increase (Decrease):			
Accrued Revenues at December 31, 2022 received during 2023	(3,791,142)	0	0
Accrued Revenues at December 31, 2021 received during 2022	4,450,140	0	0
Accrued Expenditures at December 31, 2022 paid during 2023	635,617	101,840	1,958,426
Accrued Expenditures at December 31, 2021 paid during 2022	(611,979)	(98,892)	(1,132,673)
2021 Prepaids for 2022	330,788	0	0
2022 Prepaids for 2023	(516,206)	0	0
2021 Mark to Market	97,916	0	0
2022 Mark to Market	1,140,347	0	0
Outstanding Encumbrances	(846,199)	0	(1,508,508)
Budget Basis	$4,662,867	$11,467	($682,755)

Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2022.

Changes in assumptions:

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

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:
- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table.

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

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:
- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:
- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:
- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:
- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2022.

Changes in assumptions:

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

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

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

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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

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

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Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021.

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

Changes in assumptions:

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

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

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

2020 - 2022: There were no changes in benefit terms.

Changes in assumptions:

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

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate changed from 4.66% to 3.56%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate changed from 3.56% to 2.96%.
- The payroll growth rate changed from 2.75% to 3.25%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate changed from 2.96% to 2.84%.

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2022

Federal Agency / Cluster / Program Title	ALN Number	Passed Through	Pass-through/ Grantor Number	Passed-Through to Subrecipients	Federal Expenditures
U.S. Department of Transportation, Federal Highway Administration					
Highway Planning and Construction Cluster:					
SR25 & Roachton Road	20.205	ODOT	104493	$ -	$ 9,811
SR25 & Indiana Avenue	20.205	ODOT	108456	$ -	$ 817,851
Total U.S. Department of Transportation, Federal Highway Administration				$ -	$ 827,662
U.S. Department of Homeland Security					
COVID-19 - 2020 Assistance to Firefighters Grant Program	97.044	Direct	EMW-2020-FG-00639	$ 4,921	$ 4,921
Total U.S. Department of Homeland Security				$ 4,921	$ 4,921
U.S. Department of Treasury					
Equitable Sharing	21.016	Direct		$ -	$ 18,595
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct		$ -	$ 315,964
Total U.S. Department of Treasury				$ -	$ 334,559
U.S. Department of Justice					
Bulletproof Vest Partnership Program	16.607	Direct		$ -	$ 2,352
Total U.S. Department of Justice				$ -	$ 2,352
Total Expenditures of Federal Awards				$ 4,921	$ 1,169,494

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Perrysburg, Ohio (the "City") under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented 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 the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

2. 10% DE MINIMUS COST RATE

For purposes of charging indirect costs to federal awards, the City has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. PASS-THROUGH AGENCIES

The City receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
ODOT	Ohio Department of Transportation

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INDEPENDENT AUDITORS' 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*

To the City Council
City of Perrysburg, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perrysburg, Ohio ("the City"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 21, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 21, 2023

CLARK SCHAEFER HACKETT
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
City of Perrysburg, Ohio:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Perrysburg, Ohio's (the "City") 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's major federal programs for the year ended December 31, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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, 2022.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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'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's federal programs.

Auditors' 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'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'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'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'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'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 Auditors' 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.

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 21, 2023

City of Perrysburg, Ohio
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards

Internal Control over major program:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Type of auditors' report issued on compliance for major program:	unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	no
Identification of major program:	
ALN 20.205 - Highway Planning and Construction Cluster	
Dollar threshold to distinguish between Type A and Type B Programs:	$750,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

CITY OF PERRYSBURG

AMBER RATHBURN DIRECTOR OF FINANCE

201 W. Indiana Avenue | Perrysburg, OH 43551 | Office 419 872 7882 | www.ci.perrysburg.oh.us

SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(c)

Finding Number	Status	Explanation
2021-001	Corrected	We determined that the City did not have the proper approved purchase orders, nor any other certificate from the fiscal officer as required, for nonpayroll expenditures.
2021-002	Corrected	We identified misstatements in the financial statements that were not initially identified by the City's internal control over financial reporting related to net position and intergovernmental payable.

Sincerely,

Amber Rathburn,
Director of Finance

OHIO AUDITOR OF STATE
KEITH FABER

CITY OF PERRYSBURG

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 7/11/2023

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