OHIO AUDITOR OF STATE
KEITH FABER

CITY OF COUMBIANA
COLUMBIANA COUNTY
DECEMBER 31, 2022

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OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

City of Columbiana
Columbiana County
28 West Friend Street
Columbiana, Ohio 44408

To the City Council:

Report on the Audit of the Financial Statements

Qualified and Unmodified 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 Columbiana, Columbiana County, Ohio (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.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
Business-Type Activities	Qualified
General Fund	Unmodified
Capital Improvement Fund	Unmodified
Water Fund	Qualified
Wastewater Fund	Qualified
Electric Fund	Qualified
Aggregate Remaining Fund Information	Qualified

Qualified Opinions on Governmental Activities, Business-Type Activities, Water, Wastewater and Electric Major Enterprise Funds and Aggregate Remaining Fund Information

In our opinion, except for the effects of the matter described in the *Basis for Qualified and Unmodified Opinions* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities, Business-Type Activities, Water, Wastewater and Electric Major Enterprise funds and the Aggregate Remaining Fund Information of the City, as of December 31, 2022, and the changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the General and Capital Improvement funds of the City of Columbiana, Columbiana County, Ohio as of December 31, 2022, and the respective changes in financial position thereof and the budgetary comparison for the General fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified 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 qualified and unmodified audit opinions.

Matter Giving Rise to Qualified Opinions on Governmental Activities, Business-Type Activities, Water, Wastewater and Electric Major Enterprise Funds and Aggregate Remaining Fund Information

Management has not established an adequate method to ensure capital assets are recorded in accordance with City adopted policies. The capital assets, accumulated depreciation and depreciation expense within the City's basic financial statements were not recorded in accordance with the approved policy. The amount by which this would affect the assets, net position, cash flows and expenses of Governmental Activities, Business-Type Activities, Water, Wastewater and Electric Major Enterprise Funds and the Aggregate Remaining Fund Information cannot reasonably be determined.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the City restated accounts receivable and net position as of December 31, 2021 for the Business-Type Activities, and the Water, Wastewater and Electric Major Enterprise Funds. Our opinion is not modified with respect to this matter.

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 March 12, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 12, 2024

The discussion and analysis of the City of Columbiana's 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 should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2022 are as follows:

- In total, net position increased $2,791,517. Net position of governmental activities increased $3,434,922, which represents a 25% increase from 2021. Net position of business-type activities decreased $643,405, or 3% from 2021.

- General revenues accounted for $5,801,951 in revenue or 26% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $16,593,719, or 74% of total revenues of $22,395,670.

- The City had $5,116,894 in expenses related to governmental activities; $3,188,362 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $5,488,454 were adequate to provide for these programs.

- Among major funds, the general fund had $5,595,024 in revenues and other financing sources, and $4,603,555 in expenditures and other financing uses. The general fund's fund balance increased from a balance of $927,551 to $1,919,288.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

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

The two government-wide statements report the City's net position and how it has changed. Net position is one way to measure the City's financial health.

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

- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

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

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

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

Fund Financial Statements

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

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

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The proprietary fund financial statements provide separate information for the Water, Wastewater, Electric and Public Safety Vehicle Service funds. The Water, Wastewater, and Electric Funds are considered major funds, and the Public Safety Vehicle Service fund is considered a nonmajor fund.

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net position for 2022 compared to 2021.

	Governmental Activities		Business-type Activities		Total	
				Restated		Restated
	2022	2021	2022	2021	2022	2021
Current and other Assets	$6,490,834	$6,319,574	$10,319,078	$10,777,326	$16,809,912	$17,096,900
Net OPEB Asset	194,550	107,302	346,308	192,482	540,858	299,784
Capital Assets, Net	16,176,001	13,289,960	34,596,350	36,408,348	50,772,351	49,698,308
Total Assets	22,861,385	19,716,836	45,261,736	47,378,156	68,123,121	67,094,992
Deferred Outflows of Resources	1,098,214	822,458	586,317	485,561	1,684,531	1,308,019
Net Pension Liability	2,424,200	3,008,450	985,416	1,637,871	3,409,616	4,646,321
Net OPEB Liability	328,187	325,663	0	0	328,187	325,663
Other Long-term Liabilities	1,002,258	595,986	17,735,601	19,669,805	18,737,859	20,265,791
Other Liabilities	712,055	1,159,815	1,759,107	803,637	2,471,162	1,963,452
Total Liabilities	4,466,700	5,089,914	20,480,124	22,111,313	24,946,824	27,201,227
Deferred Inflows of Resources	2,317,971	1,709,374	1,817,575	1,558,645	4,135,546	3,268,019
Net Position						
Net Investment in Capital Assets	15,300,472	12,142,101	17,226,469	17,181,872	32,526,941	29,323,973
Restricted	2,598,455	2,896,676	0	0	2,598,455	2,896,676
Unrestricted (Deficit)	(723,999)	(1,298,771)	6,323,885	7,011,887	5,599,886	5,713,116
Total Net Position	$17,174,928	$13,740,006	$23,550,354	$24,193,759	$40,725,282	$37,933,765

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

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

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

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

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

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

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

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

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

Changes in Net Position – The following table shows the change in net position for 2022 compared to 2021:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services and Sales	$632,863	$510,367	$13,349,830	$13,112,971	$13,982,693	$13,623,338
Operating Grants and Contributions	552,633	518,987	40,856	4,348	593,489	523,335
Capital Grants and Contributions	2,002,866	1,296,919	14,671	41,219	2,017,537	1,338,138
Total Program Revenues	3,188,362	2,326,273	13,405,357	13,158,538	16,593,719	15,484,811
General Revenues:						
Property Taxes	720,750	704,444	279,577	273,814	1,000,327	978,258
Income Taxes	3,314,973	2,566,594	0	0	3,314,973	2,566,594
Other Local Taxes	49,233	48,430	0	0	49,233	48,430
Intergovernmental, Unrestricted	534,182	511,256	33,800	33,950	567,982	545,206
Investment Earnings	6,825	17,810	120	104	6,945	17,914
Gas and Oil Royalties	660,605	0	0	0	660,605	0
Miscellaneous	201,886	141,187	0	0	201,886	141,187
Total General Revenues	5,488,454	3,989,721	313,497	307,868	5,801,951	4,297,589
Total Revenues	8,676,816	6,315,994	13,718,854	13,466,406	22,395,670	19,782,400
Program Expenses						
Security of Persons and Property	2,238,726	2,168,569	0	0	2,238,726	2,168,569
Public Health and Welfare	311,125	220,358	0	0	311,125	220,358
Leisure Time Activities	560,088	399,149	0	0	560,088	399,149
Transportation	1,019,515	919,822	0	0	1,019,515	919,822
General Government	968,465	860,829	0	0	968,465	860,829
Interest and Fiscal Charges	18,975	7,538	0	0	18,975	7,538
Water	0	0	2,586,834	2,280,179	2,586,834	2,280,179
Wastewater	0	0	1,463,342	1,346,622	1,463,342	1,346,622
Electric	0	0	9,940,522	9,174,090	9,940,522	9,174,090
Public Safety Vehicle Service	0	0	496,561	256,693	496,561	256,693
Total Expenses	5,116,894	4,576,265	14,487,259	13,057,584	19,604,153	17,633,849
Change in Net Position Before Transfers	3,559,922	1,739,729	(768,405)	408,822	2,791,517	2,148,551
Transfers	(125,000)	(125,000)	125,000	125,000	0	0
Change in Net Position	3,434,922	1,614,729	(643,405)	533,822	2,791,517	2,148,551
Beginning Net Position - Restated	13,740,006	12,125,277	24,193,759	23,659,937	37,933,765	35,785,214
Ending Net Position	$17,174,928	$13,740,006	$23,550,354	$24,193,759	$40,725,282	$37,933,765

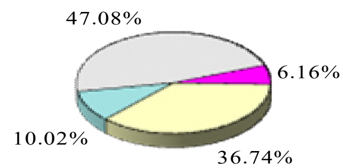
Governmental Activities

Governmental activities net position increased $3,434,922, or 25%. An overall increase in revenues can mostly be attributed to capital grants, income taxes and gas and oil royalty income. Capital grants included $1.1 million in ODOT funding for improvements to East Park Avenue, Springfield Road, and Heck Road. Robust economic activity in the City was the primary factor contributing to an increase in income tax revenues. Expenses were consistent with the prior year.

The City receives an income tax, which is based on 1% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the City.

Income taxes and property taxes made up 38% and 8% respectively, of revenues for governmental activities in 2022. The City's reliance upon tax revenues is demonstrated by the following graph indicating 47% of total revenues from general tax revenues:

Revenue Sources	2022	Percent of Total
General Tax Revenues	$4,084,956	47.08%
Intergovernmental, Unrestricted	534,182	6.16%
Program Revenues	3,188,362	36.74%
General Other	869,316	10.02%
Total Revenue	$8,676,816	100.00%



Business-Type Activities

Net position of the business-type activities decreased $643,405.

Revenues were consistent with the prior year.

An overall decrease in expenses in the prior year due to changes in the Net Pension and OPEB liabilities resulted in a subsequent increase in expenses in 2022. Also contributing to the increase in expense was an increase in payments to AMP for purchased power.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of $4,444,177, which is an increase from last year's balance of $3,763,074. The schedule below indicates the fund balance and the total change in fund balance for the governmental funds as of December 31, 2022 and 2021:

	Fund Balance December 31, 2022	Fund Balance December 31, 2021	Increase (Decrease)
General	$1,919,288	$927,551	$991,737
Capital Improvement	709,792	1,164,688	(454,896)
Other Governmental	1,815,097	1,670,835	144,262
Total	$4,444,177	$3,763,074	$681,103

General Fund – The tables that follow assist in illustrating the financial activities of the General Fund:

	2022 Revenues	2021 Revenues	Increase (Decrease)
Taxes	$3,794,620	$3,237,911	$556,709
Intergovernmental Revenues	490,694	483,364	7,330
Charges for Services	253,728	186,592	67,136
Licenses and Permits	181,875	147,069	34,806
Investment Earnings	6,781	17,738	(10,957)
Donations	82,246	25,724	56,522
Fines and Forfeitures	41,385	43,088	(1,703)
Gas and Oil Royalties	660,605	0	660,605
All Other Revenue	83,090	75,726	7,364
Total	$5,595,024	$4,217,212	$1,377,812

General Fund revenues increased $1,377,812, or 33% when compared to revenues in the prior year, which can mostly be attributed to income taxes and gas and oil royalty income. Robust economic activity in the City was the primary factor contributing to an increase in income tax revenues.

	2022 Expenditures	2021 Expenditures	Increase (Decrease)
Security of Persons and Property	$1,722,900	$1,659,752	$63,148
Public Health and Welfare	21,733	21,050	683
Leisure Time Activities	460,024	408,801	51,223
General Government	453,898	450,953	2,945
Total	$2,658,555	$2,540,556	$117,999

General Fund expenditures remained stable, increasing $117,999, or 5% when compared to expenditures in the prior year. An increase in security of persons and property can mostly be attributed to increases in police department salaries and benefits while an increase in leisure time activities was the result of an overall increase in the cost of equipment and supplies.

Capital Improvement Fund – The City's Capital Improvement Fund reported $709,792 in fund balance at year end. Expenditures can mostly be attributed to construction costs for storm water improvements at West Salem Street as well as improvements to East Park Avenue, Springfield Road, and Heck Road. These construction costs were partially offset by $1.9 million in grants, resulting in a net decrease in fund balance of $454,896.

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.

During the course of 2022 the City amended its General Fund budget several times.

For the General Fund, final revenue estimates were 52% higher than original estimates due to gas and oil royalty revenues. Actual budget basis revenues were 12% higher than final estimates. Original budgeted, final budgeted, and actual budget basis expenditures were not materially different. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022 the City had $50,772,351 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, equipment, vehicles, and infrastructure. Of this total, $16,176,001 was related to governmental activities and $34,596,350 to the business-type activities. The following tables show 2022 and 2021 balances:

	Governmental Activities		Increase (Decrease)
	2022	2021	
Land	$1,134,824	$1,134,824	$0
Construction In Progress	1,133,928	1,810,373	(676,445)
Buildings and Improvements	3,275,080	3,265,725	9,355
Improvements Other than Buildings	1,151,511	1,143,311	8,200
Infrastructure	14,468,363	10,860,067	3,608,296
Machinery and Equipment	6,103,626	5,357,023	746,603
Less: Accumulated Depreciation	(11,091,331)	(10,281,363)	(809,968)
Totals	$16,176,001	$13,289,960	$2,886,041

Significant capital asset activity for Governmental Activities consisted of machinery, equipment, and vehicle purchases in the Fire, Police, and Parks Departments. Additions to infrastructure consisted of routine street paving as well as storm water improvements at West Salem Street.

	Business-Type Activities		Increase (Decrease)
	2022	2021	
Land	$975,871	$975,871	$0
Buildings	17,957,251	17,957,251	0
Improvements other than Buildings	539,394	539,394	0
Machinery and Equipment	23,268,344	23,195,730	72,614
Infrastructure	15,878,161	15,862,916	15,245
Less: Accumulated Depreciation	(24,022,671)	(22,122,814)	(1,899,857)
Totals	$34,596,350	$36,408,348	($1,811,998)

Significant Business-Type Activities capital asset additions included various equipment purchases in the Water, Wastewater, Electric, and Public Safety Vehicle departments. Additional information on the City's capital assets can be found in Note 8.

Debt and Other Long Term Obligations

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

	2022	2021
Governmental Activities:		
General Obligation Bonds	$110,000	$215,000
Ohio Public Works Commission Loan	165,529	210,674
Installment Loan	600,000	0
Compensated Absences	126,729	170,312
Total Governmental Activities	1,002,258	595,986
Business-Type Activities:		
Special Assessment Bonds	60,000	90,000
Installment Loan	315,770	365,000
Mortgage Revenue Bond	9,976,200	10,194,900
Ohio Water Development Authority Loans	5,774,488	7,251,965
Ohio Public Works Commission Loans	1,380,683	1,490,885
AMPGS Payable	106,622	131,519
Compensated Absences	121,838	145,536
Total Business-Type Activities	17,735,601	19,669,805
Totals	$18,737,859	$20,265,791

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2022, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances and to show the City's accountability for the money it receives. Questions about this report or the need for additional financial information should be directed to Mr. Michael Harold, Director of Finance of the City of Columbiana.

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Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	$ 4,164,911	$ 5,444,161	$ 9,609,072
Cash and Cash Equivalents in Segregated Accounts	2,608	0	2,608
Receivables:			
Taxes	1,738,309	272,935	2,011,244
Accounts	139,720	2,802,686	2,942,406
Intergovernmental	351,707	17,131	368,838
Interest	1,840	120	1,960
Special Assessments	0	1,669,829	1,669,829
Inventory of Supplies at Cost	47,733	17,162	64,895
Prepaid Items	44,006	45,454	89,460
Investment in Joint Venture	0	49,600	49,600
Net OPEB Asset	194,550	346,308	540,858
Nondepreciable Capital Assets	2,268,752	975,871	3,244,623
Depreciable Capital Assets, Net	13,907,249	33,620,479	47,527,728
Total Assets	22,861,385	45,261,736	68,123,121
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	0	133,192	133,192
Pension	864,494	453,125	1,317,619
OPEB	233,720	0	233,720
Total Deferred Outflows of Resources	1,098,214	586,317	1,684,531
Liabilities:			
Accounts Payable	36,174	903,452	939,626
Accrued Wages and Benefits	124,113	103,433	227,546
Intergovernmental Payable	19,469	53,807	73,276
Unearned Revenue	518,169	0	518,169
Accrued Interest Payable	14,130	57,415	71,545
General Obligation Notes Payable	0	641,000	641,000
Noncurrent Liabilities:			
Due Within One Year	301,856	1,065,170	1,367,026
Due in More Than One Year:			
Net Pension Liability	2,424,200	985,416	3,409,616
Net OPEB Liability	328,187	0	328,187
Other Amounts Due in More Than One Year	700,402	16,670,431	17,370,833
Total Liabilities	4,466,700	20,480,124	24,946,824

(Continued)

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	700,207	266,038	966,245
Pension	1,305,613	1,193,732	2,499,345
OPEB	312,151	357,805	669,956
Total Deferred Inflows of Resources	2,317,971	1,817,575	4,135,546
Net Position:			
Net Investment in Capital Assets	15,300,472	17,226,469	32,526,941
Restricted For:			
Capital Projects	1,644,136	0	1,644,136
Debt Service	8,831	0	8,831
Other Purposes	945,488	0	945,488
Unrestricted (Deficit)	(723,999)	6,323,885	5,599,886
Total Net Position	$ 17,174,928	$ 23,550,354	$ 40,725,282

See accompanying notes to the basic financial statements

Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	$ 2,238,726	$ 156,374	$ 16,941	$ 460
Public Health and Welfare	311,125	96,751	0	0
Leisure Time Activities	560,088	197,863	58,151	75,525
Transportation	1,019,515	0	403,220	1,901,462
General Government	968,465	181,875	74,321	25,419
Interest and Fiscal Charges	18,975	0	0	0
Total Governmental Activities	5,116,894	632,863	552,633	2,002,866
Business-Type Activities:				
Water	2,586,834	1,725,037	37,500	10,602
Wastewater	1,463,342	1,195,892	0	4,069
Electric	9,940,522	10,238,643	0	0
Public Safety Vehicle Service	496,561	190,258	3,356	0
Total Business-Type Activities	14,487,259	13,349,830	40,856	14,671
Totals	$ 19,604,153	$ 13,982,693	$ 593,489	$ 2,017,537

General Revenues and Transfers
Property Taxes Levied for:
General Purposes
Special Purposes
Capital Projects
Public Safety Vehicle Service
Income Tax
Other Local Taxes
Intergovernmental, Unrestricted
Investment Earnings
Gas and Oil Royalties
Miscellaneous
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated
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
$ (2,064,951)	$ 0	$ (2,064,951)
(214,374)	0	(214,374)
(228,549)	0	(228,549)
1,285,167	0	1,285,167
(686,850)	0	(686,850)
(18,975)	0	(18,975)
(1,928,532)	0	(1,928,532)
0	(813,695)	(813,695)
0	(263,381)	(263,381)
0	298,121	298,121
0	(302,947)	(302,947)
0	(1,081,902)	(1,081,902)
$ (1,928,532)	$ (1,081,902)	$ (3,010,434)
393,744	0	393,744
47,337	0	47,337
279,669	0	279,669
0	279,577	279,577
3,314,973	0	3,314,973
49,233	0	49,233
534,182	33,800	567,982
6,825	120	6,945
660,605	0	660,605
201,886	0	201,886
(125,000)	125,000	0
5,363,454	438,497	5,801,951
3,434,922	(643,405)	2,791,517
13,740,006	24,193,759	37,933,765
$ 17,174,928	$ 23,550,354	$ 40,725,282

Balance Sheet
Governmental Funds
December 31, 2022

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Pooled Cash and Investments	$ 1,178,041	$ 742,577	$ 2,244,293	$ 4,164,911
Cash and Cash Equivalents in Segregated Accounts	2,608	0	0	2,608
Receivables:				
Taxes	1,412,964	0	325,345	1,738,309
Accounts	138,731	0	989	139,720
Intergovernmental	106,783	0	244,924	351,707
Interest	1,810	0	30	1,840
Inventory of Supplies, at Cost	876	0	46,857	47,733
Prepaid Items	22,623	2,597	18,786	44,006
Total Assets	$ 2,864,436	$ 745,174	$ 2,881,224	$ 6,490,834
Liabilities:				
Accounts Payable	$ 10,497	$ 24,251	$ 1,426	$ 36,174
Accrued Wages and Benefits Payable	63,769	9,800	50,544	124,113
Intergovernmental Payable	17,460	1,331	678	19,469
Unearned Revenue	0	0	518,169	518,169
Total Liabilities	91,726	35,382	570,817	697,925
Deferred Inflows of Resources:				
Unavailable Amounts	470,419	0	178,106	648,525
Property Tax Levy for Next Fiscal Year	383,003	0	317,204	700,207
Total Deferred Inflows of Resources	853,422	0	495,310	1,348,732
Fund Balance:				
Nonspendable	30,268	2,597	169,705	202,570
Restricted	0	707,195	1,582,720	2,289,915
Committed	0	0	8,852	8,852
Assigned	1,916,588	0	70,904	1,987,492
Unassigned	(27,568)	0	(17,084)	(44,652)
Total Fund Balance	1,919,288	709,792	1,815,097	4,444,177
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 2,864,436	$ 745,174	$ 2,881,224	$ 6,490,834

See accompanying notes to the basic financial statements

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

Total Governmental Fund Balances		$ 4,444,177
Amounts reported for governmental activities in the statement of net position are different because		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		16,176,001
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		648,525
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	864,494	
Deferred Inflows - Pension	(1,305,613)	
Net Pension Liability	(2,424,200)	
Deferred Outflows - OPEB	233,720	
Deferred Inflows - OPEB	(312,151)	
Net OPEB Asset	194,550	
Net OPEB Liability	(328,187)	(3,077,387)
Long-term liabilities, including compensated absences payable and loans payable are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(110,000)	
OPWC Loan Payable	(165,529)	
Installment Loan Payable	(600,000)	
Compensated Absences Payable	(126,729)	
Accrued Interest Payable	(14,130)	(1,016,388)
Net Position of Governmental Activities		$ 17,174,928

See accompanying notes to the basic financial statements

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

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 3,794,620	$ 0	$ 325,956	$ 4,120,576
Other Local Taxes	0	0	49,233	49,233
Intergovernmental Revenues	490,694	1,901,462	517,499	2,909,655
Charges for Services	253,728	0	154,751	408,479
Licenses and Permits	181,875	0	0	181,875
Investment Earnings	6,781	0	44	6,825
Donations	82,246	84,944	8,346	175,536
Fines and Forfeitures	41,385	0	1,124	42,509
Gas and Oil Royalties	660,605	0	0	660,605
All Other Revenue	83,090	86,827	32,429	202,346
Total Revenues	5,595,024	2,073,233	1,089,382	8,757,639
Expenditures:				
Current:				
Security of Persons and Property	1,722,900	0	344,913	2,067,813
Public Health and Welfare	21,733	0	229,308	251,041
Leisure Time Activities	460,024	0	4,309	464,333
Transportation	0	0	388,120	388,120
General Government	453,898	0	76,210	530,108
Capital Outlay	0	4,032,984	658,217	4,691,201
Debt Service:				
Principal Retirement	0	45,145	105,000	150,145
Interest & Fiscal Charges	0	0	5,285	5,285
Total Expenditures	2,658,555	4,078,129	1,811,362	8,548,046
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,936,469	(2,004,896)	(721,980)	209,593
Other Financing Sources (Uses):				
Loan Issuance	0	0	600,000	600,000
Transfers In	0	1,550,000	270,000	1,820,000
Transfers Out	(1,945,000)	0	0	(1,945,000)
Total Other Financing Sources (Uses)	(1,945,000)	1,550,000	870,000	475,000
Net Change in Fund Balances	991,469	(454,896)	148,020	684,593
Fund Balance at Beginning of Year	927,551	1,164,688	1,670,835	3,763,074
Increase (Decrease) in Inventory	268	0	(3,758)	(3,490)
Fund Balance End of Year	$ 1,919,288	$ 709,792	$ 1,815,097	$ 4,444,177

See accompanying notes to the basic financial statements

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		$ 684,593
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Outlay	3,743,147	
Depreciation Expense	(845,361)	2,897,786
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net position.		
The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.		(11,745)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(80,823)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	306,716	
OPEB	4,478	311,194
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities:		
Pension	(60,504)	
OPEB	117,873	57,369
The issuance of long-term debt (e.g. notes, loans) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
General Obligation Bond Principal Retirement	105,000	
Ohio Public Works Commission Loan Principal Retirement	45,145	
Installment Loan Issuance	(600,000)	
Accrued Interest Payable	(13,690)	(463,545)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Compensated Absences	43,583	
Change in Inventory	(3,490)	40,093
Change in Net Position of Governmental Activities		$ 3,434,922

See accompanying notes to the basic financial statements

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 380,900	$ 379,900	$ 391,875	$ 11,975
Intergovernmental Revenue	375,100	396,039	488,162	92,123
Charges for Services	30,000	30,000	71,360	41,360
Licenses and Permits	140,000	130,000	182,186	52,186
Investment Earnings	20,000	10,000	4,971	(5,029)
Donations	15,000	15,000	15,441	441
Fines and Forfeitures	37,500	37,500	40,173	2,673
Gas and Oil Royalties	0	545,491	545,492	1
All Other Revenues	54,600	54,661	50,545	(4,116)
Total Revenues	1,053,100	1,598,591	1,790,205	191,614
Expenditures:				
Current:				
Security of Persons and Property	1,534,000	1,792,680	1,734,178	58,502
Public Health and Welfare	20,000	21,733	21,733	0
General Government	384,311	345,706	332,904	12,802
Total Expenditures	1,938,311	2,160,119	2,088,815	71,304
Excess (Deficiency) of Revenues Over (Under) Expenditures	(885,211)	(561,528)	(298,610)	262,918
Other Financing Sources (Uses):				
Transfers In	1,350,000	1,550,000	1,550,000	0
Transfers Out	(615,000)	(615,000)	(615,000)	0
Total Other Financing Sources (Uses):	735,000	935,000	935,000	0
Net Change in Fund Balance	(150,211)	373,472	636,390	262,918
Fund Balance at Beginning of Year	199,757	199,757	199,757	0
Prior Year Encumbrances	5,678	5,678	5,678	0
Fund Balance at End of Year	$ 55,224	$ 578,907	$ 841,825	$ 262,918

See accompanying notes to the basic financial statements

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Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities Enterprise Funds				
	Major			NonMajor	
	Water	Wastewater	Electric	Public Safety Vehicle Service	Total
Assets:					
Current Assets:					
Pooled Cash and Investments	$ 722,817	$ 1,009,947	$ 3,271,454	$ 439,943	$ 5,444,161
Taxes Receivable	0	0	0	272,935	272,935
Accounts Receivable	312,941	212,514	1,933,110	344,121	2,802,686
Intergovernmental Receivables	0	0	0	17,131	17,131
Interest Receivable	0	0	120	0	120
Special Assessments Receivable	34,948	1,634,881	0	0	1,669,829
Inventory of Supplies at Cost	15,281	1,881	0	0	17,162
Prepaid Items	14,673	10,183	17,354	3,244	45,454
Total Current Assets	1,100,660	2,869,406	5,222,038	1,077,374	10,269,478
Noncurrent Assets:					
Investment in Joint Venture	0	0	49,600	0	49,600
Net OPEB Asset	110,051	77,758	99,327	59,172	346,308
Capital Assets, Net	18,145,824	10,662,606	5,315,479	472,441	34,596,350
Total Noncurrent Assets	18,255,875	10,740,364	5,464,406	531,613	34,992,258
Total Assets	19,356,535	13,609,770	10,686,444	1,608,987	45,261,736
Deferred Outflows of Resources:					
Deferred Charge on Debt Refunding	0	133,192	0	0	133,192
Pension	143,993	101,743	129,964	77,425	453,125
Total Deferred Outflows of Resources	143,993	234,935	129,964	77,425	586,317
Liabilities:					
Current Liabilities:					
Accounts Payable	3,917	21,162	875,733	2,640	903,452
Accrued Wages and Benefits	33,344	20,533	29,406	20,150	103,433
Intergovernmental Payable	21,671	7,522	24,474	140	53,807
AMPGS Payable - Current	0	0	27,660	0	27,660
Accrued Interest Payable	53,725	138	0	3,552	57,415
General Obligation Notes Payable	0	641,000	0	0	641,000
Revenue Bonds Payable - Current	222,100	0	0	0	222,100
Installment Loan Payable - Current	0	0	0	49,745	49,745
Special Assessment Bonds Payable - Current	15,000	15,000	0	0	30,000
OWDA Loans Payable - Current	2,034	608,858	0	0	610,892
OPWC Loans Payable - Current	29,978	43,488	0	0	73,466
Compensated Absences - Current	13,018	17,265	5,937	15,087	51,307
Total Current Liabilities	394,787	1,374,966	963,210	91,314	2,824,277

(Continued)

	Business-Type Activities Enterprise Funds				
	Major			NonMajor	
	Water	Wastewater	Electric	Public Safety Vehicle Service	Total
Noncurrent Liabilities:					
Installment Loans Payable	0	0	0	266,025	266,025
Special Assessment Bonds Payable	15,000	15,000	0	0	30,000
Revenue Bonds Payable	9,754,100	0	0	0	9,754,100
OWDA Loans Payable	2,034	5,161,562	0	0	5,163,596
OPWC Loans Payable	764,434	542,783	0	0	1,307,217
AMPGS Payable	0	0	78,962	0	78,962
Compensated Absences Payable	18,737	18,967	25,387	7,440	70,531
Net Pension Liability	313,147	221,261	282,632	168,376	985,416
Total Noncurrent Liabilities	10,867,452	5,959,573	386,981	441,841	17,655,847
Total Liabilities	11,262,239	7,334,539	1,350,191	533,155	20,480,124
Deferred Inflows of Resources:					
Property Tax Levy for Next Fiscal Year	0	0	0	266,038	266,038
Pension	379,345	268,037	342,379	203,971	1,193,732
OPEB	113,704	80,339	102,625	61,137	357,805
Total Deferred Inflows of Resources	493,049	348,376	445,004	531,146	1,817,575
Net Position:					
Net Investment in Capital Assets	7,345,212	4,409,107	5,315,479	156,671	17,226,469
Unrestricted	400,028	1,752,683	3,705,734	465,440	6,323,885
Total Net Position	$ 7,745,240	$ 6,161,790	$ 9,021,213	$ 622,111	$ 23,550,354

See accompanying notes to the basic financial statements

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

	Business-Type Activities Enterprise Funds			
	Major			NonMajor
	Water	Wastewater	Electric	Public Safety Vehicle Service
Operating Revenues:				
Charges for Services	$ 1,660,210	$ 1,164,090	$ 10,123,014	$ 174,507
Other Operating Revenues	64,827	31,802	96,088	14,641
Total Operating Revenues	1,725,037	1,195,892	10,219,102	189,148
Operating Expenses:				
Personal Services	610,445	520,022	572,289	353,653
Contractual Services	416,495	285,634	8,759,454	43,479
Materials and Supplies	299,625	92,488	210,770	12,806
Depreciation	1,087,642	442,930	376,726	62,907
Other Operating Expenses	1,837	7,656	0	7,370
Total Operating Expenses	2,416,044	1,348,730	9,919,239	480,215
Operating Income (Loss)	(691,007)	(152,838)	299,863	(291,067)
Non-Operating Revenues (Expenses):				
Interest Income	0	0	120	0
Interest and Fiscal Charges	(166,899)	(112,893)	0	(7,996)
Taxes	0	0	0	279,577
Loss on Disposal of Capital Assets	0	0	0	(7,817)
Intergovernmental Grants	37,500	0	0	37,156
Other Nonoperating Revenue	0	0	19,541	1,110
Other Nonoperating Expense	(3,891)	(1,719)	(21,283)	(533)
Total Non-Operating Revenues (Expenses)	(133,290)	(114,612)	(1,622)	301,497
Income (Loss) Before Transfers and Contributions	(824,297)	(267,450)	298,241	10,430
Transfers and Contributions:				
Capital Contributions	10,602	4,069	0	0
Transfers-In	0	125,000	0	0
Total Transfers and Contributions	10,602	129,069	0	0
Change in Net Position	(813,695)	(138,381)	298,241	10,430
Net Position Beginning of Year - Restated	8,558,935	6,300,171	8,722,972	611,681
Net Position End of Year	$ 7,745,240	$ 6,161,790	$ 9,021,213	$ 622,111

See accompanying notes to the basic financial statements

Total
$ 13,121,821
207,358
13,329,179
2,056,409
9,505,062
615,689
1,970,205
16,863
14,164,228
(835,049)
120
(287,788)
279,577
(7,817)
74,656
20,651
(27,426)
51,973
(783,076)
14,671
125,000
139,671
(643,405)
24,193,759
$ 23,550,354

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

	Business-Type Activities - Enterprise Funds			
	Major			NonMajor
	Water	Wastewater	Electric	Public Safety Vehicle Service
Cash Flows from Operating Activities:				
Cash Received from Customers	$1,746,417	$1,220,521	$10,062,089	$180,106
Cash Payments for Goods and Services	(739,605)	(369,808)	(8,714,506)	(62,249)
Cash Payments to Employees	(847,450)	(629,392)	(830,402)	(444,775)
Net Cash Provided (Used) by Operating Activities	159,362	221,321	517,181	(326,918)
Cash Flows from Noncapital Financing Activities:				
Tax Receipts	0	0	0	278,755
Intergovernmental Receipts	37,500	0	0	37,414
Transfers In from Other Funds	0	125,000	0	0
Net Cash Provided by Noncapital Financing Activities	37,500	125,000	0	316,169
Cash Flows from Capital and Related Financing Activities:				
Special Assessment Bond Retirement	(15,000)	(15,000)	0	0
Mortgage Revenue Bond Retirement	(218,700)	0	0	0
Note Proceeds	0	641,000	0	0
OWDA Loan Retirement	(2,034)	(1,475,443)	0	0
OPWC Loan Retirement	(44,967)	(65,235)	0	0
Installment Loan Retirement	0	0	0	(49,230)
Capital Contributions	25,602	225,615	0	0
Interest and Fiscal Charges	(168,142)	(92,906)	0	(7,619)
Acquisition and Construction of Assets	(20,203)	(48,352)	(65,745)	(31,724)
Net Cash Used by Capital and Related Financing Activities	(443,444)	(830,321)	(65,745)	(88,573)
Net Increase (Decrease) in Cash and Cash Equivalents	(246,582)	(484,000)	451,436	(99,322)
Cash and Cash Equivalents at Beginning of Year	969,399	1,493,947	2,820,018	539,265
Cash and Cash Equivalents at End of Year	$722,817	$1,009,947	$3,271,454	$439,943

Total
$13,209,133
(9,886,168)
(2,752,019)
570,946
278,755
74,914
125,000
478,669
(30,000)
(218,700)
641,000
(1,477,477)
(110,202)
(49,230)
251,217
(268,667)
(166,024)
(1,428,083)
(378,468)
5,822,629
$5,444,161

(Continued)

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

	Business-Type Activities - Enterprise Funds			
	Major			NonMajor
	Water	Wastewater	Electric	Public Safety Vehicle Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	($691,007)	($152,838)	$299,863	($291,067)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	1,087,642	442,930	376,726	62,907
Non-Operating Revenue	0	0	19,541	1,360
Non-Operating Expense	(3,891)	(1,719)	(42,431)	(533)
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:				
(Increase) Decrease in Accounts Receivable	21,380	24,629	(176,554)	(10,402)
(Increase) Decrease in Inventory	(9,606)	911	0	0
(Increase) Decrease in Prepaids	(2,199)	(1,377)	(960)	262
Increase in Net OPEB Asset	(48,062)	(38,000)	(39,974)	(27,790)
Increase in Deferred Outflows of Resources	(39,202)	(34,531)	(29,628)	(24,375)
Increase (Decrease) in Accounts Payable	(4,737)	18,187	325,883	2,435
Increase (Decrease) in Accrued Wages and Benefits	1,468	730	(634)	3,650
Increase (Decrease) in Intergovernmental Payable	(1,114)	67	(1,747)	(711)
Decrease in AMPGS Payable	0	0	(24,897)	0
Increase (Decrease) in Compensated Absences Payable	(12,967)	(1,499)	(11,275)	2,043
Decrease in Net Pension Liability	(214,330)	(117,050)	(222,411)	(98,664)
Increase in Deferred Inflows of Resources	75,987	80,881	45,679	53,967
Total Adjustments	850,369	374,159	217,318	(35,851)
Net Cash Provided (Used) by Operating Activities	$159,362	$221,321	$517,181	($326,918)

See accompanying notes to the basic financial statements

Total
($835,049)
1,970,205
20,901
(48,574)
(140,947)
(8,695)
(4,274)
(153,826)
(127,736)
341,768
5,214
(3,505)
(24,897)
(23,698)
(652,455)
256,514
1,405,995
$570,946

Statement of Net Position
Fiduciary Funds
December 31, 2022

	Private Purpose Trust	Custodial
Assets:		
Cash and Cash Equivalents	$ 129,297	$ 907
Total Assets	129,297	907
Liabilities:		
Due to Others	0	907
Total Liabilities	0	907
Net Position:		
Restricted For:		
Cemetery Maintenance	129,297	0
Total Net Position	$ 129,297	$ 0

See accompanying notes to the basic financial statements

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

	Private Purpose Trust	Custodial
Additions:		
Fines and Forfeiture Collections for other Governments	$ 0	$ 12,785
Donations	7,561	0
Total Collections and Donations	7,561	12,785
Investment Earnings:		
Interest	38	0
Total Additions	7,599	12,785
Deductions:		
Distribution of Fines and Forfeitures to other Governments	0	12,785
Cemetery Maintenance	19,548	0
Total Deductions	19,548	12,785
Change in Net Position	(11,949)	0
Net Position at Beginning of Year	141,246	0
Net Position End of Year	$ 129,297	$ 0

See accompanying notes to the basic financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Columbiana (the "City") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the Constitution, the laws of the State of Ohio and its Charter. Columbiana became a city in 2001, and operates under a Council/Manager form of government.

The financial statements are presented as of December 31, 2022 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: public safety, highways and streets, sanitation, health and social services, culture/recreation, public improvements, planning and zoning, and general administrative services. In addition, the City operates a water treatment and distribution system, a wastewater treatment and collection system, an electric distribution system, and an emergency medical service system which are reported as enterprise funds.

Joint Venture with Equity Interest:

Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV-5) - OMEGA JV-5 was organized by 42 subdivisions of the State of Ohio (the participants) on April 20, 1993 pursuant to a joint venture agreement under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. Its purpose is to undertake the Belleville Hydroelectric Project. The participants are members of American Municipal Power-Ohio, Inc. See Note 14 – "Joint Ventures".

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting

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

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

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

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

Proprietary Funds

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the balance sheet. The enterprise fund operating statement presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The City's major enterprise funds are:

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

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

Electric Fund – This fund is used to account for the operation of the City's electric distribution services.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City reports two private-purpose trust funds which account for amounts held for cemetery maintenance for specific plots, and one custodial fund, which accounts for the activities of the City Mayors Court.

C. Basis of Presentation – Financial Statements

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

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

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

Fiduciary funds present a statement of Changes in Fiduciary Net Position which reports additions to and deductions from fiduciary funds.

D. Basis of Accounting

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Property taxes measurable as of December 31, 2022 but which are not intended to finance 2022 operations and other revenue received in advance of the fiscal year for which they are intended to finance, have been recorded as deferred inflows of resources.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred inflows of resources. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 5.

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year. All funds other than custodial funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is at the fund, function and object level. Budgetary modifications may only be made by ordinance or resolution of the City Council.

1. Tax Budget

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

2. Estimated Resources

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

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

4. Encumbrances

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

5. Lapsing of Appropriations

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

6. Budgetary Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

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

Net Change in Fund Balance

	General Fund
GAAP Basis (as reported)	$991,469
Increase (Decrease):	
Accrued Revenues at December 31, 2022 received during 2023	(809,474)
Accrued Revenues at December 31, 2021 received during 2022	555,362
Accrued Expenditures at December 31, 2022 paid during 2023	91,726
Accrued Expenditures at December 31, 2021 paid during 2022	(85,709)
2021 Prepaids for 2022	19,728
2022 Prepaids for 2023	(22,623)
Outstanding Encumbrances	(23,392)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	(80,697)
Budget Basis	$636,390

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and short-term certificates of deposit with original maturities of three months or less.

The City pools a majority of its cash for investment and resource management purposes, while maintaining some segregated funds. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintains its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. See Note 4, "Cash, Cash Equivalents and Investments."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. <u>Investments</u>

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" and GASB Statement No. 72, *"Fair Value Measurement and Application,"* the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

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. See Note 4 "Cash, Cash Equivalents, and Investments".

Under existing Ohio statues all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. The City assigns investment earnings to the General Fund and various other governmental, proprietary and fiduciary funds. Interest revenue credited to the General Fund during 2022 amounted to $6,781, which includes $6,159 assigned from other funds.

H. <u>Prepaid Items</u>

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

I. <u>Inventory</u>

On the government-wide and proprietary fund financial statements, purchased inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories of governmental funds are stated at cost on a first-in, first-out basis and recorded as an expenditure in the governmental funds when purchased.

Inventory consists of expendable supplies held for consumption.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets acquired prior to 2019 have an initial, individual cost of more than $1,000. Beginning in 2019, the City has established a capitalization threshold of $5,000 for land and machinery and equipment, and $10,000 for all other capital assets.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

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

2. Property, Plant and Equipment – Business Type Activities

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

3. Depreciation

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

Description	Governmental and Business-Type Activities Estimated Lives (in years)
Buildings and Improvements	30-40
Improvements other than Buildings	20
Infrastructure	40
Machinery and Equipment	5-20

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

Obligation	Fund
Special Assessment Bonds	Water Fund, Wastewater Fund
Mortgage Revenue Bonds	Water Fund
General Obligation Bonds	Fire Department Capital Improvement Fund
Installment Loans	Fire Truck Capital Purchases Fund, Public Safety Vehicle Service Fund
OPWC/OWDA Loans	Capital Improvement Fund, Water Fund Wastewater Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Cemetery Fund, Park Fund Capital Improvement Fund, Income Tax Fund Water Fund, Wastewater Fund, Electric Fund Public Safety Vehicle Service Fund

L. Compensated Absences

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

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

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net position, “Compensated Absences Payable” is recorded within the “Due within one year” account and the long-term portion of the liability is recorded within the “Due in more than one year” account.

Compensated absences are expensed in the Water, Wastewater, Electric and Public Safety Vehicle Service Funds when earned, and the related liability is reported within the fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Position

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

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

N. Pension/OPEB

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

O. Interfund Activity

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

P. Fund Balances

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. <u>Fund Balances</u> (Continued)

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

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

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

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

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

Q. <u>Operating Revenues and Expenses</u>

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

R. <u>Extraordinary and Special Items</u>

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no special or extraordinary items to report during 2022.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. For the City, deferred outflows of resources are reported for deferred charges on debt refunding and pension/OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. For the City, deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

T. Accrued Liabilities and Long Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, "Leases," Statement No. 91, "Conduit Debt Obligations," Statement No. 92, "Omnibus 2020," Statement No. 93, "Replacement of Interbank Offered Rates," and Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32."

GASB Statement No. 87 establishes standards of accounting and financial reporting for leases.

GASB Statement No. 91 establishes a single method of reporting conduit debt obligations.

GASB Statement No. 92 establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases.

The primary objectives of GASB Statement No. 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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

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NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid Items	$22,623	$2,597	$18,786	$44,006
Supplies Inventory	876	0	46,857	47,733
Unclaimed Funds	6,769	0	0	6,769
Permanent Fund Corpus	0	0	104,062	104,062
Total Nonspendable	30,268	2,597	169,705	202,570
Restricted:				
Street Maintenance and Repair	0	0	593,946	593,946
Cemetery Maintenance	0	0	49,639	49,639
Law Enforcement	0	0	8,188	8,188
Debt Retirement	0	0	8,831	8,831
Capital Improvements	0	707,195	922,116	1,629,311
Total Restricted	0	707,195	1,582,720	2,289,915
Committed:				
Other Purposes	0	0	8,852	8,852
Total Committed	0	0	8,852	8,852
Assigned:				
Land Purchase	0	0	70,904	70,904
Services and Supplies	40,938	0	0	40,938
Budget Resource	1,875,650	0	0	1,875,650
Total Assigned	1,916,588	0	70,904	1,987,492
Unassigned (Deficits):	(27,568)	0	(17,084)	(44,652)
Total Fund Balances	$1,919,288	$709,792	$1,815,097	$4,444,177

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds must be evidenced by time CD's maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. Interim funds may be invested or deposited in the following securities:

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

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

- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

- Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,

- Under limited circumstances, corporate note interest rated in either of the two highest classifications by at least two nationally recognized rating agencies.

- Bonds and other obligations of the State of Ohio;

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

- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

A. Deposits

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

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

At year end the carrying amount of the City's deposits was $9,741,884 and the bank balance was $9,890,944. Federal depository insurance covered $2,132,346 of the bank balance and $7,758,598 was uninsured and exposed to custodial risk and was collateralized with securities held in the Ohio Pooled Collateral System.

B. Investments

The City held no investments at December 31, 2022.

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date.

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

Custodial Credit Risk – The City's balance of investments are held by the trust department of its banking institution in the City's name.

NOTE 5 - TAXES

A. Property Taxes

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Columbiana. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2022 was $6.80 per $1,000 of assessed value.

The assessed values upon which the 2022 property tax levy was based were as follows:

	County	
	Columbiana	Mahoning
Real Property:		
Residential/Agricultural	$153,036,040	$38,097,550
Personal Property:		
Public Utility Personal Property	6,425,110	163,440
Total Assessed Value	$159,461,150	$38,260,990

Ohio law prohibits taxation of property from all taxing authorities in excess of one percent of assessed value without a vote of the people. Under current procedures, the City's share is .68% (6.80 mills) of assessed value.

B. Income Tax

The City levies a tax of 1% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of one half of one percent of the tax paid to another municipality to a maximum of the total amount assessed. All income tax proceeds are received by the Income Tax Fund, which is reported as part of the General Fund on the Financial Statements.

NOTE 5 - TAXES (Continued)

C. <u>Real Estate Tax Abatement</u>

The City provides tax incentives under a Community Reinvestment Area (CRA) Program, established pursuant to Ohio Revised Code Chapter 5709.

Qualifying residential, commercial, and industrial properties are eligible for up to a 100% property tax exemption, for a period of up to 15 years. All commercial and industrial projects are required to comply with state application fees, requirements of ORC Section 3735.672 (C) and the local annual monitoring fee of one percent of the amount of taxes exempted under the agreement - a minimum of $500 up to a maximum of $2,500 annually unless waived.Eligible projects include remodeling and new construction, as described in Ohio Revised Code Chapter 3735.67. Residential projects with a cost of at least $2,500 are eligible for a 10 year exemption, and projects with a cost of at least $5,000 are eligible for a 12 year exemption. The terms of commercial and industrial projects are negotiated on a case-by-case basis in advance of remodeling or construction occurring. The City has offered the CRA abatements to encourage economic stability, maintain property values, and generate new employment opportunities and population growth.

Properties in the CRA program are located in either Columbiana or Mahoning Counties. 2022 property tax collections were reduced $22,974 for properties located in Columbiana County and $20,460 for properties located in Mahoning County.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2022 consisted of taxes, accounts, interest, special assessments, and intergovernmental receivables arising from shared revenues. All receivables other than those offset by deferred inflows of resources or unearned revenue are considered collectible in full.

NOTE 7 – TRANSFERS

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

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	$0	$1,945,000
Capital Improvement Fund	1,550,000	0
Other Governmental Funds	270,000	0
Total Governmental Funds	1,820,000	1,945,000
Enterprise Funds:		
Wastewater Fund	125,000	0
Total Enterprise Funds	125,000	0
Totals	$1,945,000	$1,945,000

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NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2022:

Historical Cost:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Capital assets not being depreciated:				
Land	$1,134,824	$0	$0	$1,134,824
Construction in Progress	1,810,373	1,133,928	(1,810,373)	1,133,928
Subtotal	2,945,197	1,133,928	(1,810,373)	2,268,752
Capital assets being depreciated:				
Buildings and Improvements	3,265,725	9,355	0	3,275,080
Improvements Other than Buildings	1,143,311	8,200	0	1,151,511
Infrastructure	10,860,067	3,608,296	0	14,468,363
Machinery and Equipment	5,357,023	793,741	(47,138)	6,103,626
Total Cost	$23,571,323	$5,553,520	($1,857,511)	$27,267,332

Accumulated Depreciation:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Buildings and Improvements	($1,641,812)	($63,777)	$0	($1,705,589)
Improvements Other than Buildings	(713,710)	(31,059)	0	(744,769)
Infrastructure	(3,973,459)	(514,564)	0	(4,488,023)
Machinery and Equipment	(3,952,382)	(235,961)	35,393	(4,152,950)
Total Accumulated Depreciation	($10,281,363)	($845,361) *	$35,393	($11,091,331)
Net Value:	$13,289,960			$16,176,001

* Depreciation was charged to governmental functions as follows:

Security of Persons and Property	$145,300
Public Health and Welfare	5,828
Leisure Time Activities	66,774
Transportation	600,926
General Government	26,533
Total Depreciation Expense	$845,361

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2022:

Historical Cost:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Capital assets not being depreciated:				
Land	$975,871	$0	$0	$975,871
Capital assets being depreciated:				
Buildings and Improvements	17,957,251	0	0	17,957,251
Improvements Other than Buildings	539,394	0	0	539,394
Machinery and Equipment	23,195,730	150,779	(78,165)	23,268,344
Infrastructure	15,862,916	15,245	0	15,878,161
Total Cost	$58,531,162	$166,024	($78,165)	$58,619,021

Accumulated Depreciation:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Buildings and Improvements	($6,269,920)	($561,205)	$0	($6,831,125)
Improvements Other than Buildings	(363,573)	(22,550)	0	(386,123)
Machinery and Equipment	(11,214,166)	(1,033,136)	70,348	(12,176,954)
Infrastructure	(4,275,155)	(353,314)	0	(4,628,469)
Total Accumulated Depreciation	($22,122,814)	($1,970,205)	$70,348	($24,022,671)
Net Value:	$36,408,348			$34,596,350

NOTE 9 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $379,605 for 2022. Of this amount, $43,271 is reported as an intergovernmental payable.

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

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

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was $170,169 for 2022. Of this amount, $19,746 is reported as an intergovernmental payable.

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

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

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	$1,539,017	$1,870,599	$3,409,616
Proportion of the Net Pension Liability-2022	0.017689%	0.029942%	
Proportion of the Net Pension Liability-2021	0.017227%	0.030737%	
Percentage Change	0.000462%	(0.000795%)	
Pension Expense	($217,236)	$132,802	($84,434)

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	$192,454	$341,865	$534,319
Differences between expected and actual experience	78,457	53,936	132,393
Change in proportionate share	57,168	43,965	101,133
City contributions subsequent to the measurement date	379,605	170,169	549,774
Total Deferred Outflows of Resources	$707,684	$609,935	$1,317,619
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$1,830,601	$490,441	$2,321,042
Differences between expected and actual experience	33,753	97,247	131,000
Change in proportionate share	0	47,303	47,303
Total Deferred Inflows of Resources	$1,864,354	$634,991	$2,499,345

$549,774 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	($201,348)	$21,585	($179,763)
2024	(613,275)	(134,987)	(748,262)
2025	(430,449)	(63,208)	(493,657)
2026	(291,203)	(49,800)	(341,003)
2027	0	31,185	31,185
Total	($1,536,275)	($195,225)	($1,731,500)

Actuarial Assumptions - OPERS

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2021 and December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2021
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2022. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2020
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	0.5 percent simple through 2021. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

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

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	$4,057,680	$1,539,017	($556,850)

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

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

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

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

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

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

For the January 1, 2021 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

* levered 2.5x
Note: Assumptions are geometric

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

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	$2,774,069	$1,870,599	$1,118,228

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NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

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

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

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

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

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

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan 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.

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75. OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

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

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

The City's contractually required contribution to OP&F was $4,478 for 2022. Of this amount, $520 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability (Asset)	($540,858)	$328,187	($212,671)
Proportion of the Net OPEB Liability (Asset) -2022	0.017268%	0.029942%	
Proportion of the Net OPEB Liability (Asset) -2021	0.016827%	0.030737%	
Percentage Change	0.000441%	(0.000795%)	
OPEB Expense	($450,847)	$43,467	($407,380)

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	$0	$145,266	$145,266
Differences between expected and actual experience	0	14,929	14,929
Change in proportionate share	0	69,047	69,047
City contributions subsequent to the measurement date	0	4,478	4,478
Total Deferred Outflows of Resources	$0	$233,720	$233,720
Deferred Inflows of Resources			
Changes in assumptions	$218,935	$38,117	$257,052
Differences between expected and actual experience	82,041	43,375	125,416
Net difference between projected and actual earnings on OPEB plan investments	257,842	29,646	287,488
Total Deferred Inflows of Resources	$558,818	$111,138	$669,956

$4,478 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2023	($345,599)	$36,534	($309,065)
2024	(119,849)	32,134	(87,715)
2025	(56,338)	31,493	(24,845)
2026	(37,032)	3,649	(33,383)
2027	0	7,231	7,231
2028	0	4,507	4,507
2029	0	2,556	2,556
Total	($558,818)	$118,104	($440,714)

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

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

Wage Inflation:	
Current measurement date	2.75 percent
Prior measurement date	3.25 percent
Projected Salary Increases, including 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	5.5 percent initial, 3.5 percent ultimate in 2034
Prior measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

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

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

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index").

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	($318,077)	($540,858)	($725,774)

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	($546,705)	($540,858)	($533,927)

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

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

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

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

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

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

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized below:

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

* levered 2.5x
Note: Assumptions are geometric

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

Discount Rate For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05 percent at December 31, 2021 and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	$412,541	$328,187	$258,852

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

NOTE 11 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of twenty years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	Balance January 1, 2021	Issued	(Retired)	Balance December 31, 2022
Enterprise Fund Notes Payable:				
5.680% Sewer System Improvements	$0	$641,000	$0	$641,000
Total Notes Payable	$0	$641,000	$0	$641,000

NOTE 12 – DEBT AND OTHER LONG-TERM OBLIGATIONS

Activity in Debt and Other Long Term Obligations in 2022 was as follows:

Interest Rate	Purpose		Balance December 31, 2021	Additions	Deductions	Balance December 31, 2022	Amount Due Within One Year
Governmental Activities Debt:							
General Obligation Bonds:							
2.46%	Fire Station	2023	$215,000	$0	($105,000)	$110,000	$110,000
Ohio Public Works Commission Loan:*							
0.00%	Main Street Improvements	2027	210,674	0	(45,145)	165,529	30,097
Installment Loan:							
3.52%	Tanker Fire Truck	2027	0	600,000	0	600,000	111,982
Governmental Activities Other Long Term Obligations:							
Compensated Absences			170,312	33,816	(77,399)	126,729	49,777
Total Governmental Activities			595,986	633,816	(227,544)	1,002,258	301,856
Business-Type Activities Debt:							
Special Assessment Bonds:							
6.00%	Waterline Improvements	2024	45,000	0	(15,000)	30,000	15,000
6.00%	Wastewater Improvements	2024	45,000	0	(15,000)	30,000	15,000
Total Special Assessment Bonds			90,000	0	(30,000)	60,000	30,000
Installment Loan:							
2.25%	Public Safety Vehicle Purchase	2028	365,000	0	(49,230)	315,770	49,745
Mortgage Revenue Bonds:							
1.625%	Water Plant	2056	10,194,900	0	(218,700)	9,976,200	222,100
Total Mortgage Revenue Bonds			10,194,900	0	(218,700)	9,976,200	222,100
Ohio Water Development Authority Loans:*							
0.00%	Water Asset Management Plan		6,102	0	(2,034)	4,068	2,034
0.55%	Route 14/7 Wastewater Refunding	2025	1,523,315	0	(431,883)	1,091,432	434,775
1.61%	Wastewater Improvements Refunding	2045	5,722,548	0	(1,043,560)	4,678,988	174,083
Total Ohio Water Development Authority Loans			7,251,965	0	(1,477,477)	5,774,488	610,892
Ohio Public Works Commission Loans:*							
0.00%	Sanitary Sewer Lines	2027	111,443	0	(25,718)	85,725	17,144
0.00%	Arrowhead Sewer Lift Station	2041	540,063	0	(39,517)	500,546	26,344
0.00%	Route 14 Water Line	2047	839,379	0	(44,967)	794,412	29,978
Total Ohio Public Works Commission Loans			1,490,885	0	(110,202)	1,380,683	73,466
Business-Type Activities Other Long Term Obligations:							
AMPGS Payable			131,519	0	(24,897)	106,622	27,660
Compensated Absences			145,536	29,885	(53,583)	121,838	51,307
Total Business-Type Activities			19,669,805	29,885	(1,964,089)	17,735,601	1,065,170
Total Debt and Other Long Term Obligations			$20,265,791	$663,701	($2,191,633)	$18,737,859	$1,367,026

*The Ohio Water Development Authority Loans and Ohio Public Works Commission Loans are direct borrowings.

NOTE 12 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Special Assessments

The principal amount of the City's special assessment debt outstanding at December 31, 2022 of $60,000 is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

B. Pledged Revenues

The Water Plant bonds were issued in 2017 for the purpose of constructing a new water facility. These bonds are payable from the net revenue derived from operations of the water system and are secured by a pledge of and lien on such net revenues until the bond maturity date of 2056. Total principal and interest payable on these bonds at December 31, 2022 was $13,065,765. In 2022 the Water Fund reported $385,163 of net pledged revenues for coverage of a principal and interest debt service requirement of $384,367.

C. Installment Loan

In May 2022 the City financed the purchase of a Sutphen Custom Tanker Fire Truck with a $600,000 loan. The loan carries an interest rate of 3.52% and matures in 2027.

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

NOTE 12 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

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

	Special Assessment Bonds		Mortgage Revenue Bonds		General Obligation Bond	
Years	Principal	Interest	Principal	Interest	Principal	Interest
2023	$30,000	$3,300	$222,100	$162,113	$110,000	$2,704
2024	30,000	1,652	225,400	158,938	0	0
2025	0	0	229,500	154,841	0	0
2026	0	0	233,200	151,111	0	0
2027	0	0	236,900	147,323	0	0
2028-2032	0	0	1,243,200	678,356	0	0
2033-2037	0	0	1,348,000	573,551	0	0
2038-2042	0	0	1,461,000	460,369	0	0
2043-2047	0	0	1,583,700	337,684	0	0
2048-2052	0	0	1,716,500	204,785	0	0
2053-2056	0	0	1,476,700	60,494	0	0
Totals	$60,000	$4,952	$9,976,200	$3,089,565	$110,000	$2,704

	OPWC Loans		OWDA Loans		Installment Loan	
Years	Principal	Interest	Principal	Interest	Principal	Interest
2023	$103,563	$0	$610,892	$80,038	$161,727	$28,049
2024	103,564	0	616,101	74,831	166,612	23,164
2025	103,564	0	399,244	69,563	171,831	17,945
2026	103,564	0	182,662	66,054	177,219	12,557
2027	103,564	0	185,615	63,101	128,407	4,520
2028-2032	296,658	0	974,064	269,516	109,974	3,725
2033-2037	281,610	0	1,055,378	188,202	0	0
2038-2042	255,266	0	1,143,480	100,100	0	0
2043-2047	149,893	0	607,052	14,738	0	0
2048-2049	44,966	0	0	0	0	0
Totals	$1,546,212	$0	$5,774,488	$926,143	$915,770	$89,960

NOTE 13 – INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters.

Risk Pool Membership

The City is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the City's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2022
Cash and investments	$42,310,794
Actuarial liabilities	$15,724,479

The City obtained insurance coverage from the PEP during 2022 for losses related to general liability, public official's liability, automobile, law enforcement liability, medical malpractice liability, and employee benefits liability, in addition to other coverages.

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

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per $100 of payroll. The rate is determined based on accident history and administrative costs.

NOTE 14 - JOINT VENTURES

Joint Venture with an Equity Interest

***Ohio Municipal Electric Generation Agency Joint Venture 5 (Omega JV-5)* -** The City is a Financing Participant with an ownership percentage of 1.66%, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Also pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2022, the City has met its debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued $153,415,000 and $13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of $56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of $116,910,000, which resulted in a savings to the membership of $34,951,833 from the periods 2005 through 2024.

NOTE 14 - JOINT VENTURES (Continued)

On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was $65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of $49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to $49,243,377 at the time of refunding as compared to its value at December 31, 2015 of $49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

The City's net investment and its share of operating results of OMEGA JV5 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV5 was $49,600 at December 31, 2022. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

NOTE 15 – PURCHASE COMMITMENT

American Municipal Power Generating Station Project (AMPGS)

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's project share was 8,501 kilowatts (kW) of a total 771,281 kW, giving the City a 1.10 percent project share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel.

As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability.

The City's estimated share of the impaired costs at March 31, 2014 was $1,470,883. The City received a credit of $449,192 related to their participation in the AMP Fremont Energy Center (AFEC) Project and a credit of $384,457 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). The City also made payments totaling $222,280 leaving an estimated net impaired costs balance of $414,954. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's net impaired cost balance either positively or negatively. These amounts will be recorded as they become estimable.

NOTE 15 – PURCHASE COMMITMENT (Continued)

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

Since March 31, 2014 the City has made payments of $360,560 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the City's allocation of additional costs incurred by the project is $18,330 and interest expense incurred on AMP's line-of-credit of $33,898, resulting in a net impaired cost estimate at December 31, 2022 of $106,622. The City does have a potential PHFU Liability of $447,713 resulting in a net total potential liability of $554,335, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include such negative items as property taxes as well as positive items such as revenue from leases or sale of all or a portion of the Meigs County site property.

The impaired costs were included in the business-type activities and the electric enterprise fund as a 2013 expense ($414,954). The City elected to finance this amount over 15 years.

NOTE 16 - CONTINGENCIES

A. Litigation

Various claims and lawsuits are pending against the City. The City believes that the ultimate disposition of such claims and lawsuits will not have a material adverse effect on the City's financial position.

B. Asset Retirement Obligations

GASB Statement No. 83 *"Certain Asset Retirement Obligations"* establishes criteria for determining the recognition of a liability for an Asset Retirement Obligation (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Recognition of the ARO occurs when the liability is both incurred and reasonably estimable. An ARO is incurred based on external laws, regulations, or contracts.

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio EPA for approval. Through this permitting process, the City would be responsible to address any public safety issues associated with their sewage treatment facilities and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. At this time, the City does not have an approved permit from the Ohio EPA to dispose of all or part of their sewage treatment plants. Due to the lack of specific legal requirements for retiring the sewage treatment plants, the City has determined that the amount of the Asset Retirement Obligation cannot be reasonably estimated.

NOTE 17 – SIGNIFICANT COMMITMENTS

At December 31, 2022 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	$23,392
Capital Improvement	259,568
Other Governmental Funds	26,974
Total Governmental Funds	$309,934

NOTE 18 – RESTATEMENT OF NET POSITION

Certain adjustments were made to beginning of year net position due to the correction of errors in accounting for receivables.

These corrections had the following effect on net position as reported December 31, 2021:

	Business-Type Activities	Water Fund	Wastewater Fund	Electric Fund
Net Position December 31, 2021	$23,365,494	$8,385,234	$6,213,924	$8,154,655
Adjustments:				
Utilities Receivable	828,265	173,701	86,247	568,317
Restated Net Position December 31,2021	$24,193,759	$8,558,935	$6,300,171	$8,722,972

NOTE 19 – SUBSEQUENT EVENT

In December 2023 the City issued $641,000 of Sanitary Sewer Improvement notes to retire the 2022 Sanitary Sewer Improvement notes. The notes carry an interest rate of 6.08% and mature December 27, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

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

Ohio Public Employees Retirement System

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.018748%	0.018748%	0.018404%	0.018112%
City's proportionate share of the net pension liability (asset)	$2,210,145	$2,261,219	$3,187,880	$4,112,879
City's covered payroll	$2,311,231	$2,298,467	$2,289,892	$2,341,092
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	95.63%	98.38%	139.22%	175.68%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.029486%	0.029486%	0.027854%	0.026195%
City's proportionate share of the net pension liability (asset)	$1,436,070	$1,527,508	$1,791,836	$1,659,140
City's covered payroll	$654,484	$647,789	$630,032	$625,784
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	219.42%	235.80%	284.40%	265.13%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%	68.36%

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

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

2018	2019	2020	2021	2022
0.017735%	0.018032%	0.017442%	0.017227%	0.017689%
$2,782,327	$4,938,594	$3,447,526	$2,550,943	$1,539,017
$2,344,685	$2,443,779	$2,466,164	$2,426,336	$2,567,193
118.67%	202.09%	139.79%	105.14%	59.95%
84.66%	74.70%	82.17%	86.88%	92.62%

2018	2019	2020	2021	2022
0.028538%	0.029819%	0.030513%	0.030737%	0.029942%
$1,751,533	$2,434,019	$2,055,487	$2,095,378	$1,870,599
$692,632	$749,200	$808,768	$836,353	$848,221
252.88%	324.88%	254.15%	250.54%	220.53%
70.91%	63.07%	69.89%	70.65%	75.03%

Schedule of City Pension Contributions
Last Ten Years

Ohio Public Employees Retirement System

Year	2013	2014	2015	2016
Contractually required contribution	$300,460	$275,816	$274,787	$280,931
Contributions in relation to the contractually required contribution	300,460	275,816	274,787	280,931
Contribution deficiency (excess)	$0	$0	$0	$0
City's covered payroll	$2,311,231	$2,298,467	$2,289,892	$2,341,092
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%

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

Ohio Police and Fire Pension Fund

Year	2013	2014	2015	2016
Contractually required contribution	$103,932	$123,080	$119,706	$118,899
Contributions in relation to the contractually required contribution	103,932	123,080	119,706	118,899
Contribution deficiency (excess)	$0	$0	$0	$0
City's covered payroll	$654,484	$647,789	$630,032	$625,784
Contributions as a percentage of covered payroll	15.88%	19.00%	19.00%	19.00%

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

Notes: The City implemented GASB Statement 68 in 2015.

See notes to the required supplementary information

2017	2018	2019	2020	2021	2022
$304,809	$342,129	$345,263	$339,687	$359,407	$379,605
304,809	342,129	345,263	339,687	359,407	379,605
$0	$0	$0	$0	$0	$0
$2,344,685	$2,443,779	$2,466,164	$2,426,336	$2,567,193	$2,711,464
13.00%	14.00%	14.00%	14.00%	14.00%	14.00%

2017	2018	2019	2020	2021	2022
$131,600	$142,348	$153,666	$158,907	$161,162	$170,169
131,600	142,348	153,666	158,907	161,162	170,169
$0	$0	$0	$0	$0	$0
$692,632	$749,200	$808,768	$836,353	$848,221	$895,626
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%

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

Ohio Public Employees Retirement System

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.017638%	0.017401%	0.017642%
City's proportionate share of the net OPEB liability (asset)	$1,781,525	$1,889,663	$2,300,101
City's covered payroll	$2,341,092	$2,344,685	$2,443,779
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	76.10%	80.59%	94.12%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

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

Ohio Police and Fire Pension Fund

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.026195%	0.028538%	0.029819%
City's proportionate share of the net OPEB liability (asset)	$1,243,398	$1,616,946	$271,547
City's covered payroll	$625,784	$692,632	$749,200
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	198.69%	233.45%	36.24%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

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

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

2020	2021	2022
0.017064%	0.016827%	0.017268%
$2,356,986	($299,784)	($540,858)
$2,466,164	$2,426,336	$2,567,193
95.57%	(12.36%)	(21.07%)
47.80%	115.57%	128.23%

2020	2021	2022
0.030513%	0.030737%	0.029942%
$301,393	$325,663	$328,187
$808,768	$836,353	$848,221
37.27%	38.94%	38.69%
47.08%	45.42%	46.86%

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

Ohio Public Employees Retirement System

Year	2013	2014	2015	2016
Contractually required contribution	$23,112	$45,969	$45,798	$46,822
Contributions in relation to the contractually required contribution	23,112	45,969	45,798	46,822
Contribution deficiency (excess)	$0	$0	$0	$0
City's covered payroll	$2,311,231	$2,298,467	$2,289,892	$2,341,092
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%	2.00%

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

Ohio Police and Fire Pension Fund

Year	2013	2014	2015	2016
Contractually required contribution	$23,147	$3,239	$3,150	$3,129
Contributions in relation to the contractually required contribution	23,147	3,239	3,150	3,129
Contribution deficiency (excess)	$0	$0	$0	$0
City's covered payroll	$654,484	$647,789	$630,032	$625,784
Contributions as a percentage of covered payroll	3.54%	0.50%	0.50%	0.50%

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

Notes: The City implemented GASB Statement 75 in 2018.

See notes to the required supplementary information

2017	2018	2019	2020	2021	2022
$23,447	$0	$0	$0	$0	$0
23,447	0	0	0	0	0
$0	$0	$0	$0	$0	$0
$2,344,685	$2,443,779	$2,466,164	$2,426,336	$2,567,193	$2,711,464
1.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2017	2018	2019	2020	2021	2022
$3,463	$3,746	$4,044	$4,182	$4,241	$4,478
3,463	3,746	4,044	4,182	4,241	4,478
$0	$0	$0	$0	$0	$0
$692,632	$749,200	$808,768	$836,353	$848,221	$895,626
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

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

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

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

Changes in assumptions:

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

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

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

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

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

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

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

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

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

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

Changes in assumptions:

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

2018: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:
- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

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

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:
- Reduction in actuarial assumed rate of return from 8.00% to 7.50%

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

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

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

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

Changes in assumptions:

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

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

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

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

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

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

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

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

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

Changes in assumptions:

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

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

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

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

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

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CITY OF COLUMBIANA
COLUMBIANA 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 TRANSPORTATION			
Passed Through Ohio Department of Transportation			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	108703	$1,077,232
Total U.S. Department of Transportation/ Highway Planning and Construction Cluster			**1,077,232**
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Ohio Department of Public Safety			
Hazard Mitigation Grant Program	97.039	FEMA-DR-4360.11R-OH	1,094,290
Total U.S. Department of Homeland Security			**1,094,290**
U.S. DEPARTMENT OF THE TREASURY			
Passed Through Ohio Office of Budget and Management			
Covid 19 State and Local Fiscal Recovery Funds	21.027	Not available	74,321
Total U.S. Department of The Treasury			**74,321**
Total Expenditures of Federal Awards			**$2,245,843**

The accompanying notes are an integral part of this schedule.

CITY OF COLUMBIANA
COLUMBIANA 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 Columbiana (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 Cash 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 - SUBRECIPIENTS

The City did not provide any funds to subrecipients.

NOTE E- 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.

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

City of Columbiana
Columbiana County
28 West Friend Street
Columbiana, Ohio 44408

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 Columbiana, Columbiana 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 March 12, 2024, wherein we noted the City restated accounts receivable and net position as of December 31, 2021 for the Business-Type Activities, and the Water, Wastewater and Electric Major Enterprise Funds. We qualified our opinion on the governmental activities, business type activities, water, wastewater, electric major enterprise funds and aggregate remaining fund information because the City's capital assets were not recorded in accordance with the City's capital asset policy.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001 through 2022-002 that we consider to be material weaknesses.

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 responses to the findings identified in our audit and described in the accompanying schedule of findings and corrective action plan. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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

March 12, 2024

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

City of Columbiana
Columbiana County
28 West Friend Street
Columbiana, Ohio 44408

To the City Council:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Columbiana's, Columbiana 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 Columbiana's major federal programs for the year ended December 31, 2022. City of Columbiana's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *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 each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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 each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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

March 12, 2024

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CITY OF COLUMBIANA
COLUMBIANA 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**	Qualified
(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 and Construction AL # 20.205 and Hazard Mitigation Grant Program AL # 97.039
(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. **Capital Asset 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 City used an appraisal company to compile the capital assets listing used in preparing the annual financial statements. The City adopted a capital asset policy and procedures manual; however, this manual is not being used in the compilation of the capital assets listing. This caused major discrepancies between the City's adopted capital policy and procedures manual and the capital asset listing as follows:

- The manual states there is to be no recorded salvage value for assets; however, salvage value is reported on certain capital assets in the listing;
- The manual states the capital asset threshold will be between $5,000 and $10,000 depending on the type of asset; however, a threshold of $1,000 was used for the capital asset listing;
- The manual states useful lives for depreciating various classes of assets; however, the capital asset listing used different useful lives.

The impact of these discrepancies on the net capital assets recorded in the financial statements cannot reasonably be determined and; therefore, a determination on whether the capital assets (along with its impact on net position and current year depreciation) are fairly stated cannot be made.

Failure to implement the items listed or reconcile the discrepancies between policy and actual practice could result in continued modified opinions.

The City should consider a complete physical inventory of its assets and prepare an accurate and complete capital asset listing. The City should review the Capital Asset policy and procedures manual to ensure it properly reflects the City's position. The policy/manual should then be presented and reviewed with the appraisal company prior to completing a physical inventory to help ensure the capital asset listing properly reflects the City's position. The City should also consider an annual internal physical inventory of its assets to update and reconcile with the capital asset listing.

Official's Response: See Corrective Action Plan

2. Financial Reporting

FINDING NUMBER 2022-002

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 errors were noted on the financial statements as of December 31, 2022:

- Original Budgeted Appropriations were overstated by $615,000 in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual ((Non-GAAP Budget Basis) General Fund.
- Final Budgeted Revenues were understated by $745,491 in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual ((Non-GAAP Budget Basis) General Fund.
- Accounts receivable were understated for Water, Wastewater, Electric and Business Type Activities by $185,173, $95,923, $891,936 and $1,173,032, respectively.

The above errors were corrected in the accompanying financial statements. Other mispostings were identified, however they were not material and the City decided not to make the adjustments.

To help ensure the City's financial statements and notes to the financial statements are complete and accurate, the City should adopt policies and procedures, including a final review of the financial statements and notes to identify and correct potential errors and omissions.

Official's Response: See Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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City of Columbiana

"Biggest Little Town In Ohio"

Rick Noel, *Mayor* • Lance Willard, *City Manager*

Municipal Building • 28 West Friend Street • Columbiana, Ohio 44408 • Phone 330-482-2173

www.columbianaohio.gov

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

Finding Number	Finding Summary	Status	Additional Information
2021-001	Ohio Rev. Code 5705.10(D) – City recorded receipts to incorrect funds.	Corrective action taken and finding is fully corrected.	This has been corrected. The City has reversed the incorrect funds and has made the correct entry.
2021-002	Capital Asset Reporting – the City has adopted a capital asset policies and procedures; however, it is not being followed in the compilation of the capital asset listing.	Not Corrected	The City is listing assets by the policies of the capital asset policy but Industrial Appraisers are still using salvage value on assets where there should be no salvage value as per the policy.
2021-003	Financial Reporting – Error requiring adjustment noted in financial statements.	Not Corrected	The City has made the adjustment and the financial statements noted.

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

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	Capital Asset Reporting - The City plans to review and revise as needed the current capital asset policy to be followed when compiling data for capital assets to be included in the capital asset listing which is used in preparing the annual financial statements. The City plans on doing a physical inventory of all assets at a future date in 2024 whenever the appraisal company is available.	4th Quarter 2024	Michael Harold
2022-002	Financial Reporting – The City plans to adopt policies and procedures to include a final review of the financial statements to identify and correct any potential errors and omissions.	3rd Quarter 2024	Michael Harold

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OHIO AUDITOR OF STATE
KEITH FABER

CITY OF COLUMBIANA

COLUMBIANA 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 4/18/2024

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