CITY OF DEER PARK

HAMILTON COUNTY, OHIO

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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800-282-0370

Members of City Council and Mayor
City of Deer Park
7777 Blue Ash Road
Deer Park, Ohio 45236

We have reviewed the *Independent Auditor's Report* of the City of Deer Park, Hamilton County, prepared by Julian & Grube, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

August 23, 2024

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CITY OF DEER PARK
HAMILTON COUNTY, OHIO

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Independent Auditor's Report

City of Deer Park
Hamilton County
7777 Blue Ash Road
Deer Park, Ohio 45236

To the Members of the City Council and Mayor:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deer Park, Hamilton County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Deer Park's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deer Park, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Deer Park's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024 on our consideration of the City of Deer Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Deer Park's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Deer Park's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 14, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Deer Park's *Management's Discussion and Analysis* of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2023.

FINANCIAL HIGHLIGHTS

- The City's total net position increased $1,663,632 to $7,159,532. Net position of governmental activities increased $1,646,537, while net position of business-type activities increased by $17,095.

- The General Fund reported an increase in fund balance of $108,953.

- Business-type operations reflected operating income of $17,095.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Deer Park's (the "City") financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. These statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

Government-Wide Financial Statements-
Statement of Net Position and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Position and the Statement of Activities.

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net position and the change in net position. This change in net position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, nonfinancial information such as changes in the City's tax base, the condition of the City's capital assets and the reputation of the public schools will also need to be evaluated.

In the Statement of Net Position and the Statement of Activities, the City presents both governmental activities and business-type activities and divides the activities between the two.

- Governmental Activities - Most of the City's services are reported here including police, street maintenance, parks and recreation, and general and administrative. Income taxes, property taxes, intergovernmental revenue, charges for services, and interest finance most of these activities.

- Business-Type Activities - These services include waste collection and disposal. Service fees for these operations are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and other funds may be established by the City, with approval of the Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds include the General Fund, Road Levy Fund and Plainfield and Blue Ash Road Capital Project Fund.

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

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

The City maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation.

Proprietary Funds: When the City charges citizens for the service it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds: The City is the fiscal agent for two custodial funds. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Statement of Net Position, Statement of Activities, and fund financial statements.

THE CITY AS A WHOLE

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2023 compared to 2022.

TABLE 1 - NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	$6,829,248	$5,526,523	$ 286,633	$ 259,552	$7,115,881	$5,786,075
Capital Assets	8,638,929	7,293,413	18,652	23,040	8,657,581	7,316,453
Total Assets	15,468,177	12,819,936	305,285	282,592	15,773,462	13,102,528
Deferred Outflows of Resources	1,689,085	1,008,971	34,286	11,445	1,723,371	1,020,416
Liabilities						
Current and Other Liabilities	1,423,927	546,687	84,347	72,745	1,508,274	619,432
Long-Term Liabilities	6,852,775	5,113,696	76,566	26,399	6,929,341	5,140,095
Total Liabilities	8,276,702	5,660,383	160,913	99,144	8,437,615	5,759,527
Deferred Inflows of Resources	1,897,192	2,831,693	2,494	35,824	1,899,686	2,867,517
Net Position						
Net Investment in Capital Assets	6,285,561	5,100,415	18,652	23,040	6,304,213	5,123,455
Restricted	1,647,321	1,365,247	-	-	1,647,321	1,365,247
Unrestricted	(949,514)	(1,128,831)	157,512	136,029	(792,002)	(992,802)
Total Net Position	$6,983,368	$5,336,831	$ 176,164	$ 159,069	$7,159,532	$5,495,900

Total net position, of the City as a whole, increased $1,663,632. Net position of the City's governmental activities increased $1,646,537 and the net position of the City's business-type activities increased $17,095.

The City had a deficit unrestricted net position balance of $792,002 which was the result of the City recording its share of the net pension and OPEB liabilities/(asset) as required by GASB's 68 and 75.

Current and other assets increased from 2022 to 2023 as the City's income tax receipts increased, resulting in additional cash on hand, as there are additional taxpayers now residing in the City in the Wentworth development project area. Additionally, the City is in the process of completing significant improvements to Plainfield and Blue Ash Roads – improvements that are funded by grant agreements, and those grant agreements have resulted in the City having additional cash on hand at year end, to fund those improvements.

Capital assets increased in 2023 as the City is working on significant improvements to Plainfield and Blue Ash Roads, as well as significant improvements to Chamberlin Park. These improvements are funded in large part from grants from other governments.

Current liabilities increased in 2023 compared to 2022, as the City received cash deposits during 2023 connected to grant awards that had not yet been spent, or earned, and therefore are reported us unearned revenue at year end.

Long-term liabilities increased from 2022 to 2023 as the City reported loan proceeds from a State Infrastructure Bank (SIB) loan that was closed out by the Ohio Department of Transportation in 2023, connected to the City's share of a multi-use path that was constructed in the City. Additionally, the City's Pension and OPEB liabilities increased in 2023 compared to 2022.

Governmental Activities

Property taxes and the 1.5% income tax are the largest sources of revenue for the City. Revenues generated by these taxes represent approximately 77% of the City's governmental activities general revenues. The balance of general revenues is mostly comprised of other intergovernmental revenue sources such as the State of Ohio's Local Government Fund distribution and other taxes collected by the State and distributed to the City.

The change in net position for 2023 and 2022 is outlined in Table 2.

TABLE 2 - CHANGES IN NET POSTION

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	$ 201,602	$ 186,648	$ 633,720	$ 495,288	$ 835,322	$ 681,936
Operating Grants and Contributions	172,348	222,846	-	-	172,348	222,846
Capital Grants and Contributions	2,654,903	-	-	-	2,654,903	-
Total Program Revenues	3,028,853	409,494	633,720	495,288	3,662,573	904,782
General Revenues						
Income Taxes	1,899,234	1,519,946	-	-	1,899,234	1,519,946
Property Taxes	1,253,025	1,241,221	-	-	1,253,025	1,241,221
Unrestricted Contributions	816,844	708,811	-	-	816,844	708,811
Investment Earnings	100,244	26,579	-	-	100,244	26,579
Total General Revenues	4,069,347	3,496,557	-	-	4,069,347	3,496,557
Total Revenues	7,098,200	3,906,051	633,720	495,288	7,731,920	4,401,339
Program Expenses						
General Government	1,554,889	1,345,311	-	-	1,554,889	1,345,311
Public Safety	1,661,893	1,326,731	-	-	1,661,893	1,326,731
Transportation and Streets	1,979,626	472,894	-	-	1,979,626	472,894
Leisure Time Activities	169,070	142,091	-	-	169,070	142,091
Community Development	11,767	19,867	-	-	11,767	19,867
Interest and Fiscal Charges	74,418	60,773	-	-	74,418	60,773
Waste Collection and Disposal	-	-	616,625	472,591	616,625	472,591
Total Expenses	5,451,663	3,367,667	616,625	472,591	6,068,288	3,840,258
Increase in Net Position	1,646,537	538,384	17,095	22,697	1,663,632	561,081
Net Position Beginning of Year	5,336,831	4,798,447	159,069	136,372	5,495,900	4,934,819
Net Position End of Year	$ 6,983,368	$ 5,336,831	$ 176,164	$ 159,069	$ 7,159,532	$ 5,495,900

When looking at the sources of income to support operations, it should be noted that charges for services are only 3% of revenue, while 44% of revenue is derived from income and property taxes. The City substantially relies on these taxes to fund the services it provides to businesses and citizens.

Significant changes for 2023 compared to 2022 include capital grants and contributions increasing significantly in 2023 as the City received support for Chamberlin Park improvements and Plainfield and Blue Ash Roads improvements from other local governments, and utilized ARPA funds to acquire vehicles and equipment. Additionally, with the Wentworth development project drawing more residents into the City, income tax collections for 2023 were substantially higher than in 2022. Transportation and streets expenses increased in 2023 as part of the Plainfield and Blue Ash Roads improvements are connected to water line infrastructure improvements that are being constructed by the City, but ultimately funded and reported as infrastructure improvements by Greater Cincinnati Water Works.

Business-Type Activities

The City's business-type activity includes waste collection and disposal. This program had operating revenues of $633,720 and operating expenses of $616,625 for 2023. Business activities receive no support from tax revenues. The business activities net position at the end of the year was $176,164 which increased $17,095 during 2023 as charges for services outpaced operating expenses. The City had one business-type (enterprise) fund that was a major fund – the Waste Collection and Disposal fund.

THE CITY'S FUNDS

Information about the City's major governmental funds begins with the Balance Sheet – Governmental Funds and Statement of Revenues Expenditures and Changes in Fund Balances – Governmental Funds. These funds are reported using the modified accrual basis of accounting.

All governmental funds had revenues of $7,007,185 and expenditures of $6,853,654.

Total fund balance increased for 2023 compared to 2022 by $462,546 as a result of the City's continuing efforts to maintain structurally balanced budgets across all funds.

The City has three major governmental funds – the General Fund, Road Levy Fund and the Plainfield and Blue Ash Road Capital Project Fund. Assets of the three major funds comprised 82% of governmental fund total assets.

Budgetary Activity and Actual Results

The City adopts annual appropriated budgets for its funds. The schedules comparing the City's original and final budget and actual results are included in the Required Supplementary Information for the General and Road Levy Funds.

During 2023, there were no major revisions to the General fund budget. Actual revenues were 25% over the final budget and actual expenditures plus encumbrances were 13% under final budget amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

TABLE 3 - Net Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 468,528	$ 286,445	$ -	$ -	$ 468,528	$ 286,445
Buildings and Improvements	1,521,140	1,598,207	-	-	1,521,140	1,598,207
Equipment	380,498	303,824	18,652	23,040	399,150	326,864
Infrastructure	5,250,822	4,238,558	-	-	5,250,822	4,238,558
Construction in process	1,017,941	866,379	-	-	1,017,941	866,379
Total Net Capital Assets	$ 8,638,929	$ 7,293,413	$ 18,652	$ 23,040	$ 8,657,581	$ 7,316,453

Additional information regarding capital assets can be found in the Notes to the Basic Financial Statements.

Debt

At December 31, 2023, the City had $2,302,570 in un-voted general obligation bonds.

Table 4 - Outstanding Debt at Year End

	2023	2022
Governmental Activities		
Current Interest Bonds		
Municipal Building	$ 1,035,000	$ 1,190,000
Series 2021 Infrastructure	975,000	975,000
Loan	292,570	-
Total Debt	$ 2,302,570	$ 2,165,000

Additional information regarding debt can be found in the Notes to the Basic Financial Statements.

FINANCIAL POSITION

The City continues to seek ways to improve the quality and quantity of services we provide to our residents. Furthermore, we are committed to providing our residents with full disclosure of the financial position of the City.

While we are currently in stable financial condition, we are not immune to the tough economic conditions that are facing our economy as a whole. We are carefully watching the activity in the General and Waste Collection Funds and will take actions necessary to keep our funds, and City as a whole, on stable financial ground.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our residents, taxpayers, creditors and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City of Deer Park, 7777 Blue Ash Road, Deer Park, Ohio 45236.

City of Deer Park
Hamilton County, Ohio
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash, Cash Equivalents, and Investments	$ 4,523,233	$ 184,036	$ 4,707,269
Receivables (net of allowance for doubtful accounts)			
Taxes-Real & Personal Property	1,322,382	-	1,322,382
Taxes-Income	634,000	-	634,000
Payments in Lieu of Taxes	36,000	-	36,000
Accounts	16,267	102,597	118,864
Intergovernmental	297,366	-	297,366
Nondepreciable Capital Assets	1,486,469	-	1,486,469
Depreciable Capital Assets, Net	7,152,460	18,652	7,171,112
Total Assets	15,468,177	305,285	15,773,462
Deferred Outflows of Resources			
Deferred Charge on Refunding	65,291	-	65,291
Pension	1,398,215	30,064	1,428,279
OPEB	225,579	4,222	229,801
Total Deferred Outflows of Resources	1,689,085	34,286	1,723,371
Liabilities			
Accounts Payable	59,110	84,347	143,457
Accrued Wages and Benefits	77,572	-	77,572
Accrued Interest Payable	45,121	-	45,121
Unearned Revenue	1,242,124	-	1,242,124
Long-Term Liabilities:			
Due Within One Year	373,166	-	373,166
Net Pension Liablity	4,029,704	75,141	4,104,845
Net OPEB Liablity	223,157	1,425	224,582
Other Amounts Due in More Than One Year	2,226,748	-	2,226,748
Total Liabilities	8,276,702	160,913	8,437,615
Deferred Inflows of Resources			
Property Taxes Levied for Next Year	1,275,000	-	1,275,000
Payments in Lieu of Taxes Levied for Next Year	36,000	-	36,000
Pension	324,641	1,962	326,603
OPEB	261,551	532	262,083
Total Deferred Inflows of Resources	1,897,192	2,494	1,899,686
Net Position			
Net Investment in Capital Assets	6,285,561	18,652	6,304,213
Restricted for			
Public Safety	107,575	-	107,575
Roads	1,514,098	-	1,514,098
Recycling	270	-	270
Storm Water	24,584	-	24,584
Culture and Recreation	794	-	794
Unrestricted	(949,514)	157,512	(792,002)
Total Net Position	$ 6,983,368	$ 176,164	$ 7,159,532

See accompanying notes to the basic financial statements

City of Deer Park
Hamilton County, Ohio
Statement of Activities
For the Year Ended December 31, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Function/Programs	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Reporting Entity Total
Governmental Activities:							
General Government	$ 1,554,889	$ 168,079	$ 64,481	$ 141,757	$ (1,180,572)	$ -	$ (1,180,572)
Public Safety	1,661,893	33,523	1,961	-	(1,626,409)	-	(1,626,409)
Leisure Time Activities	169,070	-	105,906	238,209	175,045	-	175,045
Community Development	11,767	-	-	-	(11,767)	-	(11,767)
Transportation and Street Repair	1,979,626	-	-	2,274,937	295,311	-	295,311
Interest and Fiscal Charges	74,418	-	-	-	(74,418)	-	(74,418)
Total Governmental Activities	5,451,663	201,602	172,348	2,654,903	(2,422,810)	-	(2,422,810)
Business Type Activities:							
Waste Collection and Disposal	616,625	633,720	-	-	-	17,095	17,095
Totals	$ 6,068,288	$ 835,322	$ 172,348	$ 2,654,903	$ (2,422,810)	$ 17,095	$ (2,405,715)

	Governmental Activities	Business-Type Activities	Reporting Entity Total
General Revenues			
Income Taxes	$ 1,899,234	$ -	$ 1,899,234
Property Taxes Levied for:			
General Purposes	1,010,063	-	1,010,063
Public Works	216,738	-	216,738
Public Safety	26,224	-	26,224
Unrestricted Contributions	816,844	-	816,844
Investment Earnings	100,244	-	100,244
Total General Revenues	4,069,347	-	4,069,347
Change in Net Position	1,646,537	17,095	1,663,632
Net Position Beginning of Year	5,336,831	159,069	5,495,900
Net Position End of Year	$ 6,983,368	$ 176,164	$ 7,159,532

See accompanying notes to the basic financial statements

City of Deer Park
Hamilton County, Ohio
Balance Sheet
Governmental Funds
December 31, 2023

	General Fund	Road Levy Fund	Plainfield and Blue Ash Road Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash, Cash Equivalents, and Investments	$ 1,689,984	$ 748,538	$ 1,073,725	$ 1,010,986	$ 4,523,233
Receivables:					
Due From Other Funds	78,066	-	-	-	78,066
Taxes - Real and Personal Property	1,063,188	232,283	-	26,911	1,322,382
Taxes - Income	634,000	-	-	-	634,000
Payments In Lieu of Taxes	-	-	-	36,000	36,000
Accounts	16,267	-	-	-	16,267
Intergovernmental	114,481	3,000	-	179,885	297,366
Total Assets	$ 3,595,986	$ 983,821	$ 1,073,725	$ 1,253,782	$ 6,907,314
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Due to Other Funds	$ -	$ -	$ -	$ 78,066	$ 78,066
Accounts Payable	38,677	-	-	20,433	59,110
Accrued Wages and Benefits	77,572	-	-	-	77,572
Unearned Revenue	-	-	1,073,725	168,399	1,242,124
Total Liabilities	116,249	-	1,073,725	266,898	1,456,872
Deferred Inflows of Resources					
Property Taxes Levied for Next Year	1,025,000	224,000	-	26,000	1,275,000
Unavailable Property Taxes	38,188	8,283	-	911	47,382
Unavailable Income Taxes	441,000	-	-	-	441,000
Unavailable Payments In Lieu of Taxes	-	-	-	36,000	36,000
Unavailable Intergovernmental Revenue and Other	91,800	3,000	-	117,600	212,400
Total Deferred Inflows of Resources	1,595,988	235,283	-	180,511	2,011,782
Fund Balances					
Nonspendable	78,066	-	-	-	78,066
Restricted:					
Public Safety	-	-	-	104,664	104,664
Roads	-	748,538	-	638,677	1,387,215
Recycling	-	-	-	270	270
Recreation	-	-	-	69,707	69,707
Storm Water	-	-	-	24,584	24,584
Committed:					
Recreation	-	-	-	36,168	36,168
Assigned:					
Following Year's Budget	1,186,339	-	-	-	1,186,339
Unassigned	619,344	-	-	(67,697)	551,647
Total Fund Balances	1,883,749	748,538	-	806,373	3,438,660
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 3,595,986	$ 983,821	$ 1,073,725	$ 1,253,782	$ 6,907,314

See accompanying notes to the basic financial statements

City of Deer Park
Hamilton County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2023

Total Governmental Fund Balances		$ 3,438,660
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	468,528	
Construction in Progress	1,017,941	
Other Capital Assets	10,534,419	
Accumulated depreciation	(3,381,959)	
		8,638,929
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows in the funds.		
Income Taxes	441,000	
Delinquent Property Taxes	47,382	
Intergovernmental and Other Revenues	212,400	
		700,782
In the statement of net position interest payable is accrued when incurred whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
Accrued Interest Payable	(45,121)	
		(45,121)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
OPWC Note Payable	(39,400)	
Bonds	(2,010,000)	
Loan	(292,570)	
Compensated Absences	(181,255)	
Premium on Bonds	(76,689)	
		(2,599,914)
The net pension/OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows of resources are not reported in the governmental funds:		
Deferred Outflows - Pension	1,398,215	
Deferred Outflows - OPEB	225,579	
Deferred Inflows - Pension	(324,641)	
Deferred Inflows - OPEB	(261,551)	
Net Pension Liability	(4,029,704)	
Net OPEB Liability	(223,157)	
		(3,215,259)
Deferred charges on debt refundings are expended in the fund level financial statements but are accrued and amortized over the life of the bonds in the government-wide financial statements.		65,291
Net Position of Governmental Activities		$ 6,983,368

See accompanying notes to the basic financial statements

City of Deer Park
Hamilton County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General Fund	Road Levy Fund	Plainfield and Blue Ash Road Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 2,820,847	$ 217,926	$ -	$ 26,371	$ 3,065,144
Charges for Services	118,702	-	-	1,535	120,237
Contributions and Donations	-	-	-	23,915	23,915
Fines, Licenses & Permits	75,737	-	-	5,628	81,365
Investment Earnings	100,244	-	-	-	100,244
Intergovernmental	297,994	103,500	2,274,937	857,858	3,534,289
Other Revenues	-	-	-	81,991	81,991
Total Revenues	3,413,524	321,426	2,274,937	997,298	7,007,185
Expenditures					
Current:					
General Government	1,400,057	-	-	202,838	1,602,895
Public Safety	1,543,700	-	-	657	1,544,357
Leisure Time Activities	64,360	-	-	335,657	400,017
Community Development	3,586	-	-	8,181	11,767
Transportation and Street Repair	29,483	453,732	2,274,937	283,024	3,041,176
Capital Outlay	-	-	-	6,788	6,788
Debt Service					
Principal Retirement	7,162	16,445	-	155,000	178,607
Interest and Fiscal Charges	-	4,947	-	63,100	68,047
Total Expenditures	3,048,348	475,124	2,274,937	1,055,245	6,853,654
Excess (Deficiency) of Revenues Over (Under) Expenditures	365,176	(153,698)	-	(57,947)	153,531
Other Financing Sources (Uses)					
Transfers In	-	-	-	256,223	256,223
Transfers Out	(256,223)	-	-	-	(256,223)
Proceeds from Loan	-	309,015	-	-	309,015
Total Other Financing Sources (Uses)	(256,223)	309,015	-	256,223	309,015
Net Change in Fund Balances	108,953	155,317	-	198,276	462,546
Fund Balances at Beginning of Year	1,774,796	593,221	-	608,097	2,976,114
Fund Balances at End of Year	$ 1,883,749	$ 748,538	$ -	$ 806,373	$ 3,438,660

See accompanying notes to the basic financial statements

City of Deer Park
Hamilton County, Ohio
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2023

Net Change in Fund Balances - Total Governmental Funds		$ 462,546
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in the governmental funds. 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 outlays exceeded (subceeded) depreciation expense in the current period.		1,345,516
Because some revenues will not be collected for several months after the City's year-end, they are not considered "available" revenues and are reported as deferred inflows in the governmental funds.		
Income Taxes	94,000	
Delinquent Property Taxes	(6,885)	
Intergovernmental and Other Revenues	3,900	
		91,015
Governmental funds report premiums, discounts, and bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities.		
Amortization of Deferred Charge on Refunding	(10,881)	
Amortization of Bond Premiums	14,493	
		3,612
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Proceeds from Loan	(309,015)	
Payments on Obligation to Other Governments	7,691	
Payments on OPWC Note Payable	7,162	
Payments on Loan	16,445	
Bond Principal Retirement	155,000	
		(122,717)
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		(9,983)
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		10,733
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	285,252	
OPEB	4,509	
		289,761
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/(asset) are reported as expense in the statement of activities.		
Pension	(459,233)	
OPEB	35,287	
		(423,946)
Change in Net Position of Governmental Activities		$ 1,646,537

See accompanying notes to the basic financial statements

City of Deer Park
Hamilton County, Ohio
Statement of Net Position - Proprietary Fund
December 31, 2023

		Waste Collection and Disposal
Assets		
Equity in Pooled Cash, Cash Equivalents, and Investments	$	184,036
Receivables:		
Accounts		102,597
Total Current Assets		286,633
Depreciable Capital Assets, Net		18,652
Total NonCurrent Assets		18,652
Total Assets		305,285
Deferred Outflows of Resources:		
Pension		30,064
OPEB		4,222
Total Deferred Outflows of Resources		34,286
Liabilities		
Accounts Payable		84,347
Long-Term Liabilities:		
Net Pension Liability		75,141
Net OPEB Liability		1,425
Total Liabilities		160,913
Deferred Inflows of Resources:		
Pension		1,962
OPEB		532
Total Deferred Inflows of Resources		2,494
Net Position		
Investment in Capital Assets		18,652
Unrestricted		157,512
Total Net Position	$	176,164

See accompanying notes to the basic financial statements

City of Deer Park
Hamilton County, Ohio
Statement of Revenues,
Expenses and Changes in Fund Net Position - Proprietary Fund
For the Year Ended December 31, 2023

	Waste Collection and Disposal
Operating Revenues	
Charges for Services	$ 633,720
Total Operating Revenues	633,720
Operating Expenses	
Contractual Services	612,237
Depreciation	4,388
Total Operating Expenses	616,625
Change in Net Position	17,095
Net Position Beginning of Year	159,069
Net Position End of Year	$ 176,164

See accompanying notes to the basic financial statements

City of Deer Park
Hamilton County, Ohio
Statement of Cash Flows - Proprietary Fund
For the Year Ended December 31, 2023

	Waste Collection and Disposal
Cash Flows from Operating Activities	
Receipts from Customers and Users	$ 607,661
Payments to Employees	(21,879)
Payments to Suppliers	(577,072)
Net Cash Provided by Operating Activities	8,710
Net Change in Cash and Cash Equivalents	8,710
Cash and Cash Equivalents Beginning of Year	175,326
Cash and Cash Equivalents End of Year	$ 184,036
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ 17,095
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	4,388
Increase in Accounts Receivable	(26,059)
Increase in Deferred Outflows - Pension	(19,171)
Increase in Deferred Outflows - OPEB	(3,670)
Decrease in Net OPEB Asset	7,688
Increase in Accrued Liabilities	11,602
Decrease in Deferred Inflows - Pension	(25,893)
Decrease in Deferred Inflows - OPEB	(7,437)
Increase in Net Pension Liability	48,742
Increase in Net OPEB Liability	1,425
Net Cash Provided by Operating Activities	$ 8,710

See accompanying notes to the basic financial statements

City of Deer Park
Hamilton County, Ohio
Statement of Fiduciary Net Position - Fiduciary Funds
December 31, 2023

	Custodial
Assets	
Equity in Pooled Cash, Cash Equivalents, and Investments	$ 101,157
Accounts Receivable	92,400
Total Assets	193,557
Liabilities	
Due to Other Governments	97,177
Total Liabilities	97,177
Net Position	
Restricted for Other Governments	96,380
Total Net Position	$ 96,380

See accompanying notes to the basic financial statements

City of Deer Park
Hamilton County, Ohio
Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended December 31, 2023

	Custodial
Additions	
Fines Collected for Other Governments	$ 10,117
Special Assessments	307,070
Income Taxes Collected for Other Governments	1,116,886
Total Additions	1,434,073
Deductions	
Distribution of Income Taxes	1,108,997
Distributions to State, Local Governments, and Others	19,061
Special Assessment Debt Principal and Interest	298,126
Total Deductions	1,426,184
Net Increase (Decrease) in Fiduciary Net Position	7,889
Net Position Beginning of Year	88,491
Net Position End of Year	$ 96,380

See accompanying notes to the basic financial statements

Note 1 - Description of the City and Reporting Entity

The City of Deer Park, Ohio (the "City") was incorporated in 1912 and became a city in 1952. The City was originally created as a municipal corporation under the laws of the State of Ohio. In the November 2020 election, the City's electorate approved a charter under which the City of Deer Park now operates.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City, this includes; public services, public safety, recreation and development.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. The City has one blended component unit – The Park Board. The Park Board is a legally separate, non-profit organization that serves as an agent for the City's parks. The City's mayor appoints the five members of the Park Board. The Park Board is presented in the other governmental funds column of the modified accrual financial statements.

The City participates in a joint venture. A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain: (a) an ongoing financial interest or (b) an ongoing responsibility.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The effect of interfund activity has been removed from these statements; however, any effects from interfund services provided and used are not eliminated in the process of consolidation.

The statement of net position presents the financial condition of the governmental activities and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities. 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 or grants and contributions that are restricted to meeting the operational 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 governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

General Fund
The general fund accounts for all financial resources except those required to be 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.

Road Levy Fund
The road levy fund accounts for financial resources received from the City's road levy and expended for roadway maintenance and improvements.

Plainfield and Blue Ash Road Fund
The Plainfield and Blue Ash Road capital project fund accounts for financial resources that are connected to improvements in the vicinity of Plainfield and Blue Ash Roads.

Proprietary Funds

Proprietary fund reporting focuses on changes in net position, financial position and cash flows.

Proprietary funds are classified as either enterprise or internal service. The City does not have an Internal service fund.

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

Waste Collection and Disposal Fund
This fund accounts for the collection and disposal of waste to the residents and commercial users located within the City.

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. The accounting used for fiduciary funds is much like that used for a proprietary fund. The City maintains a Mayor's Court custodial fund (which accounts for funds that flow through the municipal court office), a Property Assessed Clean Energy (PACE) custodial fund (which accounts for special assessments that are used to make debt principal and interest payments, for which the City has no obligation or liability, beyond the amount of special assessments collected), and a Joint Economic Development Zone (JEDZ) custodial fund (used to account for the collection and distribution of the JEDZ income taxes and other various activities in accordance with the JEDZ agreement).

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the *economic resources measurement focus*. All assets and all liabilities (and deferred outflows and inflows of resources) associated with the operation of the City are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

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 property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the City, these revenues are charges for services for waste services. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and 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. The deferred outflows of resources related to pension and OPEB plans are explained in the pension and OPEB footnotes.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, other taxes, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position.

Expenses/Expenditures

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

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

E. Equity in Pooled Cash, Cash Equivalents, and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund’s interest in the pool is presented as “Equity in Pooled Cash, Cash Equivalents and Investments” on the statement of net position and the governmental fund balance sheet. For purposes of the statement of cash flows and for presentation on the statement of net position/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

During 2023, the City invested in the State Treasury Asset Reserve of Ohio (STAROhio). STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAROhio at the net asset value (NAV) per share provided by STAROhio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24-hours advance notice for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit.

Interest is distributed according to Ohio statutes. Interest revenue credited to the general fund during 2023 amounted to $100,244.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed. The City had no prepaids at December 31, 2023.

G. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of one thousand dollars. The City's infrastructure consists of curbs, sidewalks, storm sewers and streets. The City is not required to report infrastructure before December 31, 2003 since it is considered a Phase 3 Government. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure are estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	40 years
Infrastructure	20 to 35 years
Machinery and Equipment	5 to 20 years

H. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the City's termination policy. The City records a liability for all accumulated unused vacation time when earned for all employees.

For governmental funds, the current portion of unpaid compensated absences is the amount normally due for payment during the current year.

The entire compensated absence liability is reported on the government-wide statement of net position.

I. Pensions/Other Postemployment Benefits (OPEB)

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

J. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability/(asset) should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

K. Classification of Fund Balance

In accordance with GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions,” the City’s fund balance is divided into five classifications based primarily on the extent to which the City must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable - The City classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

Committed - The City's Council can *commit* amounts via formal action (resolution). The City must adhere to these commitments unless the City's Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the City's Council or by State Statute.

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

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

L. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, plus capital-related deferred outflows of resources, less the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through 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 first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

M. Interfund Activity

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Transfers In" by the recipient fund and "Transfers Out" by the disbursing fund on the fund financial statements. These transfers are consolidated on the government-wide statements.

- Long-term interfund loans are classified as "Due to/From Other Funds" and are equally offset by a nonspendable fund balance account which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental activities columns of the statement of net position.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City.

N. Estimates

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

O. Unearned Revenue

Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied. At December 31, 2023 this includes grant revenue received before all eligibility requirements have been met.

Note 3 - Deposits and Investments

State statutes classify monies held by the City into three categories.

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

Inactive deposits are public deposits that the City has identified as not required for use within the current five year period of designation of depositories. Inactive deposits 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.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States Treasury notes, bills, bonds, notes 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, and government national mortgage 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;

- Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

- Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

- 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;

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

- Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed forty percent of the interim monies available for investment at any one time if training requirements have been met.

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

The carrying amount of the City's cash and investments totaled $4,808,426 at December 31, 2023 as summarized below:

Deposits With Financial Institutions	$ 3,153,203
STAROhio	1,655,223
Total Cash and Investments	$ 4,808,426

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $2,564,192 of the City's bank balance of $3,196,704 was exposed to custodial credit risk because it was uninsured and potentially uncollateralized. Although all statutory requirements for the deposit of money have been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

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 one hundred five 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. For 2023, one of the City's financial institutions was approved for a reduced collateral rate of 60 percent through OPCS.

Investments

As of December 31, 2023, the City had $1,655,223 invested in STAROhio. STAROhio investments mature in 12 months or less.

Interest Rate Risk: The City does not have an investment policy other than State statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that investment must be purchased with the expectation that it will be held to maturity.

Credit Risk: The City's investment in STAROhio was rated AAAm by Standard & Poor's. State statute only addresses credit risk by limiting the investments that may be purchased to those offered by specifically identified issuers.

Concentration of Credit Risk: The City places no limit on the amount it may be invested in any one issuer. Of the City's total investments, 100% is in STAROhio.

Note 4 - Receivables

Receivables at December 31, 2023 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and accounts receivable.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Real property taxes collected in 2023 were levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35% of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The assessed values of real and personal property upon which 2023 property tax receipts were based are as follows:

Real Property – Residential & Agricultural	$	101,068,030
Real Property – Commercial, Industrial & Other		17,993,510
Public Utility (Personal Property)		9,099,210
Total Valuation	$	128,160,750

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

The County Treasurer collects property taxes on behalf of all taxing Districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, they were not levied to finance 2023 operations. The receivable is therefore offset by deferred inflows of resources.

Note 5 – Income Taxes

The City levies a 1.5% income tax on wages, salaries, commissions and other compensation in addition to net profits of business activity. The tax applies to all income earned within the City plus income earned by residents who earned income outside the City.

Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly based on an annual declaration and file an annual tax return.

Note 6 - 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. The City carries commercial general liability insurance against risks and all other risks of loss, including workers' compensation and employee health and accident insurance. More information about the City's health insurance program is detailed in Note 15. For 2023, 2022 and 2021 settlement amounts did not exceed insurance coverage limits.

Note 7 - Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023	Additions	Deductions	Balance 12/31/2023
Governmental Activities				
Capital Assets, not Being Depreciated:				
Land	$ 286,445	$ 182,083	$ -	$ 468,528
Construction in Progress	866,379	1,017,941	866,379	1,017,941
	1,152,824	1,200,024	866,379	1,486,469
Capital Assets, Being Depreciated:				
Buildings and Improvements	2,878,010	-	-	2,878,010
Machinery and Equipment	1,084,041	141,756	25,646	1,200,151
Infrastructure	5,280,864	1,175,394	-	6,456,258
	9,242,915	1,317,150	25,646	10,534,419
Total Assets at Historical Cost	10,395,739	2,517,174	892,025	12,020,888
Less Accumulated Depreciation:				
Buildings and Improvements	1,279,803	77,067	-	1,356,870
Machinery and Equipment	780,217	65,082	25,646	819,653
Infrastructure	1,042,306	163,130	-	1,205,436
	3,102,326	305,279	25,646	3,381,959
Governmental Activities Capital Assets, Net	$ 7,293,413	$ 2,211,895	$ 866,379	$ 8,638,929
Business-Type Activities				
Capital Assets, being depreciated:				
Machinery and Equipment	$ 152,950	$ -	$ 22,000	$ 130,950
Total Assets at Historical Cost	152,950	-	22,000	130,950
Less Accumulated Depreciation:				
Machinery and Equipment	129,910	4,388	22,000	112,298
Total Accumulated Depreciation	129,910	4,388	22,000	112,298
Business-Type Activities Capital Assets, Net	$ 23,040	$ (4,388)	$ -	$ 18,652

Depreciation expense was charged to governmental functions as follows:

General Government	$ 79,803
Public Safety	17,902
Leisure Time Activities	4,672
Transportation and Street Repair	202,902
	$ 305,279

Note 8 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the City during 2023 follows:

	Amount Outstanding 1/1/2023	Additions	Deletions	Amount Outstanding 12/31/2023	Amounts Due in One Year
Governmental Activities					
Unvoted General Obligation Bonds					
Current Interest Bonds					
Interest Varies from 2.00% to 3.50%					
Municipal Building	$ 1,190,000	$ -	$ 155,000	$ 1,035,000	$ 160,000
Series 2021 Infrastructure - 2.50%	975,000	-	-	975,000	50,000
Direct Borrowing - SIB Loan - 3.00%	-	309,015	16,445	292,570	34,495
Premium	91,182	-	14,493	76,689	-
Total Long-Term Bond - Principal	2,256,182	309,015	185,938	2,379,259	244,495
Other Long-Term Obligations					
Direct Borrowing - Due to Other Governments	7,691	-	7,691	-	-
Direct Borrowing - OPWC Note Payable	46,562	-	7,162	39,400	7,162
Compensated Absences	191,988	108,329	119,062	181,255	121,509
Total Other Long-Term Obligations	246,241	108,329	133,915	220,655	128,671
Total Governmental Activities	$ 2,502,423	$ 417,344	$ 319,853	$ 2,599,914	$ 373,166

The municipal building bonds were issued in 2012 to refinance the outstanding debt related to the City's municipal building.

The Series 2021 infrastructure bonds were issued to finance improvements connected with the City's Wentworth development project.

The State Infrastructure Bank Loan (SIB) was issued in 2023 to finance a portion of a multi-use path that was constructed in the City.

The intergovernmental note was to an adjoining City in conjunction with a fire hydrant replacement program and was fully retired in 2023.

The note payable to the Ohio Public Works Commission is due in semi-annual installments of $3,581. The terms of the note agreement state that it is interest free. The final payment on the note is due in January 2029.

Compensated absences will be paid from the fund from which the person is paid. Historically, this is the General Fund.

Principal and interest requirements to retire the long-term debt obligations at December 31, 2023, are as follows:

Year Ending	Series 2012 Bonds		Series 2021 Bonds	
December 31	Principal	Interest	Principal	Interest
2024	$ 160,000	$ 34,075	$ 50,000	$ 24,375
2025	165,000	29,115	75,000	23,125
2026	165,000	24,000	125,000	21,250
2027	175,000	18,638	145,000	18,125
2028	180,000	12,950	140,000	14,500
2029-2031	190,000	6,650	440,000	21,875
Total	$ 1,035,000	$ 125,428	$ 975,000	$ 123,250

Year Ending	SIB Loan		Total	
December 31	Principal	Interest	Principal	Interest
2024	$ 34,495	$ 9,358	$ 244,495	$ 67,808
2025	35,537	8,316	275,537	60,556
2026	36,611	7,242	326,611	52,492
2027	37,717	6,135	357,717	42,898
2028	38,858	4,995	358,858	32,445
2029-2031	109,352	7,272	739,352	35,797
Total	$ 292,570	$ 43,318	$ 2,302,570	$ 291,996

Principal and interest requirements to retire the OPWC note payable at December 31, 2023, are as follows:

Year Ending December 31	Principal	Interest
2024	$ 7,162	$ -
2025	7,162	-
2026	7,162	-
2027	7,162	-
2028	7,162	-
2029	3,590	-
Total	$ 39,400	$ -

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.

The 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 on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

City employees, other than police officers, 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. Effective January 1, 2022, the combined plan is no longer available for member selection. While members (e.g. City employees) may elect the member-directed plan, and previously could elect the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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 ACFR referenced above for additional information):

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
Traditional Plan Formula:	**Traditional Plan Formula:**	**Traditional Plan Formula:**
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	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.

When a traditional plan 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 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	State and Local	Public Safety	Law Enforcement
2023 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	*	**
2023 Actual Contribution Rates			
Employer:			
Pension	14.0%	18.1%	18.1%
Post-employment Health Care Benefits	0.0%	0.0%	0.0%
Total Employer	14.0%	18.1%	18.1%
Employee	10.0%	12.0%	13.0%

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $122,126 for 2023. Of this amount, $10,177 is reported as a liability at December 31, 2023.

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

City full-time police 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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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 retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent 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 three percent of their base pension or disability benefit.

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

	Police
2023 Statutory Maximum Contribution Rates	
Employer	19.50%
Employee	12.25%
2023 Actual Contribution Rates	
Employer:	
Pension	19.00%
Post-employment Health Care Benefits	0.50%
Total Employer	19.50%
Employee	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was $168,929 for 2023. Of this amount, $14,077 is reported as a liability at December 31, 2023.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The 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	$ 1,508,634	$ 2,596,211	$ 4,104,845
Proportion of the Net Pension Liability			
Current Measurement Date	0.005107%	0.027331%	
Prior Measurement Date	0.005550%	0.029343%	
Change in Proportionate Share	-0.000443%	-0.002012%	
Pension Expense	$ 199,543	$ 269,171	$ 468,714

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 430,008	$ 348,211	$ 778,219
Changes in employer proportion and differences between contributions and proportionate share of contributions	248	-	248
Differences between expected and actual experience	50,110	41,010	91,120
Change in Assumptions	15,938	251,699	267,637
Entity contributions subsequent to the measurement date	122,126	168,929	291,055
Total Deferred Outflows of Resources	$ 618,430	$ 809,849	$ 1,428,279

	OPERS	OP&F	Total
Deferred Inflows of Resources			
Differences between expected and actual experience	$ -	$ 64,624	$ 64,624
Change in Assumptions	-	50,625	50,625
Changes in employer proportion and differences between contributions and proportionate share of contributions	40,020	171,334	211,354
Total Deferred Inflows of Resources	$ 40,020	$ 286,583	$ 326,603

The City reported $291,055 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2024	$ 31,533	$ (10,571)	$ 20,962
2025	87,531	85,223	172,754
2026	126,572	110,587	237,159
2027	210,648	192,068	402,716
2028	-	(22,970)	(22,970)
Total	$ 456,284	$ 354,337	$ 810,621

Actuarial Assumptions - OPERS

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

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

	Current Measurement Period	Prior Measurement Period
Measurement and Valuation Date	December 31, 2022	December 31, 2021
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (includes wage inflation at 2.75%)	2.75% to 10.75% (includes wage inflation at 2.75%)
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3.00% simple Post-1/7/2013 Retirees: 3.00% simple through 2023, then 2.05% simple	Pre-1/7/2013 Retirees: 3.00% simple Post-1/7/2013 Retirees: 3.00% simple through 2022, then 2.05% simple

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

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

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

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 (asset)	$ 2,259,848	$ 1,508,634	$ 883,715

Actuarial Assumptions – OPF

The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Experience study assumptions were performed by OP&F's prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful live of the participants which was 5.81 years at December 31, 2022.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

	Current Measurement Date	Prior Measurement Date
Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption		
Experience Study Date	5 Year Period Ended December 31, 2021	5 Year Period Ended December 31, 2016
Investment Rate of Return	7.50%	7.50%
Cost of Living Increases	2.20% Per Year Simple	2.20% Per Year Simple
Salary Increases	3.75% to 10.50%	3.75% to 10.50%
Payroll Growth	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.5%	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.5%

Healthy Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

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

The long-term expected rate of return on pension plan investments was determined using a building- block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	18.60%	4.80%
Non-US Equity	12.40%	5.50%
Private Markets	10.00%	7.90%
Core Fixed Income*	25.00%	2.50%
High Yield Fixed Income	7.00%	4.40%
Private Credit	5.00%	5.90%
U.S Inflation Linked Bonds*	15.00%	2.00%
Midstream Energy Infrastructure	5.00%	5.90%
Real Assets	8.00%	5.90%
Gold	5.00%	3.60%
Private Real Estate	12.00%	5.30%
Commodities	2.00%	3.60%
	125.00%	

Note: Assumptions are geometric

* levered 2.5x

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

Total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payment 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.

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	$ 3,424,862	$ 2,596,211	$ 1,907,296

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/assets for 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.

The 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 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 asset* or *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan, a cost-sharing, multiple-employer defined benefit plan; the Member-Directed Plan, a defined contribution plan; and the Combined Plan, a cost-sharing, multiple-employer defined benefit 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 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.

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

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have twenty or more years of qualifying Ohio service credit. 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 No. 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy – The Ohio Revised Code provides 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.

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. 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. For 2022, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan. Effective July 1, 2022, OPERS increased the portion of the 14% employer contribution rate allocated to health care funding from 0.0% to 2.0% for the Combined Plan. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts for 2022 was 4.0%.

The City's contractually required contribution was $0 for 2023.

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

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan. 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 changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. OP&F has contracted with a vendor who can assist 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.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB. 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 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 24.0 percent of covered payroll for police employer units and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 and 24.0 percent of covered payroll for police employer units and fire employer units, respectively. Active members do not make contributions to the OPEB plan.

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

The 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 2023, the portion of the 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 Section 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 $4,509 for 2023. Of this amount, $376 is reported as a liability at December 31, 2023.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022 and was determined by rolling forward the total OPEB liability as of January 1, 2022 to December 31, 2022. 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):	$ 29,991	$ 194,591	$ 224,582
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.004757%	0.027331%	
Prior Measurement Date	0.005165%	0.029343%	
Change in Proportionate Share	-0.000408%	-0.002012%	
OPEB Expense	$ (41,969)	$ 4,688	$ (37,281)

At December 31, 2023, 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			
Net difference between projected and actual earnings on OPEB plan investments	$ 59,562	$ 14,965	$ 74,527
Differences between expected and actual experience	-	12,467	12,467
Change in Assumptions	29,293	109,005	138,298
Contributions subsequent to the measurement date	-	4,509	4,509
Total Deferred Outflows of Resources	$ 88,855	$ 140,946	$ 229,801

	OPERS	OP&F	Total
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 7,481	$ 41,556	$ 49,037
Change in Assumptions	2,410	162,911	165,321
Changes in employer proportion and differences between contributions and proportionate share of contributions	1,308	46,417	47,725
Total Deferred Inflows of Resources	$ 11,199	$ 250,884	$ 262,083

$4,509 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 (or an increase in the net OPEB asset) in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2024	8,950	(15,282)	(6,332)
2025	21,359	(12,562)	8,797
2026	18,574	(13,446)	5,128
2027	28,773	(8,649)	20,124
2028	-	(19,749)	(19,749)
Thereafter	-	(44,759)	(44,759)
Total	$ 77,656	$ (114,447)	$ (36,791)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

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

	Current Measurement Period	Prior Measurement Period
Actuarial Valuation Date	December 31, 2021	December 31, 2020
Rolled-Forward Measurement Date	December 31, 2022	December 31, 2021
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Single Discount Rate	5.22%	6.00%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	4.05%	1.84%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes Wage Inflation at 2.75%)	2.75% to 10.75% (Includes Wage Inflation at 2.75%)
Health Care Cost Trend Rate	5.50% Initial, 3.50% Ultimate in 2036	5.50% Initial, 3.50% Ultimate in 2034

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.

A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00%	4.60%
Real Estate Investment Trusts	7.00%	4.70%
International Equities	25.00%	5.51%
Risk Parity	2.00%	4.37%
Other investments	6.00%	1.84%
Total	100.00%	

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

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 5.22 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 (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability	$ 102,085	$ 29,991	$ (29,493)

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.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	$ 28,114	$ 29,991	$ 32,110

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

Actuarial Assumptions – OP&F

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

	Current Measurement Date	Prior Measurement Date
Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption Experience Study Date	5 Year Period Ended December 31, 2021	5 Year Period Ended December 31, 2016
Investment Rate of Return	7.50%	7.50%
Cost of Living Adjustments	2.20% Simple Per Year	2.20% Simple Per Year
Salary Increases	3.75% to 10.50%	3.75% to 10.50%
Payroll Growth	3.25%	3.25%
Projected Depletion Year of OPEB Assets	2036	2037
Single Discount Rate	4.27%	2.84%
Municipal Bond Rate	3.65%	2.05%

Healthy Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	18.60%	4.80%
Non-US Equity	12.40%	5.50%
Private Markets	10.00%	7.90%
Core Fixed Income*	25.00%	2.50%
High Yield Fixed Income	7.00%	4.40%
Private Credit	5.00%	5.90%
U.S Inflation Linked Bonds*	15.00%	2.00%
Midstream Energy Infrastructure	5.00%	5.90%
Real Assets	8.00%	5.90%
Gold	5.00%	3.60%
Private Real Estate	12.00%	5.30%
Commodities	2.00%	3.60%
	125.00%	

Note: Assumptions are geometric
* levered 2.5x

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

Total OPEB liability was calculated using the discount rate of 4.27 percent. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent.

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 4.27 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	$ 239,618	$ 194,591	$ 156,573

Note 11 – Interfund Activity

During 2023 transfers were used to move unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds, in accordance with budgetary authorizations.

At December 31, 2023, The General Fund had an open advance of $78,066 to the St. John's Connector Fund (nonmajor governmental fund).

Note 12 – Joint Venture

The City is a member of the Deer Park-Silverton Joint Fire District, which is a joint venture between the City of Deer Park and the City of Silverton. The joint venture was created to provide fire protection services to the residents of the two cities.

The Fire District Board of Trustees consists of eight trustees, with each City appointing four of the trustees. The City's ability to effect operations is limited to its representation on the Board.

The funding for the operation of the Fire District is provided by tax revenues from a continuing levy approved by the electorate of both cities. There is no explicit and measurable equity interest in the fire District. The City has an ongoing financial responsibility, because the continued existence of the joint venture depends on the City's contributions. The Joint Fire District is not accumulating significant financial resources or experiencing fiscal distress that may cause additional burden to the City.

Note 13 – Contingent Liabilities

At times, the City may be a party to legal proceedings seeking damages. The City's management is of the opinion that the ultimate disposition of the various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Note 14 – Compliance and Accountability

At year-end, the City had a modified-accrual-based-deficit balance in the St. John's Connector Fund. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 15 – Jefferson Health Plan

The City is a member of the Center for Local Government Benefits Pool (CLGBP) which is a member of the Jefferson Health Plan (JHP). JHP is a jointly governed organization established as a joint insurance pool. As of December 31, 2023, JHP had over 100 members. JHP provides medical, dental and prescription benefit coverage.

JHP is governed by a nine-member board of trustees elected from all members. The board is responsible for the business and financial affairs of the JHP. Member contributions are calculated annually to produce a sufficient sum of money within the self-insurance pool to fund administrative expenses and to create adequate reserves for claims. The City has no explicit and measurable equity interest in JHP and no ongoing financial responsibility to JHP.

Note 16 – Joint Economic Development Zone

The City participates in a Joint Economic Development Zone (JEDZ) with Sycamore Township. The purpose of the JEDZ is to facilitate economic development and improve the welfare of people in the area of the JEDZ.

Under the terms of the JEDZ with Sycamore Township, the City of Deer Park receives 10% of the net income tax revenues collected and is entitled to an administrative fee from the JEDZ to cover the cost of collecting the income taxes. The JEDZ related activity is included as a Custodial Fund within the City's financial statements.

Note 17 – Tax Abatements

The City does not have any tax abatements that are required to be disclosed in accordance with GASB Statement No. 77.

Note 18 – Implementation of New Accounting Principles

For the year ended December 31, 2023, the City has implemented the following Governmental Accounting Standards Board (GASB) Statements:

- *GASB 94, Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*
- *GASB 96, Subscription-Based Information Technology Arrangements*
- *GASB 99, Omnibus 2022*

The implementation of these GASB Statements did not have an effect on the City’s 2023 financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Deer Park
Hamilton County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Taxes	$ 2,400,000	$ 2,400,000	$ 2,911,563	$ 511,563
Charges for Services	80,000	80,000	119,886	39,886
Fees, Licenses, and Permits	40,000	40,000	49,377	9,377
Fines and Forfeitures	5,000	5,000	26,059	21,059
Intergovernmental	173,000	173,000	176,195	3,195
Interest	10,010	10,010	100,244	90,234
Total Revenues	2,708,010	2,708,010	3,383,324	675,314
Expenditures				
Current:				
General Government	1,500,000	1,677,000	1,409,668	267,332
Public Safety	1,600,000	1,635,000	1,536,279	98,721
Leisure Time Activities	100,000	111,000	64,333	46,667
Transportation and Street Repair	25,000	47,000	24,912	22,088
Economic Development	10,000	16,615	6,294	10,321
Debt Service:				
Principal Retirement and Interest	7,162	7,162	7,162	-
Total Expenditures	3,242,162	3,493,777	3,048,648	445,129
Excess (Deficiency) of Revenues Over (Under) Expenditures	(534,152)	(785,767)	334,676	1,120,443
Other Financing Sources (Uses)				
Transfers Out	(199,960)	(256,223)	(256,223)	-
Total Other Financing Uses	(199,960)	(256,223)	(256,223)	-
Net Change in Fund Balance	(734,112)	(1,041,990)	78,453	1,120,443
Fund Balance at Beginning of Year	1,611,531	1,611,531	1,611,531	-
Fund Balance at End of Year	$ 877,419	$ 569,541	$ 1,689,984	$ 1,120,443

See accompanying notes to the required supplementary information.

City of Deer Park
Hamilton County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Levy Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property and Other Taxes	$ 224,000	$ 224,000	$ 221,436	$ (2,564)
Intergovernmental	6,000	6,000	99,990	93,990
Total Revenues	230,000	230,000	321,426	91,426
Expenditures				
Current:				
Transportation and Street Repair	200,000	202,780	166,109	36,671
Total Expenditures	200,000	202,780	166,109	36,671
Net Change in Fund Balance	30,000	27,220	155,317	128,097
Fund Balance at Beginning of Year	593,221	593,221	593,221	-
Fund Balance at End of Year	$ 623,221	$ 620,441	$ 748,538	$ 128,097

See accompanying notes to the required supplementary information.

City of Deer Park
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Ten Years

	2023	2022	2021	2020	2019
Entity's Proportion of the Net Pension Liability	0.0051070%	0.0055500%	0.0055310%	0.0051400%	0.0050150%
Entity's Proportionate Share of the Net Pension Liability	$ 1,508,634	$ 482,861	$ 819,013	$ 1,016,037	$ 1,373,438
Entity's Covered Payroll	$ 785,846	$ 741,818	$ 811,300	$ 700,942	$ 668,891
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	191.98%	65.09%	100.95%	144.95%	205.33%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%

	2018	2017	2016	2015	2014
Entity's Proportion of the Net Pension Liability	0.0048600%	0.0052693%	0.0051191%	0.0051970%	0.0051970%
Entity's Proportionate Share of the Net Pension Liability	$ 762,434	$ 1,196,577	$ 886,694	$ 626,819	$ 612,661
Entity's Covered Payroll	$ 656,953	$ 694,495	$ 662,086	$ 643,063	$ 625,764
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	116.06%	172.29%	133.92%	97.47%	97.91%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

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

Notes to Schedule:

Change in Assumptions - In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-y period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage infla rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

In 2019, a reduction of the discount rate was made from 7.5% to 7.2%.

Change in Assumptions - In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-y period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in the wage infla rate from 3.25% to 2.75%, and transition from the RP-2014 mortality tables to the MP-2020 mortality tables.

City of Deer Park
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Ten Years

	2023	2022	2021	2020	2019
Entity's Proportion of the Net Pension Liability	0.0273310%	0.0293430%	0.0296810%	0.0303800%	0.0317110%
Entity's Proportionate Share of the Net Pension Liability	$ 2,596,211	$ 1,833,186	$ 2,023,362	$ 2,046,555	$ 2,588,441
Entity's Covered Payroll	$ 823,484	$ 833,702	$ 806,334	$ 802,515	$ 806,037
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	315.27%	219.89%	250.93%	255.02%	321.13%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	62.90%	75.03%	70.65%	69.89%	63.07%

	2018	2017	2016	2015	2014
Entity's Proportion of the Net Pension Liability	0.0317420%	0.0330100%	0.0321079%	0.0320366%	0.0320366%
Entity's Proportionate Share of the Net Pension Liability	$ 1,948,148	$ 2,090,822	$ 2,065,521	$ 1,659,629	$ 1,560,282
Entity's Covered Payroll	$ 745,972	$ 788,602	$ 814,688	$ 673,819	$ 691,431
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	261.16%	265.13%	253.54%	246.30%	225.66%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	70.91%	68.36%	66.77%	72.20%	73.00%

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

Notes to Schedule:

Change in Assumptions - In 2018, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2016. Significant changes included a reduction of the discount rate from 8.25% to 8.0%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

Change in Assumptions - In 2022, significant changes included a reduction of the discount rate from 8.00% to 7.50%.

City of Deer Park
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Ten Years

	2023	2022	2021	2020	2019
Contractually Required Contribution	$ 122,126	$ 110,235	$ 112,949	$ 108,734	$ 100,552
Contributions in Relation to the Contractually Required Contribution	(122,126)	(110,235)	(112,949)	(108,734)	(100,552)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Entity Covered Payroll	$ 872,329	$ 785,846	$ 741,818	$ 811,300	$ 700,942
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 97,425	$ 73,994	$ 104,105	$ 89,470	$ 76,459
Contributions in Relation to the Contractually Required Contribution	(97,425)	(73,994)	(104,105)	(89,470)	(76,459)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Entity Covered Payroll	$ 668,891	$ 656,953	$ 694,495	$ 662,086	$ 643,063
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%	12.00%

City of Deer Park
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	2023	2022	2021	2020	2019
Contractually Required Contribution	$ 168,929	$ 156,404	$ 158,345	$ 153,147	$ 152,421
Contributions in Relation to the Contractually Required Contribution	(168,929)	(156,404)	(158,345)	(153,147)	(152,421)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Entity Covered Payroll	$ 889,426	$ 823,484	$ 833,702	$ 806,334	$ 802,515
Contributions as a Percentage of Covered Payroll	19.00%	19.00%	19.00%	19.00%	19.00%

	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 156,790	$ 146,079	$ 143,572	$ 140,360	$ 134,071
Contributions in Relation to the Contractually Required Contribution	(156,790)	(146,079)	(143,572)	(140,360)	(134,071)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Entity Covered Payroll	$ 806,037	$ 745,972	$ 788,602	$ 814,688	$ 673,819
Contributions as a Percentage of Covered Payroll	19.00%	19.00%	19.00%	19.00%	19.00%

City of Deer Park
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability/(Asset)
Ohio Public Employees Retirement System - OPEB Plan
Last Seven Years *

	2023	2022	2021	2020	2019
Entity's Proportion of the Net OPEB Liability/(Asset)	0.0047570%	0.0051650%	0.0051510%	0.0047870%	0.0046700%
Entity's Proportionate Share of the Net OPEB Liability/(Asset)	$ 29,991	$ (161,781)	$ (91,768)	$ 661,242	$ 608,825
Entity's Covered Payroll	$ 785,846	$ 741,818	$ 811,300	$ 700,942	$ 668,891
Entity's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	3.82%	-21.81%	-11.31%	94.34%	91.02%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability/(Asset)	94.79%	128.23%	115.57%	47.80%	46.33%

	2018	2017
Entity's Proportion of the Net OPEB Liability/(Asset)	0.0045550%	0.0049510%
Entity's Proportionate Share of the Net OPEB Liability/(Asset)	$ 494,681	$ 500,038
Entity's Covered Payroll	$ 656,953	$ 694,495
Entity's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	75.30%	72.00%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability/(Asset)	54.14%	54.04%

* Information prior to 2017 is not available.
Amounts presented as of the Entity's measurement date which is the prior fiscal year end.

Notes to Schedule:

Change in Assumptions - In 2018, the single discount rate changed from 4.23% to 3.85%.

In 2019, the single discount rate changed from 3.85% to 3.96%. The investment rate of return changed from 6.50% to 6.00%, and the heath care cost trend rate changed from 7.5% initial to 10.0% initial.

In 2020, the single discount rate changed from 3.96% to 3.16%. The municipal bond rate changed from 3.71% to 2.75%, and the heath care cost trend rate changed from 10.0% to 10.5%.

In 2021, the single discount rate changed from 3.16% to 6.00% and the heath care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

In 2022, The municipal bond rate changed from 2.00% to 1.84%, and the heath care cost trend rate changed from 8.5% initial, 3.50% ultimate in 2035 to 5.5% initial, 3.50% ultimate in 2034.

In 2023, the single discount rate changed from 6.00% to 5.22% and the municipal bond rate changed from 1.84% to 4.05%, and the heath care cost trend rate changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

City of Deer Park
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Seven Years *

	2023	2022	2021	2020	2019
Entity's Proportion of the Net OPEB Liability	0.0273310%	0.0293430%	0.0296810%	0.0303800%	0.0317110%
Entity's Proportionate Share of the Net OPEB Liability	$ 194,591	$ 321,625	$ 314,472	$ 300,085	$ 288,776
Entity's Covered Payroll	$ 823,484	$ 833,702	$ 806,334	$ 802,515	$ 806,037
Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	23.63%	38.58%	39.00%	37.39%	35.83%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	52.59%	46.86%	45.42%	47.08%	46.57%

	2018	2017
Entity's Proportion of the Net OPEB Liability	0.0317420%	0.0330100%
Entity's Proportionate Share of the Net OPEB Liability	$ 1,798,455	$ 1,566,912
Entity's Covered Payroll	$ 745,972	$ 788,602
Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	241.09%	198.69%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	14.13%	15.96%

* Information prior to 2017 is not available.
Amounts presented as of the Entity's measurement date which is the prior fiscal year end.

Notes to Schedule:

Change in Assumptions - In 2018, the single discount rate changed from 3.79% to 3.24%.

In 2019, the single discount rate changed from 3.24% to 4.66%.

Change in Benefit Terms - Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model, depositing stipends into health reimbursement accounts that retirees will use to be reimbursed for health care expenses.

In 2020, the single discount rate changed from 4.66% to 3.56%.

In 2021, the single discount rate changed from 3.56% to 2.96%.

Change in Assumptions - In 2022, significant changes included a reduction of the discount rate from 8.00% to 7.50%.

Change in Assumptions - In 2023, significant changes included an increase in the single discount rate to 4.27% from 2.84%, and in increase in the municipal bond rate to 3.65% from 2.05%.

City of Deer Park
Required Supplementary Information
Schedule of City Contributions - OPEB
Ohio Public Employees Retirement System
Last Eight Years *

	2023	2022	2021	2020	2019
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Entity Covered Payroll	$ 872,329	$ 785,846	$ 741,818	$ 811,300	$ 700,942
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

	2018	2017	2016
Contractually Required Contribution	$ -	$ 5,002	$ 15,097
Contributions in Relation to the Contractually Required Contribution	-	(5,002)	(15,097)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Entity Covered Payroll	$ 668,891	$ 656,953	$ 694,495
Contributions as a Percentage of Covered Payroll	0.00%	0.76%	2.17%

* Information prior to 2016 is not available.

City of Deer Park
Required Supplementary Information
Schedule of City Contributions - OPEB
Ohio Police and Fire Pension Fund
Last Ten Years

	2023	2022	2021	2020	2019
Contractually Required Contribution	$ 4,509	$ 4,175	$ 4,227	$ 4,088	$ 4,069
Contributions in Relation to the Contractually Required Contribution	(4,509)	(4,175)	(4,227)	(4,088)	(4,069)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Entity Covered Payroll	$ 889,426	$ 823,484	$ 833,702	$ 806,334	$ 802,515
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%

	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 4,185	$ 3,899	$ 3,833	$ 3,650	$ 3,580
Contributions in Relation to the Contractually Required Contribution	(4,185)	(3,899)	(3,833)	(3,650)	(3,580)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Entity Covered Payroll	$ 806,037	$ 745,972	$ 788,602	$ 814,688	$ 673,819
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%

Note 1 - Summary of Significant Accounting Policies

A. Budgets

An annual appropriated budget is legally required to be prepared for all funds of the City, except for the custodial funds. The Council passes appropriations for each department within each fund and for personal services within each department. The following are the procedures used by the City in establishing the budgetary data reported in the basic financial statements.

Tax Budget A tax budget of estimated revenues and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 15 of each year for the period January 1 to December 31 of the following year.

Estimated Resources The County Budget Commission determines if the tax budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources that states the projected revenue of each 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 will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate of estimated resources can be further amended during the year if the Council agrees that an estimate needs to be either increased or decreased. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2023.

Appropriations A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year, for the period January 1 to December 31. The appropriation resolution may be supplemented during the year by action of the Council, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Lapsing of Appropriations At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

Encumbrances As part of formal budgetary control purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the City's General Fund and Road Levy Fund.

	General Fund	Road Levy Fund
GAAP Basis	$ 108,953	$ 155,317
Adjustments:		
Revenue Accruals	(30,200)	-
Expenditure Accruals	(300)	-
Budget Basis	$ 78,453	$ 155,317

Julian & Grube

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

City of Deer Park
Hamilton County
7777 Blue Ash Road
Deer Park, Ohio 45236

To the Members of the City Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deer Park, Hamilton County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Deer Park's basic financial statements, and have issued our report thereon dated June 14, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Julian & Grube, Inc.

Julian & Grube, Inc.
June 14, 2024

CITY OF DEER PARK
HAMILTON COUNTY, OHIO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-001	2022	Material Weakness/Noncompliance - Integration of Budgetary Information: Ohio Administrative Code 117-2-02(C)(1) (or modify) states that all public offices should integrate the budgetary accounts into the financial accounting system. The City's approved appropriations and county budget commission approved certificate of estimated receipts did not agree to the financial accounting system.	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-002	2022	Material Weakness/Noncompliance – Disbursements Exceeding Appropriations: Ohio Revised Code Sections 5705.41(B) and .40 outline requirements to not spend more than appropriated at the legal level of control as well as the requirements for amending and supplementing appropriations. The City did not properly modify its appropriations at the legal level of control throughout the year and at year end for various funds. Due to not properly modifying appropriations, disbursements exceeded appropriations for certain budgetary line items in the General Fund.	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-003	2022	Material Weakness - Financial Statement Presentation: Adjustments were made to properly state the PACE Fund (Custodial Fund) activity and JEDZ Fund (Custodial Fund) activity in the Custodial Fund Type.	Corrective Action Taken and Finding is Fully Corrected	N/A

OHIO AUDITOR OF STATE
KEITH FABER

CITY OF DEER PARK

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 9/5/2024

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