



OHIO AUDITOR OF STATE
KEITH FABER



**CITY OF RAVENNA
PORTAGE COUNTY
DECEMBER 31, 2022**

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**CITY OF RAVENNA
PORTAGE COUNTY
DECEMBER 31, 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

City of Ravenna
Portage County
210 Park Way
Ravenna, Ohio 44266

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ravenna, Portage County, 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 of Ravenna, Portage County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Revolving Loan, Street Construction Maintenance and Repair, American Rescue Plan, Emergency Medical Services and the Road Levy funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) 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 September 7, 2023, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 7, 2023

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City of Ravenna, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

The discussion and analysis of the City of Ravenna's (the City) financial performance provides an overall review of the City's financial activities for the 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 are advised to review the basic financial statements and the notes to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- For governmental activities, net position increased \$2,130,833, which represents an increase of 5.7 percent from 2021.
- Net position of business-type related activities increased \$1,620,352 or 5.3 percent from 2021.
- General revenues, for governmental activities, accounted for \$11,407,642 or 70.2 percent of total governmental activities revenues. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$4,840,167 or 29.8 percent of total governmental revenues of \$16,247,809.
- The City had \$14,116,976 in expenses related to governmental activities; \$4,840,167 of these expenses was offset by program specific charges for services, grants, contributions, or interest. General revenues (primarily taxes) of \$11,407,642 were sufficient to offset these program expenses.
- The general fund, the City's largest major governmental fund, had revenues of \$7,489,079 in 2022, or 46.7 percent of total governmental funds. Expenditures of the general fund were \$7,651,040, or 46.6 percent of total governmental funds. The general fund balance decreased \$161,961, or 2.2 percent in 2022.
- For business-type activities, total expenses were \$5,715,977; these expenses were offset by program specific charges for services and sales, capital grants, and operating grants and contributions.
- During 2022 the City received \$599,790 in grant funding in the American rescue plan fund. The grant will be used to offset revenue losses in various departments.

Overview of the Financial Statements

This annual report consists of a series of financial statements, notes pertaining to those statements, and the required supplementary information. These statements are presented so that the reader can understand the City's financial situation as a whole and also give a detailed view of the City's fiscal condition.

City of Ravenna, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

Government Wide Financial Statements. The government wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private sector businesses. The statement of net position and statement of activities provide information about the activities of the City taken as a whole. These statements present both an aggregate view of the City's finances and a longer term view of those related assets.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government wide financial statements distinguish functions for the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities). The governmental activities of the City include general government, security of persons and property, leisure time activities, community and economic development, transportation, interest and fiscal charges. The business activities include the water and sewer enterprise funds.

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

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

Since the focus of governmental funds is narrower than that of the government wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long term impact of the government's near term financing decisions. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

City of Ravenna, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

The City of Ravenna maintains twenty-four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, revolving loan, street construction, maintenance and repair, American rescue plan, emergency medical services and road levy special revenue funds and the capital improvement capital projects fund which are considered to be major funds. Data from the other governmental funds are combined into single, aggregated presentation.

The City adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (non-GAAP basis) has been provided for general fund, revolving loan, street construction, maintenance and repair, American rescue plan, emergency medical services and road levy special revenue funds to demonstrate budgetary compliance.

Proprietary Funds The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions as business type activities in the government wide financial statements. The City uses enterprise funds to account for its water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

Proprietary funds provide the same type of information as the government wide financial statements only in more detail. The water and sewer funds are considered major funds.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds. The City's fiduciary fund is a custodial fund and did not have any activity for 2022.

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report presents the required supplementary information.

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and answers the question, "How did we do financially during 2022?" The statement of net position and statement of activities answers this question, as stated earlier. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by a private business.

The basis for this accounting considers all of the current year revenues and expenses regardless of when the cash was received or paid. These two statements report the City's net position and the changes in this position. The change in position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or declined. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

City of Ravenna, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

The City of Ravenna as a Whole

Recall that the Statement of Net Position looks at the City as a whole.

Table 1 provides a summary of the City's net position for 2022 compared to 2021:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 27,138,992	\$ 26,500,517	\$ 12,704,524	\$ 12,132,507	\$ 39,843,516	\$ 38,633,024
Capital assets	33,674,435	32,891,945	28,287,381	29,193,040	61,961,816	62,084,985
Total assets	<u>60,813,427</u>	<u>59,392,462</u>	<u>40,991,905</u>	<u>41,325,547</u>	<u>101,805,332</u>	<u>100,718,009</u>
Deferred outflows of resources:						
Pension	3,068,320	1,723,402	541,075	326,245	3,609,395	2,049,647
OPEB	785,392	1,047,327	11,032	156,946	796,424	1,204,273
Total deferred outflows of resources	<u>3,853,712</u>	<u>2,770,729</u>	<u>552,107</u>	<u>483,191</u>	<u>4,405,819</u>	<u>3,253,920</u>
Liabilities:						
Current liabilities	1,734,033	1,016,154	248,506	111,507	1,982,539	1,127,661
Long-term liabilities:						
Due within one year	1,241,123	1,149,568	1,567,021	1,571,293	2,808,144	2,720,861
Due in more than one year:						
Net pension liability	9,210,893	11,199,614	1,263,473	2,184,006	10,474,366	13,383,620
Net OPEB liability	1,394,345	1,401,211	-	-	1,394,345	1,401,211
Other amounts	5,277,473	5,944,848	4,194,816	5,558,091	9,472,289	11,502,939
Total liabilities	<u>18,857,867</u>	<u>20,711,395</u>	<u>7,273,816</u>	<u>9,424,897</u>	<u>26,131,683</u>	<u>30,136,292</u>
Deferred inflows of resources:						
Property taxes	636,595	630,247	-	-	636,595	630,247
Pension	4,395,181	1,840,357	1,558,655	958,993	5,953,836	2,799,350
OPEB	995,689	1,330,218	472,000	805,659	1,467,689	2,135,877
Total deferred inflows of resources	<u>6,027,465</u>	<u>3,800,822</u>	<u>2,030,655</u>	<u>1,764,652</u>	<u>8,058,120</u>	<u>5,565,474</u>
Net Position:						
Net investment in capital assets	30,866,265	29,684,161	22,986,681	22,489,750	53,852,946	52,173,911
Restricted net position	12,167,087	11,570,799	-	-	12,167,087	11,570,799
Unrestricted net position	(3,251,545)	(3,603,986)	9,252,860	8,129,439	6,001,315	4,525,453
Total net position	<u>\$ 39,781,807</u>	<u>\$ 37,650,974</u>	<u>\$ 32,239,541</u>	<u>\$ 30,619,189</u>	<u>\$ 72,021,348</u>	<u>\$ 68,270,163</u>

City of Ravenna, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$72,021,348 at the close of the most recent year. This amounts to \$39,781,807 in governmental activities and \$32,239,541 in business-type activities.

The City's statement of activities prepared on an accrual basis of accounting includes an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

The City is also reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting in the statement of net position.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 60.9 percent of total governmental and business-type assets. Capital assets include land, buildings, improvements other than buildings, furniture, fixtures and equipment, vehicles, infrastructure and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2022, were \$53,852,946. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's governmental net position, \$12,167,087 or 30.6 percent, represent resources that are subject to external restrictions on how they may be used. Of the total restricted net position, \$122,628 is restricted for capital projects, \$344,609 is restricted for debt service, \$4,284,186 is restricted for street maintenance and repair, \$7,152,340 is restricted for revolving loans and \$263,324 is restricted for other purposes. The remaining significant balance of governmental activities unrestricted net position is a deficit of \$3,251,545. The impact on net position that is from reporting a net pension and net other post-employment benefit liability is explained later on pages 11 and 12.

Table 2 below shows the changes in net position for governmental and business-type activities for year 2022 compared to 2021:

City of Ravenna, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Table 2
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 2,563,954	\$ 2,474,778	\$ 6,197,617	\$ 5,878,658	\$ 8,761,571	\$ 8,353,436
Operating grants and contributions	1,772,293	1,601,263	1,206	1,973	1,773,499	1,603,236
Capital grants and contributions	503,920	23,000	44,396	324,307	548,316	347,307
General revenues:						
Income taxes	10,933,688	10,451,624	1,214,751	1,161,354	12,148,439	11,612,978
Property taxes	644,631	562,585	-	-	644,631	562,585
Payment in lieu of tax	19,357	17,612	-	-	19,357	17,612
Intergovernmental	802,269	760,465	-	-	802,269	760,465
Interest	(1,190,715)	(65,892)	-	-	(1,190,715)	(65,892)
Miscellaneous	76,771	77,334	-	-	76,771	77,334
Total revenues	<u>16,126,168</u>	<u>15,902,769</u>	<u>7,457,970</u>	<u>7,366,292</u>	<u>23,584,138</u>	<u>23,269,061</u>
Program Expenses						
Governmental Activities:						
General government	1,585,982	1,607,931	-	-	1,585,982	1,607,931
Security of persons and property:						
Police	3,836,230	3,348,213	-	-	3,836,230	3,348,213
Fire	2,771,156	2,728,443	-	-	2,771,156	2,728,443
Leisure time activities	574,226	437,908	-	-	574,226	437,908
Community and economic development	1,190,771	859,626	-	-	1,190,771	859,626
Recycling and refuse	361,932	329,093	-	-	361,932	329,093
Transportation	3,700,462	3,075,945	-	-	3,700,462	3,075,945
Interest and fiscal charges	96,217	116,868	-	-	96,217	116,868
Business-type Activities:						
Water	-	-	3,347,032	2,456,224	3,347,032	2,456,224
Sewer	-	-	2,368,945	1,986,135	2,368,945	1,986,135
Total program expenses	<u>14,116,976</u>	<u>12,504,027</u>	<u>5,715,977</u>	<u>4,442,359</u>	<u>19,832,953</u>	<u>16,946,386</u>
Change in net position before transfers	2,009,192	3,398,742	1,741,993	2,923,933	3,751,185	6,322,675
Transfers	<u>121,641</u>	<u>(439,387)</u>	<u>(121,641)</u>	<u>439,387</u>	<u>-</u>	<u>-</u>
Change in net position	2,130,833	2,959,355	1,620,352	3,363,320	3,751,185	6,322,675
Net position beginning of year	<u>37,650,974</u>	<u>34,691,619</u>	<u>30,619,189</u>	<u>27,255,869</u>	<u>68,270,163</u>	<u>61,947,488</u>
Net position end of year	<u>\$ 39,781,807</u>	<u>\$ 37,650,974</u>	<u>\$ 32,239,541</u>	<u>\$ 30,619,189</u>	<u>\$ 72,021,348</u>	<u>\$ 68,270,163</u>

City of Ravenna, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

Governmental Activities

Security of persons and property, which primarily supports the operations of the City's police, fire and emergency medical services, accounts for \$6,607,386 of expenses, or 46.8 percent of total governmental expenses of the City. These expenses were funded by \$661,506 in charges to users of services, operating grants and contributions. In addition, these expenses were significantly higher this year due to a prior year expense adjustment from a decrease in the post-employment benefit liability as shown in Table 3. General government expenses, which primarily include support departments of the mayor, council, finance, engineering, law and other adjunct support services not specifically related to a specific function or activity totaled \$1,585,982 or 11.2 percent of total governmental expenses. General government expenses were partially covered by \$316,740 of direct charges to users and operating grants.

General revenues (excluding transfers) totaled \$11,286,001 and amounted to 69.5 percent of total revenues. These revenues primarily consist of property and income tax revenue of \$11,578,319. For 2022 investment earnings were a negative balance of \$1,190,715, this was due to changes in the adjustment to market rates. The other primary source of general revenues is intergovernmental that are not restricted to specific programs, with a majority of the revenue being local government and local government revenue assistance. For 2022, these revenues totaled \$802,269 or 7.0 percent of the total general revenues.

Business-type Activities

The water and sewer funds represent the City's business-type activities. These programs have program revenues of \$6,243,219 and expenses of \$5,715,977, for the year ended December 31, 2022. Business-type activities had an increase in net position of \$1,620,352. For this year, the increase in net position was attributed to operating activities of the sewer fund.

Most of the business-type activities program revenue was charges for services. The majority of the receipts were used to fund the water and sewer operations.

As a result of implementing the accounting standards for pension and OPEB, the City is reporting a net pension liability, related deferred inflows of resources and an increase in expenses for the year which have a negative effect on net position. In addition, the City is reporting, net OPEB asset, deferred outflows of resources related to pension and OPEB, which have a positive impact on net position. The increase in pension and OPEB expense is the difference between the contractually required contributions and the pension and OPEB expense resulting from the change in the liability that is not reported as deferred inflows or outflows. These amounts can be found in the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities. To further explain the impact of these accounting standards on the City's net position, additional information is presented below.

City of Ravenna, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

Table 3
Impact of pension and other post-employment benefit liabilities

	2022	2021	2022	2021
	Governmental	Governmental	Business-Type	Business-Type
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>
Deferred outflows - pension	\$ 3,068,320	\$ 1,723,402	\$ 541,075	\$ 326,245
Deferred outflows - OPEB	785,392	1,047,327	11,032	156,946
Deferred inflows - pension	(4,395,181)	(1,840,357)	(1,558,655)	(958,993)
Deferred inflows - OPEB	(995,689)	(1,330,218)	(472,000)	(805,659)
Net OPEB asset	453,802	261,438	453,802	261,438
Net pension liability	(9,210,893)	(11,199,614)	(1,263,473)	(2,184,006)
Net OPEB liability	(1,394,345)	(1,401,211)	-	-
Impact of GASB 68 and 75 on net position	<u>\$ (11,688,594)</u>	<u>\$ (12,739,233)</u>	<u>\$ (2,288,219)</u>	<u>\$ (3,204,029)</u>

The change in these pension and other post-employment benefits from 2021 to 2022, resulted in an expense reduction of \$1,050,639 for governmental activities and \$915,810 for business-type activities.

Financial Analysis of City Funds

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

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

As of December 31, 2022, the City's governmental funds reported a combined ending fund balance of \$21,990,056, a decrease of \$363,691 in comparison with the prior year. \$7,056,520 of the ending combined fund balance for 2022 constitutes assigned and unassigned fund balance combined, which is available for spending at the City's discretion. The remainder of fund balance is nonspendable, restricted, or committed to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted or committed by external or internal constraints. A large portion of the fund balance, \$11,257,727, or 51.2 percent is restricted. These restricted amounts lead to restricted net position on the statement of net position due to expenditure restrictions mandated by the source of the resource, such as the state or federal government.

The general fund is the primary operating fund of the City. At the end of 2022, unassigned fund balance was \$5,417,799 while total fund balance was \$7,236,462. As a measure of the general fund's liquidity it may be useful to compare both, unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the City's general fund decreased by \$161,961 during 2022. This decrease was due primarily from decreased revenue from various sources.

City of Ravenna, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

Table 4 below reports year 2022 balances compared to 2021:

Table 4
Change in Fund Balance

	Fund Balance		Increase (Decrease)	Percent Change
	December 31, 2022	December 31, 2021		
General	\$ 7,236,462	\$ 7,398,423	\$ (161,961)	-2.2%
Revolving loan	7,152,340	7,551,079	(398,739)	-5.3%
Street construction, maintenance and repair	2,381,756	1,808,712	573,044	31.7%
American rescue plan	-	-	-	n/a
Emergency medical services	210,822	134,678	76,144	56.5%
Road levy	1,519,809	1,239,906	279,903	22.6%
Capital improvement	(122,845)	1,110,320	(1,233,165)	-111.1%
Other governmental funds	3,611,712	3,110,629	501,083	16.1%
	<u>\$ 21,990,056</u>	<u>\$ 22,353,747</u>	<u>\$ (363,691)</u>	

The revolving loan fund balance decreased by \$398,739. Fund balance at December 31, 2022, was \$7,152,340 reporting \$395,103 in revenues, \$793,842 in expenditures. The street construction, maintenance and repair fund balance increased by \$573,044 to a fund balance of \$2,381,756. The increase is primarily from increases in variance revenues. The emergency medical services fund balance increased by \$76,144 to a fund balance of \$210,822. The increase is primarily from increases mainly in charges for services revenues. The road levy fund balance increased by \$279,903 to a fund balance of \$1,519,809. The increase is primarily from increases in variance revenues. The capital improvement fund balance decreased by \$1,233,165 to a deficit fund balance of \$122,845. The decrease is primarily from increased expenditures associated with capital spending. All other governmental funds fund balance increased by \$501,083 during 2022.

City of Ravenna, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

Table 5 below assists in illustrating the financial activities for the general fund of year 2022 balances compared to 2021:

Table 5
Change in Financial Activities for the General Fund

	December 31, <u>2022</u>	December 31, <u>2021</u>	Increase <u>(Decrease)</u>
<u>Revenues:</u>			
Income tax	\$ 6,779,559	\$ 6,643,518	\$ 136,041
Property and other taxes	642,954	560,267	82,687
Charges for services	223,595	231,855	(8,260)
Fees, licenses and permits	369,148	306,063	63,085
Fines and forfeitures	2,348	9,148	(6,800)
Intergovernmental	563,662	626,301	(62,639)
Investment income	(1,190,715)	(65,892)	(1,124,823)
Payments in lieu of taxes	19,357	17,612	1,745
Rentals	2,400	2,400	-
Contributions and donations	10,000	19,000	(9,000)
Other	66,771	58,334	8,437
Total revenue	<u>7,489,079</u>	<u>8,408,606</u>	<u>(919,527)</u>
<u>Expenditures:</u>			
Current:			
General government	1,679,373	1,757,426	(78,053)
Security of persons and property:			
Police	4,050,302	3,695,045	355,257
Fire	1,715,008	1,588,634	126,374
Community and economic development	148,710	114,723	33,987
Transportation	55,847	61,329	(5,482)
Capital outlay	-	322,697	(322,697)
Debt service:			
Principal retirement	1,633	1,553	80
Interest and fiscal charges	167	247	(80)
Total expenditures	<u>\$ 7,651,040</u>	<u>\$ 7,541,654</u>	<u>\$ 109,386</u>

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report functions presented as a business-type activities on the government-wide financial statements. As noted earlier, the City uses enterprise funds to account for water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's other programs and activities.

Analysis of the City's enterprise funds is noted above within the discussion of the City's business-type activities.

City of Ravenna, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

Budgetary Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. Budget change requests are presented to the Finance Committee of Council before going to City Council for legislative action to approve the change. Budgetary changes typically consist of requests for capital expenditures. The general fund supports many major activities that include police, fire, and a portion of EMS services, in addition to being the funding source for legislative and administrative activities. The general fund is monitored closely with regard to annual revenues and related expenditures, as an ongoing effort to ensure revenues and expenditures are kept in balance on an annual basis, independent of any available fund balance. This objective has been incorporated as a key component of the Budget Commission's review process in an effort to identify annual deficits that could potentially erode the fund balance.

The original general fund revenues including other financing sources were budgeted at \$7,525,419 and final budgeted revenues including other financing sources were \$8,575,318. The actual revenue received was \$8,773,327 this was higher than the final budgeted amounts mainly from changes in income tax, fees, licenses and permits and intergovernmental that were unknown during the budgeting process.

The general fund original budgeted expenditures and other financing uses were lower than the final budgeted expenditures by \$1,258,037. There were no individually significant events that led to these differences. Actual expenditures and other financing uses, plus encumbrances for the year were \$1,261,678 less than the final budgeted amounts. Actual expenditures were lower than the final appropriations due to management keeping costs low while still providing the services the citizens expect.

Capital Assets and Debt Administration

Capital Assets - At the end of 2022, the City had \$61,961,816 (net of accumulated depreciation) invested in land, buildings, improvements other than buildings, furniture, fixtures and equipment, vehicles, infrastructure and construction in progress. Of this total \$33,674,435 was reported in governmental activities and \$28,287,381 was reported in business-type activities.

Table 6 shows fiscal year 2022 balances compared to 2021.

City of Ravenna, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

Table 6
Capital Assets, at December 31
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 2,317,180	\$ 1,675,766	\$ 1,565,460	\$ 1,565,460	\$ 3,882,640	\$ 3,241,226
Construction in progress	1,037,358	83,500	174,351	392,383	1,211,709	475,883
Buildings	1,394,398	1,469,538	2,638,215	2,764,878	4,032,613	4,234,416
Improvements other than buildings	302,645	163,506	2,674,528	3,026,548	2,977,173	3,190,054
Furniture, Fixtures and equipment	1,213,759	1,179,037	8,425,533	8,783,911	9,639,292	9,962,948
Vehicles	1,570,507	1,338,058	269,360	265,310	1,839,867	1,603,368
Infrastructure:						
Streets	17,151,116	17,863,281	-	-	17,151,116	17,863,281
Storm drains	2,063,339	2,103,919	-	-	2,063,339	2,103,919
Sidewalks	2,818,603	3,035,693	-	-	2,818,603	3,035,693
Fire hydrants	654,628	675,102	-	-	654,628	675,102
Traffic lights	3,150,902	3,304,545	-	-	3,150,902	3,304,545
Water lines	-	-	9,701,693	9,493,901	9,701,693	9,493,901
Sewer lines	-	-	2,838,241	2,900,649	2,838,241	2,900,649
Total	\$ 33,674,435	\$ 32,891,945	\$ 28,287,381	\$ 29,193,040	\$ 61,961,816	\$ 62,084,985

For governmental activities capital additions were offset by \$1,714,935 of accumulated depreciation. Depreciation expense for business-type activities was \$1,274,742. In 2022 the most significant increases were in vehicles in governmental activities from the purchase of new fire and engineering vehicles and infrastructure in business-type activities from completed waterlines.

Additional information concerning the City's capital assets can be found in Note 11 of the basic financial statements.

Long-Term Debt - At December 31, 2022 the City had total long-term debt outstanding of \$10,643,870. Of this total, \$2,013,406 is due within one year and \$8,630,464 is due in more than one year. Table 7 below summarizes the bonds and loans outstanding:

Table 7
Outstanding Debt, at December 31

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
General obligation bonds	\$ 2,660,803	\$ 2,952,794	\$ 2,708,348	\$ 3,001,072	\$ 5,369,151	\$ 5,953,866
Library bonds	2,535,000	2,745,000	-	-	2,535,000	2,745,000
OWDA loan	-	-	1,975,000	3,038,767	1,975,000	3,038,767
OPWC loan	-	-	617,352	663,451	617,352	663,451
Financed purchases	147,367	254,990	-	-	147,367	254,990
Total	\$ 5,343,170	\$ 5,952,784	\$ 5,300,700	\$ 6,703,290	\$ 10,643,870	\$ 12,656,074

City of Ravenna, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

At December 31, 2022 the City's overall legal debt margin was \$19,542,600, with an unvoted debt margin of \$9,181,980. Because of strong fund balances, conservative budgeting and a strong economic outlook, Moody's upgraded the City from an A3 credit rating to an A1 credit rating in March of 2022.

At December 31, 2022, the City of Ravenna had governmental bonds, net pension and OPEB liabilities, financed purchases and compensated absences outstanding. Municipal improvement, energy conservation and Library bonds comprise the bonded debt within governmental activities. Long-term business-type obligations include general obligation bonds, OPWC loans, OWDA loans, net pension and OPEB liabilities and compensated absences.

The energy conservation bonds were issued to provide funding for a City-wide energy conservation improvement project. The library improvement bonds represent debt, as principal and interest are paid by the taxes provided by a property tax levy through the Reed Memorial Library.

Business-type debt includes OWDA and OPWC loans outstanding for infrastructure improvement projects which are repaid using water and sewer revenues. The largest component of business-type activities debt is a 2007 OWDA loan for expansion of the City's Wastewater Treatment Plant. The loan is paid for with a combination of sewer revenues and participation revenues from Portage County as noted above. A portion of the energy conservation bonds are also in business-type activities, as some of the energy conservation improvements were done at the water and sewer facilities. Additional information concerning debt issuances can be found in Note 16 to the basic financial statements.

Additional information concerning the City's financed purchases and debt can be found in Notes 10 and 16 of the basic financial statements.

Current Issues Affecting Financial Condition

The City of Ravenna is strong financially. In addition, the City of Ravenna's systems of budgeting and internal controls are well regarded and the City is well prepared to meet the challenges of the future. In conclusion, management has been committed to provide the residents of the City of Ravenna with full disclosure of the financial position of the City.

Requests for Information

This financial report is designed to provide the citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact Brian Huff, Finance Director, City of Ravenna, 210 Park Way, Ravenna, Ohio 44266, 330-297-2152.

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City of Ravenna, Ohio
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities	Total
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 14,928,306	\$ 9,804,795	\$ 24,733,101
Materials and supplies inventory	385,430	205,326	590,756
Receivables:			
Accrued interest	28,043	-	28,043
Accounts	1,076,437	1,086,739	2,163,176
Intergovernmental	626,727	880,964	1,507,691
Income tax	2,480,878	275,570	2,756,448
Property and other taxes	677,561	-	677,561
Loans	6,175,360	-	6,175,360
Special assessments	303,776	-	303,776
Internal balances	2,672	(2,672)	-
Net OPEB asset	453,802	453,802	907,604
Nondepreciable capital assets	3,354,538	1,739,811	5,094,349
Depreciable capital assets	78,254,978	59,974,847	138,229,825
Accumulated depreciation	(47,935,081)	(33,427,277)	(81,362,358)
Total assets	60,813,427	40,991,905	101,805,332
<u>Deferred outflows of resources:</u>			
Pension	3,068,320	541,075	3,609,395
OPEB	785,392	11,032	796,424
Total deferred outflows of resources	3,853,712	552,107	4,405,819
<u>Liabilities:</u>			
Accounts payable	211,721	165,340	377,061
Accrued wages and benefits	163,641	47,414	211,055
Matured compensated absences payable	9,669	-	9,669
Intergovernmental payable	110,310	31,986	142,296
Accrued interest payable	11,933	3,197	15,130
Unearned revenue	1,194,828	-	1,194,828
Undistributed monies	76	-	76
Income tax refunds payable	5,123	569	5,692
Claims payable	26,732	-	26,732
Long-term liabilities:			
Due within one year	1,241,123	1,567,021	2,808,144
Due in more than one year:			
Net pension liability	9,210,893	1,263,473	10,474,366
Net OPEB liability	1,394,345	-	1,394,345
Other amounts due in more than one year	5,277,473	4,194,816	9,472,289
Total liabilities	18,857,867	7,273,816	26,131,683
<u>Deferred inflows of resources:</u>			
Property taxes	636,595	-	636,595
Pension	4,395,181	1,558,655	5,953,836
OPEB	995,689	472,000	1,467,689
Total deferred inflows of resources	6,027,465	2,030,655	8,058,120
<u>Net position:</u>			
Net investment in capital assets	30,866,265	22,986,681	53,852,946
Restricted for:			
Debt service	344,609	-	344,609
Capital outlay	122,628	-	122,628
Other purposes	263,324	-	263,324
Revolving loans	7,152,340	-	7,152,340
Street maintenance and repair	4,284,186	-	4,284,186
Unrestricted	(3,251,545)	9,252,860	6,001,315
Total net position	\$ 39,781,807	\$ 32,239,541	\$ 72,021,348

See accompanying notes to the basic financial statements.

City of Ravenna, Ohio
Statement of Activities
For the Year Ended December 31, 2022

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
General government	\$ 1,585,982	\$ 247,358	\$ 69,382	\$ -
Security of persons and property:				
Police	3,836,230	2,483	19,114	-
Fire	2,771,156	639,122	787	-
Leisure time activities	574,226	198,308	24,827	-
Community and economic development	1,190,771	360,034	786,196	-
Recycling and refuse	361,932	456,866	-	-
Transportation	3,700,462	659,783	871,987	503,920
Interest and fiscal charges	96,217	-	-	-
Total governmental activities	14,116,976	2,563,954	1,772,293	503,920
<u>Business-Type Activities:</u>				
Water	3,347,032	2,713,679	1,058	787
Sewer	2,368,945	3,483,938	148	43,609
Total business-type activities	5,715,977	6,197,617	1,206	44,396
Total primary government	\$ 19,832,953	\$ 8,761,571	\$ 1,773,499	\$ 548,316

General revenues:
Property taxes levied for:
 General purposes
Income tax levied for:
 General purposes
 Street maintenance and repair
 Recreation
 Emergency medical services
 Capital improvements
 Water utility
Grants and entitlements not restricted to specific programs
Payments in lieu of taxes
Investment earnings
Other
Transfers
Total general revenues and transfers

Change in net assets

Net position at 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
\$ (1,269,242)	\$ -	\$ (1,269,242)
(3,814,633)	-	(3,814,633)
(2,131,247)	-	(2,131,247)
(351,091)	-	(351,091)
(44,541)	-	(44,541)
94,934	-	94,934
(1,664,772)	-	(1,664,772)
(96,217)	-	(96,217)
<u>(9,276,809)</u>	<u>-</u>	<u>(9,276,809)</u>
-	(631,508)	(631,508)
-	1,158,750	1,158,750
<u>-</u>	<u>527,242</u>	<u>527,242</u>
<u>(9,276,809)</u>	<u>527,242</u>	<u>(8,749,567)</u>
644,631	-	644,631
6,750,156	-	6,750,156
1,918,810	-	1,918,810
593,213	-	593,213
388,720	-	388,720
1,282,789	-	1,282,789
-	1,214,751	1,214,751
802,269	-	802,269
19,357	-	19,357
(1,190,715)	-	(1,190,715)
76,771	-	76,771
121,641	(121,641)	-
<u>11,407,642</u>	<u>1,093,110</u>	<u>12,500,752</u>
2,130,833	1,620,352	3,751,185
<u>37,650,974</u>	<u>30,619,189</u>	<u>68,270,163</u>
<u>\$ 39,781,807</u>	<u>\$ 32,239,541</u>	<u>\$ 72,021,348</u>

City of Ravenna, Ohio

Balance Sheet

Governmental Funds

December 31, 2022

	General	Revolving Loan	Street Construction, Maintenance and Repair	American Rescue Plan	Emergency Medical Services
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 5,450,079	\$ 976,980	\$ 1,900,249	\$ 1,194,828	\$ 59,910
Materials and supplies inventory	57,097	-	299,262	-	-
<u>Receivables:</u>					
Accrued interest	28,043	-	-	-	-
Accounts	35,786	-	20,715	-	826,910
Intergovernmental	335,998	-	269,725	-	-
Income tax	1,531,816	-	162,035	-	88,182
Property and other taxes	677,561	-	-	-	-
Interfund	900,000	-	-	-	-
Loans	-	6,175,360	-	-	-
Special assessments	-	-	-	-	-
Total assets	\$ 9,016,380	\$ 7,152,340	\$ 2,651,986	\$ 1,194,828	\$ 975,002
<u>Liabilities, deferred inflows of resources and fund balances:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 113,000	\$ -	\$ 17,434	\$ -	\$ -
Accrued wages and benefits	130,736	-	13,319	-	-
Intergovernmental payable	99,237	-	7,434	-	-
Matured compensated absences payable	-	-	9,669	-	-
Interfund payable	22,374	-	1,664	-	-
Income tax refunds payable	3,163	-	335	-	182
Unearned revenue	-	-	-	1,194,828	-
Undistributed monies	76	-	-	-	-
Total liabilities	368,586	-	49,855	1,194,828	182
<u>Deferred inflows of resources:</u>					
Property taxes	636,595	-	-	-	-
Unavailable revenue - delinquent property taxes	40,966	-	-	-	-
Unavailable revenue - other	733,771	-	220,375	-	763,998
Total deferred inflows of resources	1,411,332	-	220,375	-	763,998
<u>Fund balances:</u>					
Nonspendable	57,097	-	299,262	-	-
Restricted	-	7,152,340	2,082,494	-	-
Committed	-	-	-	-	210,822
Assigned	1,761,566	-	-	-	-
Unassigned	5,417,799	-	-	-	-
Total fund balances	7,236,462	7,152,340	2,381,756	-	210,822
Total liabilities, deferred inflows of resources and fund balances	\$ 9,016,380	\$ 7,152,340	\$ 2,651,986	\$ 1,194,828	\$ 975,002

See accompanying notes to the basic financial statements.

<u>Road Levy</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,329,201	\$ 692,060	\$ 3,324,999	\$ 14,928,306
-	-	29,071	385,430
-	-	-	28,043
-	68	192,958	1,076,437
-	-	21,004	626,727
275,570	235,887	187,388	2,480,878
-	-	-	677,561
-	-	-	900,000
-	-	-	6,175,360
-	-	303,776	303,776
<u>\$ 1,604,771</u>	<u>\$ 928,015</u>	<u>\$ 4,059,196</u>	<u>\$ 27,582,518</u>

\$ -	\$ 77,009	\$ 4,278	\$ 211,721
-	656	18,930	163,641
-	469	3,170	110,310
-	-	-	9,669
-	900,000	22	924,060
569	487	387	5,123
-	-	-	1,194,828
-	-	-	76
<u>569</u>	<u>978,621</u>	<u>26,787</u>	<u>2,619,428</u>

-	-	-	636,595
-	-	-	40,966
84,393	72,239	420,697	2,295,473
<u>84,393</u>	<u>72,239</u>	<u>420,697</u>	<u>2,973,034</u>

-	-	29,071	385,430
1,519,809	-	503,084	11,257,727
-	-	3,079,557	3,290,379
-	-	-	1,761,566
-	(122,845)	-	5,294,954
<u>1,519,809</u>	<u>(122,845)</u>	<u>3,611,712</u>	<u>21,990,056</u>

<u>\$ 1,604,771</u>	<u>\$ 928,015</u>	<u>\$ 4,059,196</u>	<u>\$ 27,582,518</u>
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City of Ravenna, Ohio

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities December 31, 2022

Total governmental fund balances		\$ 21,990,056
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds.		33,674,435
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred inflows of resources in the funds:		
Property and other taxes	\$ 40,966	
Income taxes	759,530	
Intergovernmental	444,067	
Special assessments	303,776	
Charges for services	783,014	
Other	5,086	
Total	<u>2,336,439</u>	2,336,439
The net pension/OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the funds:		
Deferred outflows - pension	\$ 3,068,320	
Deferred inflows - pension	(4,395,181)	
Net pension liability	(9,210,893)	
Deferred outflows - OPEB	785,392	
Deferred inflows - OPEB	(995,689)	
Net OPEB liability	(1,394,345)	
Net OPEB asset	453,802	
Total	<u>(11,688,594)</u>	(11,688,594)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(11,933)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Energy conservation refunding bonds	\$ (2,345,000)	
Enterprise Parkway bonds	(270,803)	
Municipal building bonds	(45,000)	
Library improvement bonds	(2,535,000)	
Financed purchases	(147,367)	
Compensated absences	(1,175,426)	
Total	<u>(6,518,596)</u>	(6,518,596)
Net position of governmental activities		<u>\$ 39,781,807</u>

See accompanying notes to the basic financial statements.

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City of Ravenna, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2022

	General	Revolving Loan	Street Construction, Maintenance and Repair	American Rescue Plan	Emergency Medical Services
Revenues:					
Income tax	\$ 6,779,559	\$ -	\$ 717,386	\$ -	\$ 390,413
Property and other taxes	642,954	-	-	-	-
Charges for services	223,595	-	232,962	-	556,130
Fees, licenses and permits	369,148	100	-	-	-
Fines and forfeitures	2,348	-	-	-	-
Intergovernmental	563,662	261,725	718,779	-	-
Special assessments	-	-	-	-	-
Investment income	(1,190,715)	133,278	-	-	-
Payments in lieu of taxes	19,357	-	-	-	-
Rentals	2,400	-	-	-	-
Contributions and donations	10,000	-	-	-	-
Other	66,771	-	17,977	-	787
Total revenue	7,489,079	395,103	1,687,104	-	947,330
Expenditures:					
Current:					
General government	1,679,373	-	-	-	-
Security of persons and property:					
Police	4,050,302	-	-	-	-
Fire	1,715,008	-	-	-	871,186
Leisure time activities	-	-	-	-	-
Community and economic development	148,710	364,296	-	-	-
Recycling and refuse	-	-	-	-	-
Transportation	55,847	-	1,114,060	-	-
Capital outlay	-	429,546	-	-	-
Debt service:					
Principal retirement	1,633	-	-	-	-
Interest and fiscal charges	167	-	-	-	-
Total expenditures	7,651,040	793,842	1,114,060	-	871,186
Net change in fund balance	(161,961)	(398,739)	573,044	-	76,144
Fund balances at beginning of year	7,398,423	7,551,079	1,808,712	-	134,678
Fund balances at end of year	\$ 7,236,462	\$ 7,152,340	\$ 2,381,756	\$ -	\$ 210,822

See accompanying notes to the basic financial statements.

Road Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 1,209,828	\$ 1,044,371	\$ 839,760	\$ 10,981,317
-	-	-	642,954
-	-	1,080,555	2,093,242
-	-	-	369,248
-	-	-	2,348
503,920	-	702,727	2,750,813
-	-	37,972	37,972
-	-	-	(1,057,437)
-	-	-	19,357
-	5,340	-	7,740
-	-	7,374	17,374
-	6,093	87,099	178,727
<u>1,713,748</u>	<u>1,055,804</u>	<u>2,755,487</u>	<u>16,043,655</u>
-	66,884	949	1,747,206
-	21,445	8,914	4,080,661
-	10,151	-	2,596,345
-	-	657,994	657,994
-	-	408,708	921,714
-	-	394,253	394,253
1,406,712	3,439	336,302	2,916,360
27,133	1,823,125	104,116	2,383,920
-	320,366	287,615	609,614
-	43,559	55,553	99,279
<u>1,433,845</u>	<u>2,288,969</u>	<u>2,254,404</u>	<u>16,407,346</u>
279,903	(1,233,165)	501,083	(363,691)
<u>1,239,906</u>	<u>1,110,320</u>	<u>3,110,629</u>	<u>22,353,747</u>
<u>\$ 1,519,809</u>	<u>\$ (122,845)</u>	<u>\$ 3,611,712</u>	<u>\$ 21,990,056</u>

City of Ravenna, Ohio

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

Net change in fund balances - Total governmental funds \$ (363,691)

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 capital assets is allocated over their estimated useful lives as depreciation expense.

In the current period, these amounts are:

Capital outlay	\$ 2,383,920	
Capital assets transferred in	121,641	
Depreciation expense	<u>(1,714,935)</u>	
Excess of capital outlay and transferred assets over depreciation expense		790,626

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (8,136)

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

Property and other taxes	\$ 1,677	
Income taxes	(47,629)	
Intergovernmental	81,780	
Special assessments	(37,972)	
Charges for services	84,432	
Other	<u>225</u>	
Net change in deferred inflows of resources during the year		82,513

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	\$ (33,794)	
Decrease in accrued interest	<u>3,062</u>	
Total additional expenditures		(30,732)

Contractually required contributions are reported as expenditures in the governmental funds however, the statement of activities reports these amounts as deferred outflows.

Pension		1,032,052
OPEB		17,230

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

Pension		(253,237)
OPEB		254,594

Repayment of bond, loan and financed purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

609,614

Change in net position of governmental activities \$ 2,130,833

See accompanying notes to the basic financial statements.

City of Ravenna, Ohio

**Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income tax	\$ 5,769,568	\$ 6,543,067	\$ 6,667,824	\$ 124,757
Property and other taxes	545,588	642,988	642,954	(34)
Payments in lieu of taxes	20,000	20,000	19,357	(643)
Charges for services	222,173	222,173	223,595	1,422
Fees, licenses and permits	304,600	354,200	369,871	15,671
Fines and forfeitures	10,500	10,500	2,474	(8,026)
Intergovernmental	495,750	535,750	558,813	23,063
Investment income	90,000	165,000	199,352	34,352
Rent	2,400	2,400	2,400	-
Contributions and donations	44,000	19,500	10,000	(9,500)
Other	5,459	30,859	36,844	5,985
Total revenue	<u>7,510,038</u>	<u>8,546,437</u>	<u>8,733,484</u>	<u>187,047</u>
Expenditures:				
Current:				
General government	2,083,514	2,214,650	1,747,536	467,114
Security of persons and property:				
Police	4,392,737	4,557,422	4,068,941	488,481
Fire	1,955,374	2,000,003	1,725,867	274,136
Community and economic development	164,060	166,545	144,926	21,619
Transportation	61,300	76,402	66,074	10,328
Total expenditures	<u>8,656,985</u>	<u>9,015,022</u>	<u>7,753,344</u>	<u>1,261,678</u>
Excess of revenues over (under) expenditures	<u>(1,146,947)</u>	<u>(468,585)</u>	<u>980,140</u>	<u>1,448,725</u>
Other financing sources (uses):				
Insurance recoveries	15,000	28,500	37,431	8,931
Sale of capital assets	100	100	2,200	2,100
Advances - out	-	(900,000)	(900,000)	-
Transfers - in	281	281	212	(69)
Total other financing sources (uses)	<u>15,381</u>	<u>(871,119)</u>	<u>(860,157)</u>	<u>10,962</u>
Net change in fund balance	(1,131,566)	(1,339,704)	119,983	1,459,687
Fund balance at beginning of year	6,690,512	6,690,512	6,690,512	-
Prior year encumbrances appropriated	74,649	74,649	74,649	-
Fund balance at end of year	<u>\$ 5,633,595</u>	<u>\$ 5,425,457</u>	<u>\$ 6,885,144</u>	<u>\$ 1,459,687</u>

See accompanying notes to the basic financial statements.

City of Ravenna, Ohio

**Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Revolving Loan Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fees, licenses and permits	\$ 1,750	\$ 1,750	\$ 100	\$ (1,650)
Investment income	33,500	130,600	133,278	2,678
Other	505,000	752,300	452,014	(300,286)
Total revenue	540,250	884,650	585,392	(299,258)
<u>Expenditures:</u>				
Current:				
Community and economic development	1,123,383	1,752,383	784,791	967,592
Net change in fund balance	(583,133)	(867,733)	(199,399)	668,334
Fund balance at beginning of year	1,123,382	1,123,382	1,123,382	-
Fund balance at end of year	\$ 540,249	\$ 255,649	\$ 923,983	\$ 668,334

See accompanying notes to the basic financial statements.

City of Ravenna, Ohio

**Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Income tax	\$ 614,791	\$ 696,979	\$ 705,642	\$ 8,663
Charges for services	170,000	201,700	223,253	21,553
Intergovernmental	643,157	693,157	716,754	23,597
Other	5,400	10,300	12,818	2,518
Total revenue	<u>1,433,348</u>	<u>1,602,136</u>	<u>1,658,467</u>	<u>56,331</u>
<u>Expenditures:</u>				
Current:				
Transportation	<u>1,684,199</u>	<u>1,687,394</u>	<u>1,258,206</u>	<u>429,188</u>
Excess of revenues over expenditures	<u>(250,851)</u>	<u>(85,258)</u>	<u>400,261</u>	<u>485,519</u>
<u>Other financing sources:</u>				
Sale of capital assets	<u>2,768</u>	<u>2,768</u>	<u>4,243</u>	<u>1,475</u>
Net change in fund balance	(248,083)	(82,490)	404,504	486,994
Fund balance at beginning of year	1,484,933	1,484,933	1,484,933	-
Prior year encumbrances appropriated	<u>470</u>	<u>470</u>	<u>470</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,237,320</u>	<u>\$ 1,402,913</u>	<u>\$ 1,889,907</u>	<u>\$ 486,994</u>

See accompanying notes to the basic financial statements.

City of Ravenna, Ohio

**Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
American Rescue Plan Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 595,038	\$ 599,789	\$ 599,790	\$ 1
<u>Expenditures:</u>				
Current:				
General government	595,038	-	-	-
Net change in fund balance	-	599,789	599,790	1
Fund balance at beginning of year	595,038	595,038	595,038	-
Fund balance at end of year	<u>\$ 595,038</u>	<u>\$ 1,194,827</u>	<u>\$ 1,194,828</u>	<u>\$ 1</u>

See accompanying notes to the basic financial statements.

City of Ravenna, Ohio

**Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Services Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Income tax	\$ 334,584	\$ 378,612	\$ 384,023	\$ 5,411
Charges for services	446,140	486,140	541,045	54,905
Other	500	500	66	(434)
Total revenue	<u>781,224</u>	<u>865,252</u>	<u>925,134</u>	<u>59,882</u>
<u>Expenditures:</u>				
Current:				
Security of persons and property:				
Fire	<u>787,186</u>	<u>871,186</u>	<u>871,186</u>	<u>-</u>
Net change in fund balance	(5,962)	(5,934)	53,948	59,882
Fund balance at beginning of year	<u>5,962</u>	<u>5,962</u>	<u>5,962</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 59,910</u>	<u>\$ 59,882</u>

See accompanying notes to the basic financial statements.

City of Ravenna, Ohio

**Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Levy Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Income tax	\$ 1,045,512	\$ 1,185,988	\$ 1,189,837	\$ 3,849
Intergovernmental	53,119	53,119	503,920	450,801
Total revenue	<u>1,098,631</u>	<u>1,239,107</u>	<u>1,693,757</u>	<u>454,650</u>
<u>Expenditures:</u>				
Current:				
Transportation	<u>1,241,645</u>	<u>1,340,815</u>	<u>1,620,429</u>	<u>(279,614)</u>
Net change in fund balance	(143,014)	(101,708)	73,328	175,036
Fund balance at beginning of year	900,169	900,169	900,169	-
Prior year encumbrances appropriated	<u>169,120</u>	<u>169,120</u>	<u>169,120</u>	<u>-</u>
Fund balance at end of year	<u>\$ 926,275</u>	<u>\$ 967,581</u>	<u>\$ 1,142,617</u>	<u>\$ 175,036</u>

See accompanying notes to the basic financial statements.

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City of Ravenna, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Activities Internal Service
<u>Assets:</u>				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 5,294,936	\$ 4,509,859	\$ 9,804,795	\$ -
Materials and supplies inventory	182,766	22,560	205,326	-
Receivables:				
Accounts	413,093	673,646	1,086,739	-
Intergovernmental	-	880,964	880,964	-
Income tax	275,570	-	275,570	-
Interfund	-	-	-	26,732
Total current assets	6,166,365	6,087,029	12,253,394	26,732
Noncurrent assets:				
Capital assets:				
Nondepreciable capital assets	1,436,149	303,662	1,739,811	-
Depreciable capital assets	38,686,321	21,288,526	59,974,847	-
Accumulated depreciation	(21,987,695)	(11,439,582)	(33,427,277)	-
Net OPEB Asset	254,129	199,673	453,802	-
Total noncurrent assets	18,388,904	10,352,279	28,741,183	-
Total assets	24,555,269	16,439,308	40,994,577	26,732
<u>Deferred outflows of resources:</u>				
Pension	303,003	238,072	541,075	-
OPEB	6,178	4,854	11,032	-
Total deferred outflows of resources	309,181	242,926	552,107	-
<u>Liabilities:</u>				
Current liabilities:				
Accounts payable	134,442	30,898	165,340	-
Accrued wages and benefits	24,803	22,611	47,414	-
Intergovernmental payable	16,852	15,134	31,986	-
Accrued interest payable	1,795	1,402	3,197	-
Interfund payable	201	2,471	2,672	-
Income tax refunds payable	569	-	569	-
Claims payable	-	-	-	26,732
Compensated absences payable	85,446	83,077	168,523	-
General obligation bonds payable	164,280	132,780	297,060	-
OPWC loans payable	49,848	-	49,848	-
OWDA loans payable	132,229	919,361	1,051,590	-
Total current liabilities	610,465	1,207,734	1,818,199	26,732
Long-term liabilities:				
Compensated absences payable	142,825	149,789	292,614	-
General obligation bonds payable, net of current portion	1,357,394	1,053,894	2,411,288	-
OPWC loans payable, net of current portion	567,504	-	567,504	-
OWDA loans payable, net of current portion	-	923,410	923,410	-
Net pension liability	707,545	555,928	1,263,473	-
Total long-term liabilities	2,775,268	2,683,021	5,458,289	-
Total liabilities	3,385,733	3,890,755	7,276,488	26,732

(Continued)

City of Ravenna, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2022
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service
	Water	Sewer	Total	
<u>Deferred inflows of resources:</u>				
Pension	872,847	685,808	1,558,655	-
OPEB	264,321	207,679	472,000	-
Total deferred inflows of resources	<u>1,137,168</u>	<u>893,487</u>	<u>2,030,655</u>	<u>-</u>
<u>Net position:</u>				
Net investment in capital assets	15,863,520	7,123,161	22,986,681	-
Unrestricted	4,478,029	4,774,831	9,252,860	-
Total net position	<u>\$ 20,341,549</u>	<u>\$ 11,897,992</u>	<u>\$ 32,239,541</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

City of Ravenna, Ohio

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Activities Internal Service
<u>Operating revenues:</u>				
Charges for services	\$ 2,652,000	\$ 3,482,146	\$ 6,134,146	\$ 1,630,572
Other	61,679	1,792	63,471	-
Total operating revenue	<u>2,713,679</u>	<u>3,483,938</u>	<u>6,197,617</u>	<u>1,630,572</u>
<u>Operating expenses:</u>				
Personal services	1,164,815	1,122,292	2,287,107	-
Supplies and materials	741,146	91,716	832,862	-
Contractual services	676,767	582,811	1,259,578	561,422
Claims	-	-	-	883,684
Depreciation	732,823	541,919	1,274,742	-
Other	-	-	-	185,466
Total operating expenses	<u>3,315,551</u>	<u>2,338,738</u>	<u>5,654,289</u>	<u>1,630,572</u>
Operating income (loss)	<u>(601,872)</u>	<u>1,145,200</u>	<u>543,328</u>	<u>-</u>
<u>Nonoperating revenues (expenses):</u>				
State subsidies	1,058	148	1,206	-
Municipal income tax	1,214,751	-	1,214,751	-
Interest and fiscal charges	(31,481)	(30,207)	(61,688)	-
Loss on disposal of capital assets	(61,400)	(60,241)	(121,641)	-
Total nonoperating revenues (expenses):	<u>1,122,928</u>	<u>(90,300)</u>	<u>1,032,628</u>	<u>-</u>
Income before capital contributions	521,056	1,054,900	1,575,956	-
Capital contributions	787	43,609	44,396	-
Change in net position	521,843	1,098,509	1,620,352	-
Net position at beginning of year	19,819,706	10,799,483	30,619,189	-
Net position at end of year	<u>\$ 20,341,549</u>	<u>\$ 11,897,992</u>	<u>\$ 32,239,541</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

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City of Ravenna, Ohio

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Activities Internal Service
Cash flows from operating activities:				
Cash received from customers	\$ 2,691,143	\$ 3,330,381	\$ 6,021,524	\$ -
Cash received for internal services	-	-	-	1,621,513
Cash payments for personal services	(1,683,177)	(1,511,752)	(3,194,929)	-
Cash payments for other services	-	-	-	(185,466)
Cash payments for contractual services	(630,215)	(569,668)	(1,199,883)	(561,422)
Cash payments to suppliers for goods and services	(641,553)	(102,947)	(744,500)	-
Cash payments for claims	-	-	-	(874,625)
Net cash provided by (used for) operating activities	<u>(263,802)</u>	<u>1,146,014</u>	<u>882,212</u>	<u>-</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	(72,295)	(36,147)	(108,442)	-
Income taxes received	<u>1,200,072</u>	<u>-</u>	<u>1,200,072</u>	<u>-</u>
Net cash provided by (used for) noncapital financing activities	<u>1,127,777</u>	<u>(36,147)</u>	<u>1,091,630</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Interest paid on debt	(20,319)	(25,066)	(45,385)	-
Principal payments	(273,727)	(1,035,863)	(1,309,590)	-
Capital contributions received	787	460,761	461,548	-
Acquisition of capital assets	<u>(274,665)</u>	<u>(136,910)</u>	<u>(411,575)</u>	<u>-</u>
Net cash provided by (used) for capital and related financing activities	<u>(567,924)</u>	<u>(737,078)</u>	<u>(1,305,002)</u>	<u>-</u>
Net increase in cash and cash equivalents	296,051	372,789	668,840	-
Cash and cash equivalents at beginning of year	<u>4,998,885</u>	<u>4,137,070</u>	<u>9,135,955</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 5,294,936</u>	<u>\$ 4,509,859</u>	<u>\$ 9,804,795</u>	<u>\$ -</u>

(Continued)

City of Ravenna, Ohio

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2022 (Continued)

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Activities Internal Service
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (601,872)	\$ 1,145,200	\$ 543,328	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	732,823	541,919	1,274,742	-
Change in assets and liabilities:				
(Increase) decrease in assets and deferred outflows:				
Accounts receivable	(22,536)	(153,557)	(176,093)	-
Materials and supplies inventory	82,919	(6,275)	76,644	-
Interfund receivable	-	-	-	(9,059)
Net OPEB asset	(107,724)	(84,640)	(192,364)	-
Deferred outflows of resources - pension	(120,306)	(94,524)	(214,830)	-
Deferred outflows of resources - OPEB	81,712	64,202	145,914	-
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable	63,226	8,187	71,413	-
Accrued wages and benefits	(6,355)	(4,346)	(10,701)	-
Intergovernmental payable	(912)	(778)	(1,690)	-
Interfund payable	155	(14,819)	(14,664)	-
Compensated absences	1,603	33,440	35,043	-
Claims payable	-	-	-	9,059
Net pension liability	(515,498)	(405,035)	(920,533)	-
Deferred inflows of resources - pension	335,811	263,851	599,662	-
Deferred inflows of resources - OPEB	(186,848)	(146,811)	(333,659)	-
Net cash provided by operating activities	<u>\$ (263,802)</u>	<u>\$ 1,146,014</u>	<u>\$ 882,212</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 1 - Description of the City and Reporting Entity

The City of Ravenna (the “City”) was incorporated under the laws of the State of Ohio in 1852, and adopted its first charter in 1971. The Charter provides for a Mayor-Council form of government. The Mayor is elected for a four-year term and eight Council members are elected at-large for four-year staggered terms.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Ravenna, this includes the agencies and departments that provide the following services: police protection, firefighting and prevention, street maintenance and repairs, building inspection, parks and recreation, water and wastewater. The operation of each of these activities is directly controlled by Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. There are no component units included as part of this report.

The City participates in the Metro Critical Response and Rescue Team and the Regional Income Tax Agency which are defined as jointly governed organizations. A jointly governed organization is managed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. These organizations are discussed in Note 13 to the basic financial statements.

The City participates in the Maple Grove Union Cemetery which is defined as a joint venture. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. This organization is discussed in Note 14 to the basic financial statements.

The City is associated with the Reed Memorial Library which is defined as a related organization. This organization is discussed in Note 17 to the basic financial statements.

The City’s management believes these financial statements present all activities for which the City is financially responsible.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

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

Fund Accounting

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

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

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

Revolving Loan Fund The revolving loan fund accounts for and reports Federal grants restricted to making loans for economic development projects within the City.

Street Construction, Maintenance and Repair Fund The street construction maintenance and repair fund accounts for and reports income taxes and State gasoline tax and motor vehicle registration fees that are restricted for maintenance of streets within the City.

American Rescue Plan Fund The American rescue plan fund was created in 2021 to account for monies received from the federal government as part of the American Rescue Plan Act of 2021. \$595,038 in funding was received in 2021 and \$599,790 was received in 2022; however, this fund reports no fund balance at December 31, 2022 since the cash asset for the unspent money is offset by a liability for unearned revenue.

Emergency Medical Services (EMS) Fund The EMS fund collects fees committed to paramedic services of the Fire and EMS Departments. The fund receives an allocation of income tax to fund some of the various EMS services.

Road Levy Fund This fund is used for various road infrastructure maintenance and improvement projects. The fund receives an allocation of income tax to fund some of the various capital related projects.

Capital Improvements Fund This fund is used for various capital related projects for multiple city departments. The fund receives an allocation of income tax to fund some of the various capital related projects.

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

Water Fund The water fund accounts for revenues generated from the charges for distribution of water to the residential and commercial users of the City.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Sewer Fund The sewer fund accounts for sewer services to City individuals and commercial users in the City. The costs of providing these services are financed primarily through user charges.

Internal Service Fund Internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund is a self-insurance fund that accounts for dental, life and hospital/medical claims of the City's employees.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's only fiduciary funds are custodial funds. The custodial funds are used for parking meter collections and distributions to the Portage County Municipal Court.

Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, 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.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

Basis of Accounting

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

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, interest, federal and state grants and subsidies, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fees and rentals.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Note 15.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, charges for services, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 23. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Note 15)

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

The current accounting standard requires Cities to report their proportionate share of the net pension/OPEB liability or asset using the earning approach to pension and OPEB accounting instead of the funding approach as previously used. The funding approach limited pension and postemployment costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. Under the new standards, the net pension/OPEB liability or asset equals the City's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. The unfunded portion of this benefit of exchange is a liability of the City. However, the City is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension/OPEB benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the pension and OPEB plans.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

There is no repayment schedule for the net pension/OPEB liability. The City has no control over the changes in the benefits, contributions rates, and return on investments affecting the balance of the liabilities. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension/OPEB liability or asset is satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

Cash and Cash Equivalents

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

During 2022, the City invested in STAR Ohio, federal farm credit bank securities, federal home loan bank securities, federal home loan mortgage corporation, negotiable certificates of deposit and US treasury notes.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost. The fair value of the money market fund is determined by the fund's current share price.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2022 amounted to (\$1,190,715) which includes (\$859,815) assigned from other City funds.

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

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

Inventories of governmental funds are stated at cost, whereas inventories of proprietary funds are stated at lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types and an expense in proprietary funds when used. Inventory consists of expendable supplies held for consumption.

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables.” Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars for governmental activities and twenty-five thousand dollars for business-type activities. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

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

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Asset Class	Governmental Activities Estimated Useful Life	Business-Type Activities Estimated Useful Life
Buildings	50 to 100 years	50 to 100 years
Improvements other than buildings	20 years	20 years
Furniture, fixtures and equipment	5 to 30 years	5 to 30 years
Vehicles	5 to 25 years	5 to 10 years
Infrastructure:		
Streets	50 to 75 years	n/a
Storm drains	40 to 150 years	n/a
Sidewalks	40 years	n/a
Fire hydrants	75 years	n/a
Traffic lights	30 to 40 years	n/a
Water and sewer lines	n/a	60 to 150 years

The City’s infrastructure consists of streets, storm drains, sidewalks, fire hydrants, traffic lights and water and sewer lines and includes infrastructure acquired prior to December 31, 1980.

Compensated Absences

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

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

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

Accrued Liabilities and Long-Term Obligations

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

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

Fund Balance

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

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

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

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

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

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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

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

Net Position

Net position represents the difference between all other elements in the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include the law enforcement, enforcement and education and housing and urban development.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, contributions of resources restricted to capital acquisition and construction and tap-in fees to the extent they exceed the cost of connection to the system.

Internal Activity

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

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

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.

Estimates

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

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. For reporting purposes, a custodial fund, utilized for internal control purposes, has been combined with the general fund. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate.

The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control is at the department and personal service and other object level for all funds. The Director of Finance is authorized to allocate appropriations among objects within any department. Any budgetary modifications at the legal level of control may only be made by ordinance of the City Council.

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

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

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 3 - Fund Balances

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

Fund Balances	General	Revolving Loan	Street Construction, Maintenance and Repair	Emergency Medical Services	Road Levy	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable</u>								
Materials and supplies inventory	\$ 57,097	\$ -	\$ 299,262	\$ -	\$ -	\$ -	\$ 29,071	\$ 385,430
<u>Restricted for</u>								
Street maintenance	-	-	2,082,494	-	1,519,809	-	72,661	3,674,964
Endowment	-	-	-	-	-	-	128,540	128,540
Revolving loans	-	7,152,340	-	-	-	-	-	7,152,340
Law enforcement	-	-	-	-	-	-	37,048	37,048
Debt service	-	-	-	-	-	-	44,471	44,471
Capital improvements	-	-	-	-	-	-	122,628	122,628
Economic development	-	-	-	-	-	-	97,736	97,736
Total restricted	-	7,152,340	2,082,494	-	1,519,809	-	503,084	11,257,727
<u>Committed</u>								
Recreation	-	-	-	-	-	-	680,483	680,483
Ambulance services	-	-	-	210,822	-	-	-	210,822
Capital improvements	-	-	-	-	-	-	1,048,218	1,048,218
Recycling	-	-	-	-	-	-	195,985	195,985
Debt service	-	-	-	-	-	-	3,744	3,744
Refuse	-	-	-	-	-	-	57,179	57,179
Storm water system	-	-	-	-	-	-	1,093,948	1,093,948
Total committed	-	-	-	210,822	-	-	3,079,557	3,290,379
<u>Assigned</u>								
Purchases on order *	93,929	-	-	-	-	-	-	93,929
Next year's budget	1,667,637	-	-	-	-	-	-	1,667,637
Total assigned	1,761,566	-	-	-	-	-	-	1,761,566
Unassigned	5,417,799	-	-	-	-	(122,845)	-	5,294,954
Total fund balances	\$ 7,236,462	\$ 7,152,340	\$ 2,381,756	\$ 210,822	\$ 1,519,809	\$ (122,845)	\$ 3,611,712	\$ 21,990,056

*Purchases on order consist primarily of materials and supplies and contractual services.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 4 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than a restricted, committed or assigned fund balance for governmental fund types (GAAP basis).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
5. The change in fair value of investments is not included on the budget basis operating statement. This amount is included as revenue on the GAAP basis operating statement.
6. Advances in and advances out (“repayment of advances”) are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

	Net Change in Fund Balance					
	<u>General</u>	<u>Revolving Loan</u>	<u>Street Construction, Maintenance and Repair</u>	<u>American Rescue Plan</u>	<u>Emergency Medical Services</u>	<u>Road Levy</u>
GAAP Basis	\$ (161,961)	\$ (398,739)	\$ 573,044	\$ -	\$ 76,144	\$ 279,903
Revenue accruals	1,284,248	190,289	(24,394)	599,790	(22,196)	(19,991)
Expenditure accruals	39,674	62,048	(135,376)	-	-	-
Advances out	(900,000)	-	-	-	-	-
Encumbrances (Budget Basis) outstanding at year end	<u>(141,978)</u>	<u>(52,997)</u>	<u>(8,770)</u>	<u>-</u>	<u>-</u>	<u>(186,584)</u>
Budget Basis	<u>\$ 119,983</u>	<u>\$ (199,399)</u>	<u>\$ 404,504</u>	<u>\$ 599,790</u>	<u>\$ 53,948</u>	<u>\$ 73,328</u>

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 5 - Deposits and Investments

The City has chosen to follow State statutes and classify monies held by the City into three categories.

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government-sponsored enterprise, agency or instrumentality, including but not limited to, the Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA), and Student Loan Marketing Association (SLMA). All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

Investments

Investments are reported at fair value. As of December 31, 2022, the City had the following investments:

Investment Type	Fair Value	Percentage of Investments	Investment Maturities		
			Less than 1 year	1 - 2 years	More than 2 years
Federal Home Loan Mortgage Corporation Bonds	\$ 1,920,821	9.82%	\$ -	\$ -	\$ 1,920,821
Federal Home Loan Bank Bonds	11,332,392	57.92%	-	1,949,300	9,383,092
Federal Farm Credit Bank Bonds	1,699,678	8.69%	-	-	1,699,678
U.S. Treasury	1,936,800	9.90%	-	-	1,936,800
Negotiable certificates of deposit	97,850	0.50%	-	97,850	-
STAR Ohio	<u>2,575,932</u>	<u>13.17%</u>	<u>2,575,932</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 19,563,473</u>	<u>100.00%</u>	<u>\$ 2,575,932</u>	<u>\$ 2,047,150</u>	<u>\$ 14,940,391</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2022. STAR Ohio is measured at net asset value per share. All other investments of the City are valued using Level 2 inputs using valuations techniques that incorporate market data for similar investments, broker quotes and inactive transactions prices.

The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in investments so that securities mature to meet cash requirements for ongoing operations. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. STAR Ohio maintains a AAAm credit rating from Standard & Poor (S&P) and Federal Home Mortgage Corporation, Federal Home Loan Bank and Federal Farm Credit Bank have an AA+ credit rating from S&P. The City has no investment policy that addresses credit risk.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities in Federal Home Mortgage Corporation, Federal Home Loan Bank and Federal Farm Credit Bank are exposed to custodial credit risk in that they are uninsured and held by the counterparty. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that requires securities purchased pursuant to this division shall be delivered into the custody of the treasurer or governing board or an agent designated by the treasurer or governing board.

Concentration of Credit Risk The City is investing in more than 5% in securities from Federal Home Mortgage Corporation, Federal Home Loan Bank and Federal Farm Credit Bank. The City places no limit on the amount it may invest in any one issuer.

Note 6 – Receivables

Receivables at December 31, 2022 consisted primarily of municipal income taxes, property taxes, accounts (billings for user charged services including unbilled utility services), special assessments, interest, loans and intergovernmental receivables arising from grants, entitlements and shared revenues.

Receivables are recorded net of an allowance for estimated uncollectible amounts. This allowance is based on a historical percentage of collection amounts billed. The City has estimated \$989,457 in uncollectible billings for user charged services. All receivables except property taxes and loans are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Loans receivable presented in the revolving loan special revenue fund represent low interest loans for development projects and home improvements granted to eligible City residents and businesses under Federal grant programs. The loans bear interest at annual rates ranging between zero and seven percent. The loans are to be repaid over periods ranging from five to thirteen years. Loans balances of \$71,460 were determined to be uncollectible during 2022 and are excluded from the loans receivable amount reported.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes are levied after October 1, 2022 on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes become a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2022, was \$3.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

<u>Property Category</u>	<u>Assessed Value</u>
<u>Real Property</u>	
Residential and agricultural	\$ 139,232,040
Commercial and industrial	59,433,780
Public utilities	79,060
<u>Personal Property</u>	
Public utilities	<u>8,467,530</u>
Total	<u>\$ 207,212,410</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Ravenna. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2022 and for which there is an enforceable legal claim. In the general fund, the portion of the receivable not levied to finance 2022 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been reported as deferred inflows of resources – unavailable revenue.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Intergovernmental

A summary of governmental activities intergovernmental receivables as of December 31, 2022 follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Local Government and Local Government	
Revenue Assistance	\$ 195,365
Homestead and Rollback	36,736
Gasoline and Excise Tax	250,413
Motor Vehicle License Fees	28,130
Permissive Motor Vehicle License Tax	12,073
Grants	103,897
Portage County Municipal Court	113
Total	<u>\$ 626,727</u>

During 2003, the City of Ravenna entered into a contractual agreement with Portage County for the expansion of the waste water treatment plant. The County is responsible for 50 percent of the total loan commitment. The total amount owed to the City as of December 31, 2022 is \$880,965. The City owns and maintains the asset. The County is paying for the use of the asset. This amount has been recorded on the City’s books as an asset in “intergovernmental receivable.” The asset is recorded in the sewer enterprise fund.

Income Taxes

The City levies a municipal income tax of 2.50 percent on substantially all income earned within the City. The City allows a credit of 100 percent for income tax paid to other municipalities and joint economic development districts, not to exceed 2.50 percent of taxable income.

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 1.22 percent. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency (RITA) either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Taxes collected by RITA in one month are remitted to the City on the first and tenth business days of the following month. By City ordinance for 2022, the distribution of tax, by percentage of tax proceeds was as follows: general fund 55.56 percent, capital improvements and projects fund 8.56 percent, EMS special revenue fund 3.20 percent, street construction and repair special revenue fund 5.88 percent, roadway improvements fund 10.00 percent, recreation special revenue fund 4.80 percent, parks capital improvement fund 2.00 percent and water operations and capital enterprise fund 10.00 percent.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 7 - Risk Management

The City of Ravenna is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the City contracted with two companies for various types of insurance.

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

The City manages the hospital/medical, dental, and life insurance benefits for its employees on a self-insured basis using an internal service fund. A third-party administrator processes and pays the claims. An excess coverage insurance (stop loss) policy covers claims in excess of \$75,000 per employee per year.

The claims liability of \$26,732 reported in the internal service fund at December 31, 2022, was estimated by reviewing current claims and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. Changes in the fund's claims liability amount in 2021 and 2022 were:

	<u>Balance at</u> <u>beginning of year</u>	<u>Current</u> <u>year claims</u>	<u>Claim</u> <u>payments</u>	<u>Balance at</u> <u>end of year</u>
2021 \$	215,789	815,997	1,014,113	17,673
2022 \$	17,673	883,684	874,625	26,732

The City participates in the State Workers' Compensation retrospective rating program. Once the City receives notice of a claim reserve set-aside from the Bureau of Workers' Compensation (BWC), the City will pay the State for these reserves in the form of a premium. The City used an internal service fund for reporting the receipt of premium refunds and dividends from BWC and interfund reimbursements from other funds for BWC premiums. The internal service fund is no longer reporting this activity.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 8 – Interfund Transactions

Interfund Balances

Interfund balances at December 31, 2022 consisted of the following:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 900,000	\$ 22,374
Street construction, maintenance and repair	-	1,664
Capital improvement	-	900,000
Other governmental funds	-	22
Total governmental funds	<u>900,000</u>	<u>924,060</u>
Water	-	201
Sewer	-	2,471
Total enterprise fund	<u>-</u>	<u>2,672</u>
Internal service fund	<u>26,732</u>	<u>-</u>
Totals	<u>\$ 926,732</u>	<u>\$ 926,732</u>

The interfund balances at December 31, 2022 consist of an interfund receivable/payable that exists between the internal service funds and the various governmental and enterprise funds due to the City moving money to pay claims when funds are needed rather than when claims are incurred. In addition, the general fund advanced \$900,000 to the capital improvements fund during 2022. All interfund receivables and payables are expected to be repaid in 2023.

Note 9 – Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn ten to thirty days of vacation per year, depending upon length of service. Earned unused vacation time is paid upon termination of employment. Employees earn sick leave at different rates depending upon length of service and type of employment. Sick leave accrual is continuous, without limit. Upon retirement or death, an employee hired before January 1, 1987, can be paid a maximum of 960 hours of accumulated, unused sick leave. Employees hired after January 1, 1987, can be paid a maximum of 650 hours.

Note 10 – Financed Purchases

During 2022, the City had governmental lease-purchase agreements and other financing agreements for acquisitions of an ambulance for the fire department, a phone system, a garage for the street department, security cameras for the police department and an ARC plotter.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

The following is a schedule of the future long-term payments required under these agreements is as follows:

Year ending <u>December 31,</u>	<u>Financed purchases</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 108,611	\$ 5,354
2024	26,671	1,136
2025	12,085	198
Total	<u>\$ 147,367</u>	<u>\$ 6,688</u>

Financed purchase payments have been reclassified and are reflected as debt service in the fund financial statements for the general fund and capital improvements capital projects fund. These expenditures are reflected as program expenditures on a budgetary basis. The financed purchases are secured by the related property.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 11 - Capital Assets

Governmental Activities: The summary of the governmental capital asset activity as of December 31, 2022 follows:

	Balance <u>12/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/2022</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,675,766	\$ 641,414	\$ -	\$ 2,317,180
Construction in progress	83,500	1,112,741	(158,883)	1,037,358
Total capital assets not being depreciated	<u>1,759,266</u>	<u>1,754,155</u>	<u>(158,883)</u>	<u>3,354,538</u>
Capital assets being depreciated				
Buildings	5,076,499	-	-	5,076,499
Improvements other than buildings	647,890	158,883	-	806,773
Furniture, Fixtures and equipment	3,758,095	248,614	(157,074)	3,849,635
Vehicles	3,906,776	502,792	(25,706)	4,383,862
Infrastructure:				
Streets	44,061,244	-	-	44,061,244
Storm drains	4,966,048	-	-	4,966,048
Sidewalks	8,683,603	-	-	8,683,603
Fire hydrants	1,535,600	-	-	1,535,600
Traffic lights	4,891,714	-	-	4,891,714
Total capital assets being depreciated	<u>77,527,469</u>	<u>910,289</u>	<u>(182,780)</u>	<u>78,254,978</u>
Less: accumulated depreciation				
Buildings	(3,606,961)	(75,140)	-	(3,682,101)
Improvements other than buildings	(484,384)	(19,744)	-	(504,128)
Furniture, Fixtures and equipment	(2,579,058)	(205,756)	148,938	(2,635,876)
Vehicles	(2,568,718)	(270,343)	25,706	(2,813,355)
Infrastructure:				
Streets	(26,197,963)	(712,165)	-	(26,910,128)
Storm drains	(2,862,129)	(40,580)	-	(2,902,709)
Sidewalks	(5,647,910)	(217,090)	-	(5,865,000)
Fire hydrants	(860,498)	(20,474)	-	(880,972)
Traffic lights	(1,587,169)	(153,643)	-	(1,740,812)
Total accumulated depreciation	<u>(46,394,790)</u>	<u>(1,714,935)</u>	<u>174,644</u>	<u>(47,935,081)</u>
Total capital assets being depreciation, net	<u>31,132,679</u>	<u>(804,646)</u>	<u>(8,136)</u>	<u>30,319,897</u>
Governmental activities capital assets, net	<u>\$ 32,891,945</u>	<u>\$ 949,509</u>	<u>\$ (167,019)</u>	<u>\$ 33,674,435</u>

Depreciation Expense: Depreciation expense charged to governmental functions for the year ending December 31, 2022 is as follows:

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

<u>Depreciation expense:</u>	<u>Amount</u>
General government	\$ 21,383
Security of persons and property:	
Police	146,501
Fire	163,531
Leisure time activities	53,448
Community environment	271,546
Transportation	<u>1,058,526</u>
Total	<u>\$ 1,714,935</u>

Business-type Activities: The summary of the business-type activities' capital asset activity as of December 31, 2022 follows:

	<u>Balance</u> <u>12/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2022</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 1,565,460	\$ -	\$ -	\$ 1,565,460
Construction in progress	<u>392,383</u>	<u>190,047</u>	<u>(408,079)</u>	<u>174,351</u>
Total capital assets not being depreciated	<u>1,957,843</u>	<u>190,047</u>	<u>(408,079)</u>	<u>1,739,811</u>
Capital assets, being depreciated				
Buildings	6,491,616	-	-	6,491,616
Improvements other than buildings	13,928,615	-	-	13,928,615
Furniture, Fixtures and Equipment	14,186,118	165,410	(106,569)	14,244,959
Vehicles	651,180	135,267	(66,800)	719,647
Infrastructure				
Water lines	17,649,703	408,079	-	18,057,782
Sewer lines	<u>6,532,228</u>	<u>-</u>	<u>-</u>	<u>6,532,228</u>
Total capital assets being depreciated	<u>59,439,460</u>	<u>708,756</u>	<u>(173,369)</u>	<u>59,974,847</u>
Less: accumulated depreciation				
Buildings	(3,726,738)	(126,663)	-	(3,853,401)
Improvements other than buildings	(10,902,067)	(352,020)	-	(11,254,087)
Furniture, Fixtures and Equipment	(5,402,207)	(468,947)	51,728	(5,819,426)
Vehicles	(385,870)	(64,417)	-	(450,287)
Infrastructure:				
Water lines	(8,155,802)	(200,287)	-	(8,356,089)
Sewer lines	<u>(3,631,579)</u>	<u>(62,408)</u>	<u>-</u>	<u>(3,693,987)</u>
Total accumulated depreciation	<u>(32,204,263)</u>	<u>(1,274,742)</u>	<u>51,728</u>	<u>(33,427,277)</u>
Total capital assets, being depreciated, net	<u>27,235,197</u>	<u>(565,986)</u>	<u>(121,641)</u>	<u>26,547,570</u>
Business-type activities capital assets, net	<u>\$ 29,193,040</u>	<u>\$ (375,939)</u>	<u>\$ (529,720)</u>	<u>\$ 28,287,381</u>

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

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

<u>Depreciation expense:</u>	<u>Amount</u>
Water	\$ 732,823
Sewer	<u>541,919</u>
Total depreciation expense	<u>\$ 1,274,742</u>

During 2022, certain capital asset acquisitions were subsequently transferred out from business-type activities. The disposals reported for business-type activities of \$121,641 were transferred to governmental activities \$54,841 in furniture, fixtures and equipment and \$66,800 in vehicles. These transfers were all made prior to depreciation.

Note 12 - Contingencies

Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2022.

Litigation

The City of Ravenna is a party to legal proceedings. The City management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Note 13 - Jointly Governed Organizations

Metro Critical Response and Rescue Team (CRRT) The Metro Critical Response and Rescue Team is a multi-jurisdictional tactical unit consisting of member agencies within Summit County as well as selected out of county agencies. The CRRT is a team of specially trained police officers from participating political subdivisions which will respond to any incident where special weapons and tactics are needed within the member jurisdictions. Each agency has a departmental representative that collectively constitutes the “Board of Directors”. Each representative from each department is allotted one vote in the decision making process of CRRT matters. The CRRT Board of Directors is directed by an Executive Board consisting of a President, Vice-President and Secretary as elected annually from the members of the Board of Directors. The Board of Directors controls the budget and all financial concerns. In 2022, the City did not make any contributions. Financial information can be obtained from the Portage County Office of Homeland Security and Emergency Management Agency, Ryan Shackelford, 8240 Infirmary Road, Ravenna, Ohio 44266.

City of Ravenna, Ohio
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Regional Income Tax Agency The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of the collection of income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2022, the City paid RITA \$175,937 for income tax collection services.

Note 14 - Joint Venture

Maple Grove Union Cemetery - The City participates in the Maple Grove Union Cemetery which is a statutorily created union cemetery, formed under chapter 759.27 of the Ohio Revised Code. The Cemetery's functions include the funding and operation of the cemetery which is located in both the City of Ravenna and the Township of Ravenna. It is governed by a three-member board comprised of one member of the Township, one member of the City and one member voted on by the Board. The Board of Trustees approves its own budget, appoints personnel and oversees accounting and finance related activities. Each participant's control is limited to its membership representation. The continued existence of the Cemetery is dependent upon the City's continued participation, however, the City does not have an equity interest in the Cemetery. The Cemetery is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden to the City. The parties share in the costs of the operation of the cemetery based upon the prorated property valuations of each entity. During 2022, \$180,703 was paid by the City for operating expenses and capital outlay. Complete financial statements may be obtained from the Maple Grove Union Cemetery, Ravenna, Ohio.

Note 15 - Defined Benefit Pension and OPEB Plans

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

The net pension/OPEB liability (asset) represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) 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 pensions/OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

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 due to other governments on both the accrual and modified accrual bases of accounting.

A. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Plan Description –City employees, other than full-time police and firefighters, participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan. 2.) The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of the member and (vested) employer contributions, plus any investment earnings thereon. 3.) The Combined Plan (CP) - a cost-sharing, multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the MD plan. 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 plan.

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.

City of Ravenna, Ohio
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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):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after <u>January 7, 2013</u>	20 years of service credit prior to January 7, 2013 or eligible to retire <u>ten years after January 7, 2013</u>	Members not in other Groups and members hired on or after <u>January 7, 2013</u>
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.

Once a benefit recipient retiring under the Traditional Plan has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided on the member's base benefit. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their retirement benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent 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 percent. Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional and Combined plans.

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

City of Ravenna, Ohio
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	<u>State and Local</u>
2022 Statutory maximum contribution rates	
Employer	14.00%
Employee	10.00%
 2022 Actual contribution rates	
Employer:	
Pension	14.00%
Post-employment health care benefits	<u>0.00%</u>
Total employer	<u>14.00%</u>
 Employee	 <u>10.00%</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$616,336 for 2022. Of this amount, \$65,374 is reported as intergovernmental payable.

Ohio Police and Firemen's Disability and Pension Fund

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

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

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 (DROP) provisions and reduced and unreduced benefits).

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

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
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	<u>0.50%</u>	<u>0.50%</u>
Total employer	<u>19.50%</u>	<u>24.00%</u>
Employee	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$723,884 for 2022. Of this amount \$77,097 is reported as intergovernmental payable.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 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. OP&F'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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability - prior measurement date	0.0294980%	0.1322501%	
Proportion of the net pension liability - current measurement date	<u>0.0290440%</u>	<u>0.1272112%</u>	
Change in proportionate share	<u>-0.0004540%</u>	<u>-0.0050389%</u>	
Proportionate share of the net pension liability	\$ 2,526,946	\$ 7,947,420	\$ 10,474,366
Pension expense	\$ (455,069)	\$ 480,773	\$ 25,704

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 128,820	\$ 229,157	\$ 357,977
Changes of assumptions	315,992	1,452,447	1,768,439
Changes in proportionate share and differences between City contributions and proportionate share of contributions	21,002	121,757	142,759
City contributions subsequent to the measurement date	<u>616,336</u>	<u>723,884</u>	<u>1,340,220</u>
Total deferred outflows of resources	<u>\$ 1,082,150</u>	<u>\$ 2,527,245</u>	<u>\$ 3,609,395</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 55,422	\$ 413,157	\$ 468,579
Net difference between projected and actual earnings on pension plan investments	3,005,710	2,083,691	5,089,401
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>56,178</u>	<u>339,678</u>	<u>395,856</u>
Total deferred inflows of resources	<u>\$ 3,117,310</u>	<u>\$ 2,836,526</u>	<u>\$ 5,953,836</u>

City of Ravenna, Ohio
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\$1,340,220 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	\$ (416,605)	\$ (43,884)	\$ (460,489)
2024	(1,049,989)	(616,110)	(1,666,099)
2025	(706,764)	(272,605)	(979,369)
2026	(478,138)	(220,399)	(698,537)
2027	-	119,833	119,833
Total	\$ (2,651,496)	\$ (1,033,165)	\$ (3,684,661)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding.

Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

City of Ravenna, Ohio
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Experience study	5 - year period ended December 31, 2020
Wage inflation	
Current measurement date	2.75 percent
Prior measurement date	3.25 percent
Future salary increases, including inflation -Traditional plan	
Current measurement date	2.75 percent to 10.75 percent
Prior measurement date	3.25 percent to 10.75 percent
COLA or Ad Hoc COLA	
Current measurement date	Pre January 7, 2013 retirees, 3.00 percent, simple Post January 7, 2013 retirees, 3.00 percent, simple through 2022, then 2.05 percent, simple
Prior measurement date	Pre January 7, 2013 retirees, 3.00 percent, simple Post January 7, 2013 retirees, 0.50 percent, simple through 2021, then 2.15 percent, simple
Investment rate of return	
Current measurement date	6.90 percent
Prior measurement date	7.20 percent
Actuarial cost method	Individual entry age

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.

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

City of Ravenna, Ohio
Notes to the Basic Financial Statements
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The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	Weighted average 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	<u>4.00%</u>	<u>2.85%</u>
 Total	 <u>100.00%</u>	 <u>4.21%</u>

Discount Rate The discount rate used to measure the total pension liability was 6.9%. 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 <u>(5.60%)</u>	Current discount rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
City's proportionate share of the net pension liability/(asset)	\$ 6,662,403	\$ 2,526,946	\$ (914,305)

City of Ravenna, Ohio
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Actuarial Assumptions – OP&F

OP&F’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 OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of 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 payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

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

Valuation date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.50 percent
Projected salary increases	3.75 percent to 10.50 percent
Payroll increases	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent, plus productivity increase rate of 0.50 percent
Cost of living adjustments	2.20 percent simple

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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

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

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

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

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The most recent experience study was completed 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 average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’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	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%
Real estate	<u>12.00%</u>	4.80%
 Total	 <u>125.00%</u>	

Note: Assumptions are geometric

* Levered 2x.

**numbers include inflation

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

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

City of Ravenna, Ohio
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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 <u>(6.50%)</u>	Current discount rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
City's proportionate share of the net pension liability	\$ 11,785,914	\$ 7,947,420	\$ 4,750,903

B. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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 (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For nonMedicare 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.

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

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became 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 change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 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 and Combined Plan was 0 percent during calendar year 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 percent.

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

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Ohio Police and Firemen's Disability and Pension Fund

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

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

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

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

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

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

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

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The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$17,230 for 2022. Of this amount, \$1,835 is reported as due to other governments.

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

The net OPEB liability or asset and total OPEB liability or asset 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 payments, 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 or asset were based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability or asset - prior measurement date	0.0293490%	0.1322501%	
Proportion of the net OPEB liability or asset - current measurement date	<u>0.0289770%</u>	<u>0.1272112%</u>	
Change in proportionate share	<u>-0.0003720%</u>	<u>-0.0050389%</u>	
Proportionate share of the net OPEB liability		\$ 1,394,345	\$ 1,394,345
OPEB asset	\$ (907,604)		\$ (907,604)
OPEB expense	\$ (760,222)	\$ 125,519	\$ (634,703)

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

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 63,430	\$ 63,430
Changes of assumptions	-	617,179	617,179
Changes in proportionate share and differences between City contributions and proportionate share of contributions	22,065	76,520	98,585
City contributions subsequent to the measurement date	-	17,230	17,230
Total deferred outflows of resources	<u>\$ 22,065</u>	<u>\$ 774,359</u>	<u>\$ 796,424</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 137,670	\$ 184,283	\$ 321,953
Net difference between projected and actual earnings on OPEB plan investments	432,682	125,956	558,638
Changes of assumptions	367,388	161,946	529,334
Changes in proportionate share and differences between City contributions and proportionate share of contributions	<u>6,259</u>	<u>51,505</u>	<u>57,764</u>
Total deferred inflows of resources	<u>\$ 943,999</u>	<u>\$ 523,690</u>	<u>\$ 1,467,689</u>

\$17,230 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year ending December 31:			
2023	\$ (561,980)	\$ 68,696	\$ (493,284)
2024	(203,275)	49,997	(153,278)
2025	(94,539)	57,393	(37,146)
2026	(62,140)	9,335	(52,805)
2027	-	26,244	26,244
Thereafter	-	21,774	21,774
Total	<u>\$ (921,934)</u>	<u>\$ 233,439</u>	<u>\$ (688,495)</u>

Actuarial Assumptions - OPERS

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

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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 or asset 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:

Experience study	5 - year period ended December 31, 2020
Wage inflation	
Current measurement date	2.75 percent
Prior measurement date	3.25 percent
Projected salary increases, includes wage inflation	
Current measurement date	2.75 to 10.75 percent
Prior measurement date	3.25 to 10.75 percent
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	8.50 percent, initial 3.50 percent, ultimate in 2034
Prior measurement date	8.50 percent, initial 3.50 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 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.

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During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, 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 is 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	<u>Weighted average long-term expected real rate of return (arithmetic)</u>
Fixed income	34.00%	91.00%
Domestic equities	25.00%	3.78%
Real estate investment trusts	7.00%	3.71%
International equities	25.00%	4.88%
Risk parity	2.00%	2.92%
Other investments	<u>7.00%</u>	<u>1.93%</u>
Total	<u>100.00%</u>	<u>3.45%</u>

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2121. As a result, the actuarial assumed 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.

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Sensitivity of the City’s Proportionate Share of the Net OPEB Liability or Asset to Changes in the Discount Rate The following table presents the City’s proportionate share of the net OPEB liability or 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 or 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 <u>(5.00%)</u>	Current discount rate <u>(6.00%)</u>	1% Increase <u>(7.00%)</u>
Proportionate share of the net OPEB liability/(asset)	\$ (533,756)	\$ (907,604)	\$ (1,217,903)

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability or 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 or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	1% Decrease	Current health care cost trend rate <u>assumption</u>	1% Increase
Proportionate share of the net OPEB liability/(asset)	(\$917,412)	(\$907,604)	(\$895,969)

Retiree health care valuations use a health care cost-trend assumption with 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.

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, 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.

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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
Actuarial cost method	Entry age normal
Investment rate of return	
Current measurement date	7.50 percent
Prior measurement date	8.00 percent
Projected salary increases	3.75 percent to 10.50 percent
Payroll growth	3.25 percent
Single discount rate:	
Current measurement date	2.84 percent
Prior measurement date	2.96 percent
Cost of living adjustments	2.20 percent simple

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

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

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

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

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

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14 A.

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 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, 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 7.5 percent for 2021 and 8 percent for 2020, 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.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 2.84 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	\$ 1,752,722	\$ 1,394,345	\$ 1,099,758

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.

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Note 16 - Long-term Obligations

	Amount Outstanding <u>12/31/2021</u>	<u>Increases</u>	<u>Decreases</u>	Amount Outstanding <u>12/31/2022</u>	Amount Due in <u>One Year</u>
Governmental activities					
<u>General obligation bonds</u>					
2020 Enterprise Parkway	\$ 300,794	\$ -	\$ (29,991)	\$ 270,803	\$ 30,797
2020 Energy conservation improvement refunding	2,562,000	-	(217,000)	2,345,000	220,500
2003 Municipal building	90,000	-	(45,000)	45,000	45,000
Total general obligation bonds	<u>2,952,794</u>	<u>-</u>	<u>(291,991)</u>	<u>2,660,803</u>	<u>296,297</u>
<u>Library improvement revenue refunding</u>					
2020 Library improvement revenue refunding	2,745,000	-	(210,000)	2,535,000	210,000
Total general obligation bonds - library	<u>2,745,000</u>	<u>-</u>	<u>(210,000)</u>	<u>2,535,000</u>	<u>-</u>
<u>Other long-term obligations:</u>					
Financed purchase	254,990	-	(107,623)	147,367	108,611
Compensated absences	1,141,632	612,177	(578,383)	1,175,426	626,215
Total other long-term obligations	<u>1,396,622</u>	<u>612,177</u>	<u>(686,006)</u>	<u>1,322,793</u>	<u>734,826</u>
Total long-term obligations before net pension/OPEB	<u>7,094,416</u>	<u>612,177</u>	<u>(1,187,997)</u>	<u>6,518,596</u>	<u>1,241,123</u>
Net pension liability:					
OPERS	2,184,006	-	(920,533)	1,263,473	-
OP&F	9,015,608	-	(1,068,188)	7,947,420	-
Net OPEB liability:					
OP&F	1,401,211	-	(6,866)	1,394,345	-
Total Pension/OPEB	<u>12,600,825</u>	<u>-</u>	<u>(1,995,587)</u>	<u>10,605,238</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 19,695,241</u>	<u>\$ 612,177</u>	<u>\$ (3,183,584)</u>	<u>\$ 17,123,834</u>	<u>\$ 1,241,123</u>

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	Amount Outstanding <u>12/31/2021</u>	<u>Increases</u>	<u>Decreases</u>	Amount Outstanding <u>12/31/2022</u>	Amount Due in <u>One Year</u>
Business-type activities					
<u>General obligation bonds</u>					
2020 Water meter improvement	\$ 1,903,072	\$ -	\$ (199,724)	\$ 1,703,348	\$ 202,560
2020 Energy conservation improvement refunding	1,098,000	-	(93,000)	1,005,000	94,500
Total general obligation bonds	<u>3,001,072</u>	<u>-</u>	<u>(292,724)</u>	<u>2,708,348</u>	<u>297,060</u>
<u>Ohio Public Works Commission Loans (OPWC)</u>					
2019 Hazen Avenue	150,000	-	(3,750)	146,250	7,500
2019 Prospect and Central Water and Road Impr.	34,801	-	(1,933)	32,868	1,933
2017 Oakgrove, Riddle and Peck Waterlines	52,641	-	(3,290)	49,351	3,290
2016 South Diamond Waterline	36,250	-	(2,500)	33,750	2,500
2015 Sycamore and Mill Water	89,056	-	(6,361)	82,695	6,361
2014 North Diamond Water and Storm	192,492	-	(14,807)	177,685	14,807
2013 Cleveland Road	8,082	-	(674)	7,408	674
2012 Clinton and Lafayette Waterline	46,600	-	(4,236)	42,364	4,236
2010 New Milford Road Waterline	9,604	-	(1,130)	8,474	1,130
2009 Ravenna Area Water Improvements	7,120	-	(890)	6,230	890
2008 West Main Street Waterline Replacement	17,500	-	(2,500)	15,000	2,500
2008 Chestnut Washington Water Storm	16,250	-	(2,500)	13,750	2,500
2003 Lake Avenue Water and Storm	3,055	-	(1,528)	1,527	1,527
Total OPWC loans	<u>663,451</u>	<u>-</u>	<u>(46,099)</u>	<u>617,352</u>	<u>49,848</u>
<u>Ohio Water Development Authority (OWDA)</u>					
2002 Loomis, Lovers Lane and Windmill	20,672	-	(20,672)	-	-
2007 WWTP Upgrade	2,036,386	-	(675,814)	1,360,572	678,791
2003 Kent Dam and Bass Lake	721,714	-	(239,515)	482,199	240,570
2003 Kent/Ravenna Emergency Waterline	65,883	-	(32,346)	33,537	33,537
2008 Water Meters	194,112	-	(95,420)	98,692	98,692
Total OWDA loans	<u>3,038,767</u>	<u>-</u>	<u>(1,063,767)</u>	<u>1,975,000</u>	<u>1,051,590</u>
<u>Other long-term obligations:</u>					
Compensated absences	426,094	203,746	(168,703)	461,137	168,523
Total other long-term obligations	<u>426,094</u>	<u>203,746</u>	<u>(168,703)</u>	<u>461,137</u>	<u>168,523</u>
Total long-term obligations before net pension	<u>7,129,384</u>	<u>203,746</u>	<u>(1,571,293)</u>	<u>5,761,837</u>	<u>1,567,021</u>
Net pension liability	<u>2,184,006</u>	<u>-</u>	<u>(920,533)</u>	<u>1,263,473</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 9,313,390</u>	<u>\$ 203,746</u>	<u>\$ (2,491,826)</u>	<u>\$ 7,025,310</u>	<u>\$ 1,567,021</u>

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

General obligation bonds will be paid from the proceeds of municipal income tax.

During 2003 the City issued bonds for the Municipal building improvements in the amount of \$635,000. The bonds carried a 5.00% interest rate and have a maturity of December 1, 2023.

During 2020 the City issued bonds for the Enterprise Parkway project in the amount of \$330,000. The bonds were a direct placement with a 2.65% interest rate and a maturity of July 1, 2030.

Also, during 2020 the City issued \$4,005,000 energy conservation improvement refunding bonds to refund energy conservation improvement bonds issued in 2012. The new bonds carry an interest rate of 1.41% and mature on December 1, 2032. Being a current refunding, the old bonds were called on December 1, 2020 and are no longer outstanding. The refunding resulted in a net present value savings of \$280,203. The bonds are reported in governmental activities and in business-type activities where a portion is reported in the water and sewer funds.

Finally, during 2020 the City issued debt for \$2,100,000 to provide resources for the acquisition and replacement of water meters throughout the City. The debt is equally split and reported in the water and sewer funds. The bonds carry a 1.42% interest rate with semi-annual interest payments and mature on December 1, 2030.

According to the Ohio Revised Code, the City is allowed to issue tax related debt for Reed Memorial Library (the "Library"). In 2003, the City issued bonds for the Library in the amount of \$5,350,000 and are paid with property tax revenue derived solely from the Library. The City serves as the taxing authority and is able to issue tax related debt on behalf of the Library, although the City's role is limited to a ministerial function only.

On June 4, 2013, the City issued \$4,060,000 in Library bonds to refund the 2003 Reed Memorial Library Bonds. The Library bonds included serial and term bonds in the amount of \$3,450,000 and \$610,000, respectively. The old bonds had a call date of December 1, 2013 and are no longer outstanding.

On September 30, 2020, the City refunded the 2013 Library refunding bonds with the issuance \$2,985,000 serial bonds carrying an interest rate of 1.56%. The bonds were a private placement issue and the proceeds were used to current refund the old bonds. The old bonds were called on December 1, 2020 and are no longer outstanding. The refunding resulted in a net present value savings of \$342,134.

OWDA loans will be paid from the water and sewer enterprise funds. OPWC loans will be paid from the water enterprise fund. Compensated absences will be paid from the general fund, the street construction, maintenance and repair, and recreation special revenue funds and the water and sewer enterprise funds. Financed purchases will be paid from various revenues from the general fund, and the capital improvements capital projects fund. There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the following funds: general fund, the street construction maintenance and repair, parks and recreation and recycling special revenue funds, the capital improvements and parks capital improvement capital projects funds and the water and sewer enterprise funds. For additional information related to the net pension and net OPEB liabilities see Note 15.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

The City's outstanding OPWC loans from direct borrowings related to business-type activities of \$617,352 contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

The City's outstanding OWDA loans from direct borrowings of \$1,975,000 related to business-type activities contain provisions that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2022 are as follows:

Governmental Activities

Year ending December 31,	<u>Governmental Activities</u>			
	<u>City's Bonds</u>		<u>Library Refunding Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 296,297	\$ 42,590	\$ 210,000	\$ 39,546
2024	252,107	36,422	215,000	36,270
2025	259,974	32,446	220,000	32,916
2026	264,346	28,366	225,000	29,484
2027	265,242	24,213	225,000	25,974
2028-2032	1,322,837	57,700	1,185,000	75,894
2033	-	-	255,000	3,978
Total	<u>\$ 2,660,803</u>	<u>\$ 221,737</u>	<u>\$ 2,535,000</u>	<u>\$ 244,062</u>

Year ending December 31,	<u>Business-type Activities</u>				
	<u>Bonds</u>		<u>OWDA Loans</u>		<u>OPWC Loans</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2023	\$ 297,060	\$ 38,359	\$ 1,051,590	\$ 10,543	\$ 49,849
2024	299,937	34,150	923,410	3,049	48,321
2025	305,854	29,899	-	-	48,321
2026	310,312	17,849	-	-	48,321
2027	313,313	21,169	-	-	48,321
2028-2032	1,181,872	41,078	-	-	214,863
2033-2037	-	-	-	-	121,739
2038-2042	-	-	-	-	37,617
Total	<u>\$ 2,708,348</u>	<u>\$ 182,504</u>	<u>\$ 1,975,000</u>	<u>\$ 13,592</u>	<u>\$ 617,352</u>

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 17 – Related Organization

Reed Memorial Library The Reed Memorial 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 Ravenna Board of Education. 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 purposes are discretionary decisions made solely by the Board of Trustees.

In 2003, the City of Ravenna issued general obligation bonds, in the amount of \$5,350,000, for Library improvements. In 2013, the bonds were refunded and the City issued serial and term bonds in the amounts of \$3,450,000 and \$610,000, respectively. In 2020, the bonds were refunded again with an issuance of \$2,985,000. The old bonds were called by December 1, 2020. The new bonds will be paid with property tax money from the Reed Memorial Library levy and will mature in 2033. Although the City of Ravenna holds title to the land and building of the Library, these assets are not included in the capital assets listing of the City because it does not utilize, maintain or improve the Library for City operations. When the debt is completely paid off in 2033, title of the building will be transferred to the Library. Financial information can be obtained from the Reed Memorial Library, Clerk/Treasurer, 167 East Main Street, Ravenna, Ohio 44266.

Note 18 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were not significant in any one fund.

Note 19 – Tax Abatements

As of December 31, 2022, the City of Ravenna offers real property tax incentives via two programs; The Community Reinvestment Area (CRA) and Enterprise Zone Agreements.

Community Reinvestment Area (CRA)

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment Area that includes a specific area of downtown commercial and residential properties. The City authorizes incentives through passage of public ordinances, based on each business's investment criteria, and through a contractual application process with each business, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the CRA was designed to maintain and expand business in the downtown area and promote job creation.

City of Ravenna, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Enterprise Zone Agreements

Though the program established by Ohio Development Services, the City also offers property tax abatement through Enterprise Zones in accordance with Ohio Revised Code Chapter 5709. Limited by statute to Manufacturing and Industrial application only, the City of Ravenna creates individual Enterprise Zone Agreements for each specific business based on real property investment and anticipated job creation. 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.

Compliance and Monitoring

Both the CRA and Enterprise Zone Agreement recipients have annual reporting requirements that are to be filed, and heard by the respective Boards of Review prior the end of the first quarter following the end of a calendar year. The compliance reviews ensure that businesses receiving tax incentives are meeting both the levels of monetary investment, and the job creation numbers projected at the time of application.

School Revenue Sharing

The City of Ravenna currently has a blanket revenue sharing agreement for all Enterprise Zone Agreements and will be creating one for the newly implemented CRA. It has been the policy of the City to engage Ravenna Schools in all property tax abatement scenarios in an effort to balance the City's economic development needs with the impact that potential tax abatements may have on the School's finances.

Abatements Granted in 2022

For 2022, the City forgone \$9,530 of revenues from tax abatements. \$2,764 was from a CRA and the remaining was from properties within an Enterprise Zone.

Required Supplementary Information

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City of Ravenna, Ohio
 Required Supplementary Information
 Schedule of City's Proportionate Share of the Net Pension Liability
 Last Nine Years (1)

	2022	2021	2020	2019
Ohio Public Employees Retirement System (OPERS) - Traditional Plan				
City's proportion of the net pension liability	0.029044%	0.029498%	0.029045%	0.029741%
City's proportionate share of the net pension liability	\$ 2,526,946	\$ 4,368,012	\$ 5,740,941	\$ 8,145,455
City's covered payroll	\$ 4,215,093	\$ 4,154,593	\$ 4,086,650	\$ 4,017,000
City's proportionate share of the net pension liability as a percentage of its covered payroll	59.95%	105.14%	140.48%	202.77%
Plan fiduciary net position as a percentage of total pension liability	92.62%	86.88%	82.17%	74.70%
	2022	2021	2020	2019
Ohio Police and Fire Pension Fund				
City's proportion of the net pension liability	0.127211%	0.132250%	0.130405%	0.131840%
City's proportionate share of the net pension liability	\$ 7,947,420	\$ 9,015,608	\$ 8,784,763	\$ 10,761,629
City's covered payroll	\$ 3,245,986	\$ 3,270,771	\$ 3,125,477	\$ 3,014,461
City's proportionate share of the net pension liability as a percentage of its covered payroll	244.84%	275.64%	281.07%	357.00%
Plan fiduciary net position as a percentage of total pension liability	75.03%	70.65%	69.89%	63.07%

(1) Information prior to 2014 is not available and the amounts presented are as of the City's measurement date which is the prior year end.

(2) Restated during 2015.

2018	2017	2016	2015	2014
0.030396%	0.030790%	0.030353%	0.031470%	0.031470%
\$ 4,768,544	\$ 6,991,886	\$ 5,257,523	\$ 3,795,635	\$ 3,709,903
\$ 4,016,792	\$ 3,980,183	\$ 3,777,750	\$ 3,858,183	\$ 4,069,508
118.72%	175.67%	139.17%	98.38%	91.16%
84.66%	77.25%	81.08%	86.45%	86.36%

2018	2017	2016	2015	2014
0.128904%	0.129367%	0.131650%	0.132745%	0.132745%
\$ 7,911,421	\$ 8,193,976	\$ 8,466,885	\$ 6,876,729	\$ 6,465,083
\$ 2,838,646	\$ 2,707,131	\$ 2,689,412	\$ 2,654,800	\$ 2,608,513
278.70%	302.68%	314.82%	259.03%	247.85%
70.91%	68.36%	66.77%	71.71%	73.00% (2)

City of Ravenna, Ohio
 Required Supplementary Information
 Schedule of City Contributions - Pension
 Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Ohio Public Employees Retirement System (OPERS) - Traditional Plan					
Contractually required contribution	\$ 616,336	\$ 590,113	\$ 581,643	\$ 572,131	\$ 562,380
Contributions in relation to contractually required contribution	<u>(616,336)</u>	<u>(590,113)</u>	<u>(581,643)</u>	<u>(572,131)</u>	<u>(562,380)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 4,402,400	\$ 4,215,093	\$ 4,154,593	\$ 4,086,650	\$ 4,017,000
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Ohio Police and Fire Pension Fund					
Contractually required contribution	\$ 723,884	\$ 689,772	\$ 679,012	\$ 655,014	\$ 630,856
Contributions in relation to contractually required contribution	<u>(723,884)</u>	<u>(689,772)</u>	<u>(679,012)</u>	<u>(655,014)</u>	<u>(630,856)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 3,406,513	\$ 3,245,986	\$ 3,270,771	\$ 3,125,477	\$ 3,014,461
Contributions as a percentage of covered payroll	21.25%	21.25%	20.76%	20.96%	20.93%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 522,183	\$ 477,622	\$ 453,330	\$ 462,982	\$ 529,036
<u>(522,183)</u>	<u>(477,622)</u>	<u>(453,330)</u>	<u>(462,982)</u>	<u>(529,036)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,016,792	\$ 3,980,183	\$ 3,777,750	\$ 3,858,183	\$ 4,069,508
13.00%	12.00%	12.00%	12.00%	13.00%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 594,126	\$ 567,124	\$ 563,226	\$ 555,528	\$ 464,473
<u>(594,126)</u>	<u>(567,124)</u>	<u>(563,226)</u>	<u>(555,528)</u>	<u>(464,473)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,838,646	\$ 2,707,131	\$ 2,689,412	\$ 2,654,800	\$ 2,608,513
20.93%	20.95%	20.94%	20.93%	17.81%

City of Ravenna, Ohio
 Required Supplementary Information
 Schedule of City's Proportionate Share of the Net OPEB Liability or Asset
 Last Six Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Ohio Public Employees Retirement System (OPERS)				
City's proportion of the net OPEB liability or asset	0.028977%	0.029349%	0.028675%	0.029095%
City's proportionate share of the net OPEB liability (asset)	\$ (907,604)	\$ (522,876)	\$ 3,960,762	\$ 3,793,301
City's covered payroll	\$ 4,215,093	\$ 4,154,593	\$ 4,332,136	\$ 4,220,125
City's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	21.53%	12.59%	91.43%	89.89%
Plan fiduciary net position as a percentage of total OPEB liability or asset	128.23%	115.57%	47.80%	46.33%
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Ohio Police and Fire OPEB Fund				
City's proportion of the net OPEB liability	0.127211%	0.132250%	0.130405%	0.131840%
City's proportionate share of the net OPEB liability	\$ 1,394,345	\$ 1,401,211	\$ 1,288,103	\$ 1,200,607
City's covered payroll	\$ 3,245,986	\$ 3,270,771	\$ 3,125,477	\$ 3,014,461
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.96%	42.84%	41.21%	39.83%
Plan fiduciary net position as a percentage of total OPEB liability	46.86%	45.42%	47.10%	46.57%

(1) Information prior to 2017 is not available and the amounts presented are as of the City's measurement date which is the prior year end.

(2) Restated during 2018.

<u>2018</u>	<u>2017 (2)</u>
0.029790%	0.030230%
\$ 3,234,974	\$ 3,053,333
\$ 4,219,671	\$ 4,177,783
76.66%	73.09%
54.14%	54.05%

<u>2018</u>	<u>2017 (2)</u>
0.128904%	0.233659%
\$ 7,303,520	\$ 6,140,761
\$ 2,838,646	\$ 2,707,131
257.29%	226.84%
14.13%	15.96%

City of Ravenna, Ohio
Required Supplementary Information
Schedule of City Contributions - OPEB
Last Ten Years (1)

	2022	2021	2020	2019	2018
Ohio Public Employees Retirement System (OPERS)					
Contractually required contribution	\$ -	\$ -	\$ -	\$ 8,586	\$ 8,051
Contributions in relation to contractually required contribution	-	-	-	(8,586)	(8,051)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 4,402,400	\$ 4,215,093	\$ 4,154,593	\$ 4,332,136	\$ 4,220,125
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
	2022	2021	2020	2019	2018
Ohio Police and Fire Pension Fund					
Contractually required contribution	\$ 17,230	\$ 16,411	\$ 16,165	\$ 15,627	\$ 15,072
Contributions in relation to contractually required contribution	(17,230)	(16,411)	(16,165)	(15,627)	(15,072)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 3,406,513	\$ 3,245,986	\$ 3,270,771	\$ 3,125,477	\$ 3,014,400
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%	0.50%

(1) OPERS Information prior to 2016 is not available.

<u>2017</u>	<u>2016</u>
\$ 48,044	\$ 87,508
<u>(48,044)</u>	<u>(87,508)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 4,219,671	\$ 4,177,783
1.00%	2.00%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 14,193	\$ 13,535	\$ 13,447	\$ 13,274	\$ 94,341
<u>(14,193)</u>	<u>(13,535)</u>	<u>(13,447)</u>	<u>(13,274)</u>	<u>(94,341)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,838,646	\$ 2,707,131	\$ 2,689,412	\$ 2,654,800	\$ 2,608,513
0.50%	0.50%	0.50%	0.50%	3.62%

City of Ravenna, Ohio
Notes to 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 from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

Ohio Police and Fire Pension Fund

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

Net OPEB Liability or Asset

Ohio Public Employees Retirement System (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

Ohio Police and Fire Pension Fund

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**CITY OF RAVENNA
PORTAGE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Department of Development</i>			
Community Housing Improvement Program (CDBG)	14.228	A-C-19-2DI-1	158,582
Community Housing Improvement Program (HOME)	14.239	A-C-19-2DI-2	390,783
Community Housing Improvement Program (HOME)	14.239	A-C-21-2DI-2	14,365
Total Community Housing Improvement Program (HOME)			405,148
Community Housing Improvement Program (OHTF)	14.275	A-C-19-2DI-1	46,371
Community Housing Improvement Program (OHTF)	14.275	A-C-21-2DI-1	61,549
Total Community Housing Improvement Program (OHTF)			107,920
Total U.S. Department of Housing and Urban Development			671,650
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Award</i>			
Bulletproof Vest Partnership	16.607	N/A	4,740
Total U.S. Department of Justice			4,740
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster			
Diamond Street / Mill Road	20.205	PID 107689	17,276
Chestnut / Riddle	20.205	PID 112576	435,455
Total Highway Planning and Construction Cluster			452,731
Total U.S. Department of Transportation			452,731
Total Expenditures of Federal Awards			\$1,129,121

The accompanying notes are an integral part of this schedule.

**CITY OF RAVENNA
PORTAGE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Ravenna (the City) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The federal loan programs listed below are administered directly by the City, and balances and transactions relating to these programs are included in the City’s basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balances of loans outstanding at December 31, 2022 consist of:

AL Number	Program/Cluster Name	Outstanding Balance at December 31, 2022
14.228	Community Housing Improvement Program (CDBG)	\$2,746,517

NOTE E – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The current cash balance on the City’s local program income account as of December 31, 2022 is \$99,074.

NOTE F – MATCHING REQUIREMENTS

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



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

City of Ravenna
Portage County
210 Park Way
Ravenna, Ohio 44266

To the City Council:

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 Ravenna, Portage County, (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 September 7, 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 opinion 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and corrective action plan. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Keith Faber
Auditor of State
Columbus, Ohio

September 7, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

City of Ravenna
Portage County
210 Park Way
Ravenna, Ohio 44266

To the City Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited City of Ravenna's, Portage County, (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City of Ravenna's major federal program for the year ended December 31, 2022. The City of Ravenna's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Ravenna complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the City 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 the 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

The City's 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.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City'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 the 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

September 7, 2023

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**CITY OF RAVENNA
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Highway Planning & Construction Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

1. Financial Reporting

FINDING NUMBER 2022-001

MATERIAL WEAKNESS

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The following financial statement adjustments were noted:

- The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the Road Levy Fund excluded prior year encumbrances appropriated in the amount of \$169,120 which resulted in a \$169,120 understatement of fund balance at year end.
- The Balance Sheet (Governmental Funds) assigned fund balance for the General Fund was overstated by \$454,998 and the unassigned fund balance was understated by \$454,998. This was caused by the exclusion of year end encumbrances in the calculation.

These errors occurred due to the City's lack of internal controls over the compilation of the financial statements. The failure to prepare complete and accurate financial statements could lead to the financial statement user making misinformed decisions about the City's financial position. The accompanying financial statements have been adjusted to correct these errors.

To help ensure the City's financial statements are complete and accurate, the City should adopt policies and procedures to identify and correct errors and omissions. In addition, the City should review the financial statements and notes prior to submission for audit.

Official's Response: The City will complete an assessment of the above adjustments and ensure the proper controls are in place to mitigate their reoccurrence. Also, the City will ensure that these items are communicated with third parties assisting with the GAAP conversion.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Brian Huff, CPA, Finance Director
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www.ravennaoh.gov



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	The City improperly included the EDO days in the severance payments to three street department employees who retired from the City in 2021, resulting in overpayments totaling \$701.	Fully Corrected	In 2022 the City implemented a new procedure requiring the Human Resource Manager and Finance Director to both review and sign off on final employee payouts.

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number:	2022-001
Planned Corrective Action:	The City will complete an assessment of the above adjustments and ensure the proper controls are in place to mitigate their reoccurrence. Also, the City will ensure that these items are communicated with third parties assisting with the GAAP conversion.
Anticipated Completion Date:	Immediate
Responsible Contact Person:	Brian Huff, Director of Finance

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF RAVENNA

PORTAGE 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 9/21/2023

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

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