CITY OF FREMONT
SANDUSKY COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

OHIO AUDITOR OF STATE
KEITH FABER

CITY OF FREMONT
SANDUSKY COUNTY
DECEMBER 31, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

City of Fremont
Sandusky County
323 South Front Street
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To the City Council:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the identify accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

September 9, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

The management's discussion and analysis of the City of Fremont's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- The total net position of the City increased $2,336,839 or 2.18% from 2022. Net position of governmental activities increased $3,709,545 or 14.81% from 2022 and net position of business-type activities decreased $1,372,706 or 1.68% from 2022.

- General revenues accounted for $15,538,375 or 71.52% of total governmental activities revenue. Program specific revenues accounted for $6,187,602 or 28.48% of total governmental activities revenue.

- The City had $18,016,432 in expenses related to governmental activities; $6,187,602 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily income taxes, property taxes and unrestricted grants and entitlements) of $15,538,375 were adequate to support the remaining expenses.

- The General fund had revenues and other financing sources of $16,885,782 in 2023. This represents an increase of $4,464,487 or 35.94% from 2022. The expenditures and other financing uses of the General fund, which totaled $19,515,873 in 2023, increased $5,993,730 or 44.33% from 2022. The net decrease in fund balance for the General fund was $2,630,091 or 30.36%.

- The Capital Improvement fund had revenues and other financing sources of $3,316,094 in 2023. The expenditures were $3,204,286 in 2023. The net increase in fund balance for the Capital Improvement fund was $111,808 or 7.04%.

- Net position for the business-type activities, which are made up of the water and sewer enterprise funds, decreased in 2023 by $1,372,706. Charges for services revenues were outpaced by expenses in the water and sewer funds, leading to the decrease in net position. This was partially due to the increase in the net pension liability.

- In the General fund, actual revenues and other financing sources were $1,491,500 less than the final budget revenues and other financing sources, and actual expenditures and other financing uses were $1,470,818 less than the final budget expenditures and other financing uses. Budgeted expenditures and other financing uses increased $4,333,979 from the original budget to the final budget, primarily due to an increase in budgeted general government, security of persons and property, and leisure time activity expenditures.

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and non-major funds. The City's major governmental funds are the General fund and the Capital Improvement fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

Proprietary Funds

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial 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 proprietary funds. Custodial funds are the City's only fiduciary fund type.

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability/net pension asset and net OPEB liability.

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table below provides a summary of the City's net position at December 31, 2023 and December 31, 2022.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current assets	$ 16,346,155	$ 20,470,729	$ 23,978,080	$ 29,463,028	$ 40,324,235	$ 49,933,757
Capital assets, net	33,885,871	27,118,730	136,647,728	136,716,978	170,533,599	163,835,708
Total assets	50,232,026	47,589,459	160,625,808	166,180,006	210,857,834	213,769,465
Deferred outflows of resources						
Pension	7,587,855	4,493,822	2,642,002	960,835	10,229,857	5,454,657
OPEB	1,185,296	997,895	393,864	17,463	1,579,160	1,015,358
Total deferred outflows of resources	8,773,151	5,491,717	3,035,866	978,298	11,809,017	6,470,015
Liabilities						
Current liabilities	2,078,498	2,751,333	1,043,727	581,109	3,122,225	3,332,442
Long-term liabilies:						
Due within one year	371,341	1,449,129	4,125,374	4,119,824	4,496,715	5,568,953
Net pension liability	20,825,041	11,809,504	6,343,688	2,018,438	27,168,729	13,827,942
Net OPEB liability	1,258,421	1,753,520	129,947	-	1,388,368	1,753,520
Other amounts	2,476,034	2,583,313	71,239,984	75,295,528	73,716,018	77,878,841
Total liabilities	27,009,335	20,346,799	82,882,720	82,014,899	109,892,055	102,361,698
Deferred inflows of resources						
Property taxes	1,026,438	892,673	-	-	1,026,438	892,673
Leases	70,008	74,086	-	-	70,008	74,086
Pension	901,905	5,428,426	192,778	2,494,377	1,094,683	7,922,803
OPEB	1,238,234	1,289,480	46,642	736,788	1,284,876	2,026,268
Total deferred inflows of resources	3,236,585	7,684,665	239,420	3,231,165	3,476,005	10,915,830
Net Position						
Net investment in capital assets	30,865,742	23,550,126	61,216,016	57,655,119	92,081,758	81,205,245
Restricted	3,317,734	3,242,264	31,274	-	3,349,008	3,242,264
Unrestricted (deficit)	(5,424,219)	(1,742,678)	19,292,244	24,257,121	13,868,025	22,514,443
Total net position	$ 28,759,257	$ 25,049,712	$ 80,539,534	$ 81,912,240	$ 109,298,791	$ 106,961,952

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

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the City's assets and deferred outflows exceeded liabilities and deferred inflows by $109,298,791. At year-end, net positions were $28,759,257 and $80,539,534 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 80.88% of total assets. Capital assets include land, land improvements, buildings and improvements, machinery and equipment, infrastructure, intangible right to use assets, and construction in progress. The net investments in capital assets at December 31, 2023, were $30,865,742 and $61,216,016 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, $3,349,008 represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is a deficit of $5,424,219. The business-type activities reported a positive unrestricted balance of $19,292,244.

Assets of the governmental activities increased $2,642,567 or 5.55% from 2022. Current assets of the governmental activities decreased $4,124,574 or 20.15% primarily in equity in pooled cash and investments due to current year operations. Capital assets increased $6,767,141 or 24.95% as the City continued the amphitheater and industrial park projects.

Liabilities of the governmental activities increased $6,662,536 or 32.74% from 2022. Current liabilities of the governmental activities decreased $672,835 due to a decrease in unearned revenue related to the American Rescue Plan Act (ARPA) grant money received by the City. The City will report the revenue as expenses are incurred. Long-term obligations of the governmental activities increased $7,335,371 or 41.69% due to an increase in the City's net pension liability discussed below.

Assets of the business-type activities decreased $5,554,198 or 3.34% from 2022. Current assets of the business-type activities decreased $5,484,948 or 18.62% primarily in cash and investments due to current year operations. The capital assets of the business-type activities decreased $69,250 or 0.05%. This decrease was due depreciation/amortization expense of $4,933,850 and net disposals of $100,675 exceeding capital asset additions of $4,965,275.

Liabilities of the business-type activities increased $867,821 or 1.06% from 2022. Current liabilities of the business-type activities increased $462,618 due to an increase in contracts payable for expenses incurred, but not yet paid at year-end in relation to construction projects. Long-term obligations of the business-type activities increased $405,203 or 0.50% as the City's net pension liability increased.

The net pension liability for the City increased $13,340,787 or 96.48%, deferred outflow of resources related to pension increased $4,775,200 or 87.54% and deferred inflows of resources related to pension decreased $6,828,120 or 86.18%. These changes were the result of changes at the pension system level for Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire (OP&F) Pension Fund. Primarily, net investment income on investments at the pension systems were negative for the 2022 measurement date that are used for the 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous year's large positive investment returns.

CITY OF FREMONT
SANDUSKY COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

The table below shows the changes in net position for fiscal years 2023 and 2022.

Change in Net Position

	Governmental Activities 2023	Governmental Activities 2022	Business-type Activities 2023	Business-type Activities 2022	2023 Total	2022 Total
Revenues						
Program revenues:						
Charges for services and sales	$ 1,401,830	$ 1,319,144	$ 17,316,763	$ 17,380,444	$ 18,718,593	$ 18,699,588
Operating grants and contributions	1,537,454	1,421,855	-	-	1,537,454	1,421,855
Capital grants and contributions	3,248,318	878,361	-	-	3,248,318	878,361
Total program revenues	6,187,602	3,619,360	17,316,763	17,380,444	23,504,365	20,999,804
General revenues:						
Property taxes	898,437	886,879	-	-	898,437	886,879
Income taxes	11,636,382	10,996,261	-	-	11,636,382	10,996,261
Hotel/motel taxes	62,455	60,414	-	-	62,455	60,414
Unrestricted grants and entitlements	856,196	763,929	-	-	856,196	763,929
Investment earnings	1,636,637	(1,251,627)	3,582	3,133	1,640,219	(1,248,494)
Miscellaneous	448,268	389,204	51,773	30,847	500,041	420,051
Total general revenues	15,538,375	11,845,060	55,355	33,980	15,593,730	11,879,040
Total revenues	21,725,977	15,464,420	17,372,118	17,414,424	39,098,095	32,878,844
Expenses						
General government	3,727,770	2,577,369	-	-	3,727,770	2,577,369
Security of persons and property	9,497,173	7,923,492	-	-	9,497,173	7,923,492
Public health and welfare	9,380	4,626	-	-	9,380	4,626
Transportation	2,169,676	2,830,026	-	-	2,169,676	2,830,026
Community environment	374,058	142,481	-	-	374,058	142,481
Leisure time activity	1,937,490	1,976,349	-	-	1,937,490	1,976,349
Economic development	205,360	166,481	-	-	205,360	166,481
Interest and fiscal charges	95,525	98,715	-	-	95,525	98,715
Water	-	-	8,764,156	6,164,881	8,764,156	6,164,881
Sewer	-	-	9,980,668	8,899,914	9,980,668	8,899,914
Total expenses	18,016,432	15,719,539	18,744,824	15,064,795	36,761,256	30,784,334
Change in net position	3,709,545	(255,119)	(1,372,706)	2,349,629	2,336,839	2,094,510
Net position at beginning of year	25,049,712	25,304,831	81,912,240	79,562,611	106,961,952	104,867,442
Net position at end of year	$ 28,759,257	$ 25,049,712	$ 80,539,534	$ 81,912,240	$ 109,298,791	$ 106,961,952

Governmental Activities

Governmental activities net position increased $3,709,545 in 2023. The increase is primarily due to an increase in increase capital assets as the City invests in a new amphitheater and an industrial park.

Overall, expenses of the governmental activities increased $2,296,893 or 14.61%. This increase is primarily the result of an increase in pension expense. Pension expense increased $2,331,520. This increase was the result of an increase in expenses incurred at the pension system level for Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire (OP&F) Pension Fund due to a decrease in net investment income on investments compared to previous years.

Transportation expenses accounted for $2,169,676 of the total expenses of the City. Transportation expenses represent the cost of building and maintaining the City's streets. Transportation expenses decreased due to decreased road projects.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for $9,497,173 of the total expenses of the City. These expenses were partially funded by $53,871 in direct charges to users of the services.

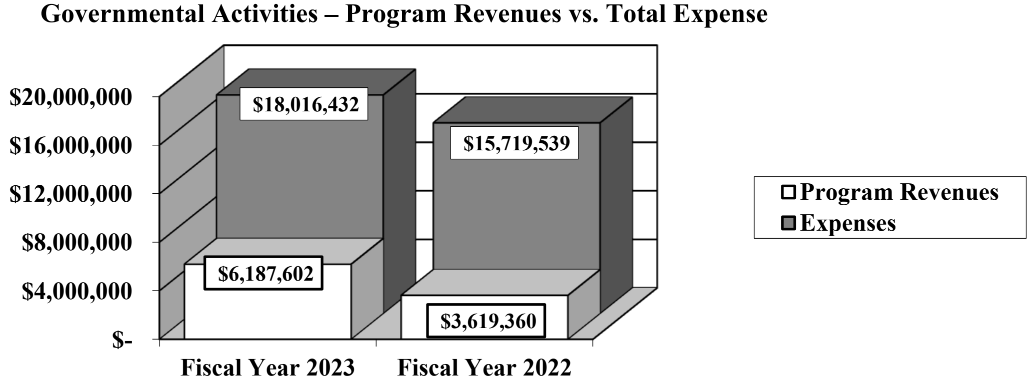
General government expenses totaled $3,727,770. General government expenses were partially funded by $683,785 in direct charges to users of the services.

The state and federal government contributed to the City a total of $1,537,454 in operating grants and contributions and $3,248,318 in capital grants and contributions. These revenues are restricted to a particular program or purpose. The total capital grants and contributions subsidized transportation programs. Of the total operating grants and contributions, $1,159,052 subsidized transportation programs, $156,636 subsidized community environment, and $61,629 subsidized security of persons and property activities. Operating grants increased $115,599 from the prior year.

General revenues totaled $15,538,375 and amounted to 71.52% of total governmental revenues. These revenues primarily consist of property and income tax revenue of $12,534,819. Another primary source of general revenues is grants and entitlements not restricted to specific programs, including local government revenue, making up $856,196. Investment earnings increased $2,888,264 from 2022 due to an increase in the fair value of the City's investments and increased interest rates. The City holds investments to maturity to reduce the risk in fluctuations of investments.

As can be seen in the graph below, program revenues support only a portion of the City's overall governmental activities expenses. The City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

Governmental Activities – Program Revenues vs. Total Expense



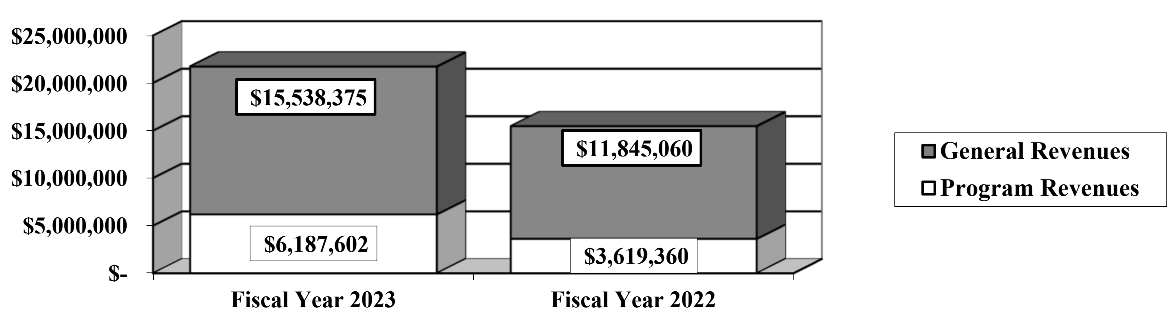
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported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

	Governmental Activities			
	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program Expenses:				
General government	$ 3,727,770	$ 3,017,217	$ 2,577,369	$ 1,821,939
Security of persons and property	9,497,173	9,381,673	7,923,492	7,736,481
Public health and welfare	9,380	9,380	4,626	4,626
Transportation	2,169,676	(2,237,807)	2,830,026	828,746
Community environment	374,058	194,660	142,481	100,204
Leisure time activity	1,937,490	1,174,631	1,976,349	1,347,743
Economic development	205,360	193,551	166,481	161,725
Interest and fiscal charges	95,525	95,525	98,715	98,715
Total	$ 18,016,432	$ 11,828,830	$ 15,719,539	$ 12,100,179

The dependence upon general revenues for governmental activities is apparent, with 65.66% of expenses supported through taxes and other general revenues.

The graph below shows a comparison of the City's general revenues compared to program revenues for the governmental activities.

Governmental Activities – General and Program Revenues

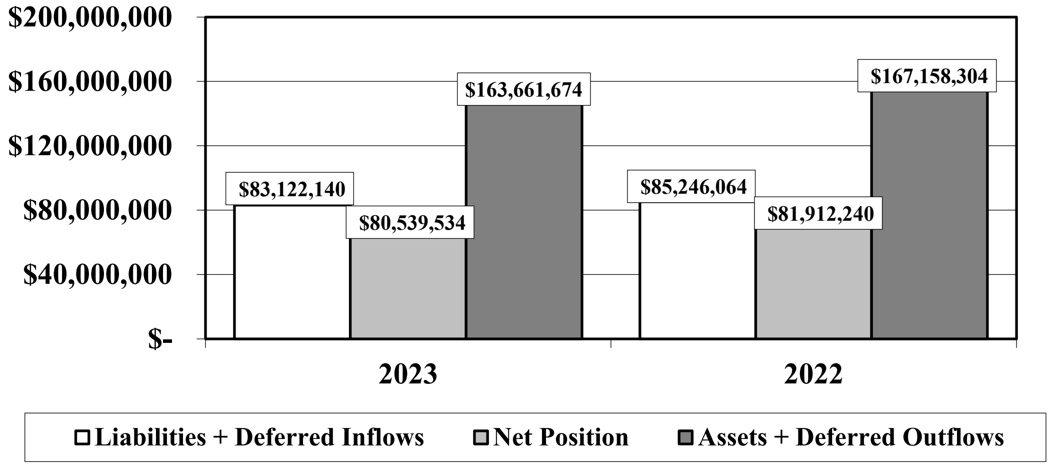


Business-type Activities

Business-type activities include the water and sewer enterprise funds. These programs had program revenues of $17,316,763, general revenues of $55,355 and, expenses of $18,744,824 for 2023. The decrease in program revenues can mainly be attributed to the decrease in charges for services in the water and sewer funds. The increase in water and sewer expenses is primarily due to changes in the net pension/OPEB liability/asset for similar reasons as discussed for governmental activities.

The graph below illustrates the City's business-type assets, liabilities, deferred outflows, deferred inflows, and net position at December 31, 2023 and December 31, 2022.

Net Position in Business-Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds reported a combined fund balance of $11,453,678 which is $3,111,113 less than last year's total of $14,564,791. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2023 for all major and nonmajor governmental funds.

	Fund Balances 12/31/23	Fund Balances 12/31/22	Change
Major funds:			
General	$ 6,033,055	$ 8,663,146	$ (2,630,091)
Capital improvement	1,699,350	1,587,542	111,808
Other nonmajor governmental funds	3,721,273	4,314,103	(592,830)
Total	$ 11,453,678	$ 14,564,791	$ (3,111,113)

General Fund

The City's General fund balance decreased $2,630,091. The table below compares 2023 versus 2022 revenues.

	2023	2022	% Change
Revenues			
Taxes	$ 12,445,265	$ 11,937,570	4.25 %
Charges for services	73,445	46,266	58.75 %
Licenses and permits	17,095	14,496	17.93 %
Fines and forfeitures	279,140	278,026	0.40 %
Intergovernmental	1,640,622	736,871	122.65 %
Investment income	1,612,559	(1,278,006)	(226.18) %
Other	805,909	686,072	17.47 %
Total	$ 16,874,035	$ 12,421,295	35.85 %

Tax revenue represents 73.75% of all General fund revenue. Income tax revenue increased in 2023 due to increased collections. Property taxes increased in 2023 due to increased collections as well. Investment income increased as interest rates on applicable investments increased and the fair value of investments increased from the prior year.

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

	2023	2022	% Change
Expenditures			
General government	$ 3,600,000	$ 2,731,608	31.79 %
Security of persons and property	8,295,474	7,761,303	6.88 %
Public health and welfare	9,380	4,626	102.77 %
Community environment	186,501	199,877	(6.69) %
Leisure time activity	3,428,749	973,667	252.15 %
Economic development	189,684	184,812	2.64 %
Capital outlay	11,943	-	100.00 %
Debt service	4,920	3,528	39.46 %
Total	$ 15,726,651	$ 11,859,421	32.61 %

The most significant increase in dollars in General fund expenditures was in leisure time activity. This line item increased $2,455,082 in 2023. This was primarily due to the City continuing the amphitheater project. General government expenditures increased $868,392. Security of persons and property increased $534,171. All other expenditures remained comparable to the prior year or changed an insignificant amount.

Capital Improvement Fund

The Capital Improvement fund had revenues and other financing sources of $3,316,094 in 2023. The expenditures were $3,204,286 in 2023. The net increase in fund balance for the Capital Improvement fund was $111,808 or 7.04%.

Budgeting Highlights

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

Budgetary information is presented for the General fund. The original and final budgeted revenues and other financing sources were $11,313,100 and $13,863,100, respectively. Actual revenues and other financing sources of $12,371,600 were less than final budgeted revenues and other financing sources by $1,491,500. The significant change for the General fund was between the final budgeted expenditures and other financing uses and actual expenditures and other financing uses. Actual expenditures and other financing uses came in $1,470,818 lower than the final budgeted amounts, primarily due to expenditures for general government operations, security of persons and property, and leisure time activity programs being less than budgeted. The final budgeted expenditures and other financing uses were increased $4,333,979 from original expenditures and other financing uses of $12,782,099.

Proprietary Funds

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

The City's business-type funds reported a combined net position of $80,539,534, which is $1,372,706 less than last year's total of $81,912,240. This decrease is primarily due to an increase in the net pension liability.

Capital Assets and Debt Administration

Capital Assets

At the end of 2023, the City had $170,533,599 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, machinery and equipment, infrastructure, intangible right to use assets, and construction in progress (CIP). Of this total, $33,885,871 was reported in governmental activities and $136,647,728 was reported in business-type activities. See Note 10 for further description of capital assets.

The following table shows 2023 balances compared to 2022:

Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 865,955	$ 864,955	$ 977,680	$ 977,180	$ 1,843,635	$ 1,842,135
Land improvements	2,236,184	2,049,702	36,867,524	37,963,834	39,103,708	40,013,536
Buildings and improvements	4,474,173	4,712,649	65,143,307	67,267,732	69,617,480	71,980,381
Machinery and equipment	5,075,368	4,485,690	9,041,562	9,719,179	14,116,930	14,204,869
Infrastructure	13,652,228	13,265,309	23,868,405	20,751,517	37,520,633	34,016,826
Intangible right to use:						
Leased equipment	12,237	8,097	10,950	-	23,187	8,097
Construction in progress	7,569,726	1,732,328	738,300	37,536	8,308,026	1,769,864
Totals	$ 33,885,871	$ 27,118,730	$ 136,647,728	$ 136,716,978	$ 170,533,599	$ 163,835,708

In governmental type activities, the City's largest capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks and curbs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 40.29% of the City's total governmental capital assets.

In business type activities, the largest capital assets category is buildings and improvements, which includes water and sewer plants. The net book value of the City's buildings and improvements represents approximately 47.67% of the City's total business-type capital assets.

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Debt Administration

See Note 12 for further discussion of the City's long-term debt obligations. The City had the following long-term debt obligations outstanding at December 31, 2023 and 2022:

	Governmental Activities	
	2023	2022
General obligation bonds	$ 70,000	$ 140,000
Bond anticipation notes	-	1,070,000
Financed purchase note payable	2,016,978	2,190,810
Lease payable	12,318	8,140
Total long-term obligations	$ 2,099,296	$ 3,408,950

	Business-type Activities	
	2023	2022
General obligation bonds	$ 475,000	$ 1,135,000
Financed purchase note payable	2,361,654	2,555,785
OPWC loans	119,032	135,474
OWDA loans	71,962,174	75,170,505
Lease payable	11,009	-
Total long-term obligations	$ 74,928,869	$ 78,996,764

Economic Conditions and Outlook

The City of Fremont in partnership with the Fremont Development Corporation completed construction on the H. P. Young Industrial Park. This is a 127 acre shovel ready industrial site. The H.P. Young Industrial Park has garnered a lot of attention not only in northwest Ohio but throughout the State of Ohio. We have submitted over 20 projects through Jobs Ohio and are being strongly considered for at least three-four new projects. In addition to our newest industrial we were excited to announce the groundbreaking of the Lagersmith Company. This company relocated from Minnesota to Fremont to be closer to their customers and suppliers. This is a 10-million-dollar investment that will employee approximately 25 individuals. Many companies are reinvesting into their current operations with new machinery and taking on additional work leading to the hiring of additional employees. We saw approximately 25 new homes be built throughout this past year and employers continue to increase their average wages to fill vacant job opening. The City of Fremont partnered with the Sandusky County Land Reutilization Corporation and saw the demolition of 22 homes in the last 18 months.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Mr. Paul Grahl, City Auditor, City of Fremont, 323 South Front Street, Fremont, Ohio 43420-3037.

CITY OF FREMONT
SANDUSKY COUNTY

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	$ 10,029,877	$ 20,292,878	$ 30,322,755
Receivables (net of allowances for uncollectibles):			
Income taxes	2,712,362	-	2,712,362
Property and other local taxes	1,078,773	-	1,078,773
Accounts	55,531	2,275,571	2,331,102
Loans	1,096,614	-	1,096,614
Accrued interest	150,026	-	150,026
Due from other governments	1,297,302	-	1,297,302
Materials and supplies inventory	260,172	756,532	1,016,704
Prepayments	65,414	29,318	94,732
Leases receivable	72,570	-	72,570
Internal balance	(499,862)	499,862	-
Net pension asset	27,376	31,274	58,650
Restricted assets:			
Equity in pooled cash and investments	-	92,645	92,645
Capital assets:			
Nondepreciable capital assets	8,435,681	1,715,980	10,151,661
Depreciable capital assets, net	25,450,190	134,931,748	160,381,938
Total capital assets, net	33,885,871	136,647,728	170,533,599
Total assets	50,232,026	160,625,808	210,857,834
Deferred outflows of resources:			
Pension	7,587,855	2,642,002	10,229,857
OPEB	1,185,296	393,864	1,579,160
Total deferred outflows of resources	8,773,151	3,035,866	11,809,017
Liabilities:			
Accounts payable	205,963	230,473	436,436
Contracts payable	990,833	471,710	1,462,543
Accrued wages and benefits	335,202	158,243	493,445
Pension and postemployment benefits payable	166,959	60,098	227,057
Due to claimants	114,106	-	114,106
Accrued interest payable	25,846	30,558	56,404
Unearned revenue	239,589	-	239,589
Payable from restricted assets:			
Refundable deposits	-	92,645	92,645
Long-term liabilities:			
Due within one year	371,341	4,125,374	4,496,715
Due in more than one year:			
Net pension liability	20,825,041	6,343,688	27,168,729
Net OPEB liability	1,258,421	129,947	1,388,368
Other amounts due in more than one year	2,476,034	71,239,984	73,716,018
Total liabilities	27,009,335	82,882,720	109,892,055
Deferred inflows of resources:			
Property taxes levied for the next year	1,026,438	-	1,026,438
Leases	70,008	-	70,008
Pension	901,905	192,778	1,094,683
OPEB	1,238,234	46,642	1,284,876
Total deferred inflows of resources	3,236,585	239,420	3,476,005
Net position:			
Net investment in capital assets	30,865,742	61,216,016	92,081,758
Restricted for:			
Debt service	72,723	-	72,723
Capital projects	17,852	-	17,852
Transportation projects	1,015,916	-	1,015,916
Court projects	611,558	-	611,558
Revolving loans	376,941	-	376,941
R.L. Walsh Trust	712,682	-	712,682
Pension	27,376	31,274	58,650
Other purposes	482,686	-	482,686
Unrestricted (deficit)	(5,424,219)	19,292,244	13,868,025
Total net position	$ 28,759,257	$ 80,539,534	$ 109,298,791

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FREMONT
SANDUSKY COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

		Program Revenues		
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
General government	$ 3,727,770	$ 683,785	$ 26,768	$ -
Security of persons and property	9,497,173	53,871	61,629	-
Public health and welfare	9,380	-	-	-
Transportation	2,169,676	113	1,159,052	3,248,318
Community environment	374,058	22,762	156,636	-
Leisure time activity	1,937,490	641,299	121,560	-
Economic development	205,360	-	11,809	-
Interest and fiscal charges	95,525	-	-	-
Total governmental activities	18,016,432	1,401,830	1,537,454	3,248,318
Business-type activities:				
Water	8,764,156	8,406,668	-	-
Sewer	9,980,668	8,910,095	-	-
Total business-type activities	18,744,824	17,316,763	-	-
Total primary government	$ 36,761,256	$ 18,718,593	$ 1,537,454	$ 3,248,318

General revenues:
Income taxes levied for:
General purposes
Property taxes levied for:
General purposes
Hotel/motel taxes
Grants and entitlements not restricted to specific programs
Investment earnings
Increase in fair value of investments
Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
	$ (3,017,217)	$ -	$ (3,017,217)
	(9,381,673)	-	(9,381,673)
	(9,380)	-	(9,380)
	2,237,807	-	2,237,807
	(194,660)	-	(194,660)
	(1,174,631)	-	(1,174,631)
	(193,551)	-	(193,551)
	(95,525)	-	(95,525)
	(11,828,830)	-	(11,828,830)
	-	(357,488)	(357,488)
	-	(1,070,573)	(1,070,573)
	-	(1,428,061)	(1,428,061)
	(11,828,830)	(1,428,061)	(13,256,891)
	11,636,382	-	11,636,382
	898,437	-	898,437
	62,455	-	62,455
	856,196	-	856,196
	867,650	3,582	871,232
	768,987	-	768,987
	448,268	51,773	500,041
	15,538,375	55,355	15,593,730
	3,709,545	(1,372,706)	2,336,839
	25,049,712	81,912,240	106,961,952
	$ 28,759,257	$ 80,539,534	$ 109,298,791

CITY OF FREMONT
SANDUSKY COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 3,971,526	$ 2,101,940	$ 3,930,585	$ 10,004,051
Receivables (net of allowance for uncollectibles):				
Income taxes	2,712,362	-	-	2,712,362
Property and other local taxes	1,078,773	-	-	1,078,773
Accounts	49,106	-	6,425	55,531
Accrued interest	150,026	-	-	150,026
Loans	882,042	-	214,572	1,096,614
Due from other governments	757,070	-	540,232	1,297,302
Materials and supplies inventory	-	-	260,172	260,172
Prepayments	57,067	-	7,873	64,940
Leases receivable	72,570	-	-	72,570
Total assets	$ 9,730,542	$ 2,101,940	$ 4,959,859	$ 16,792,341
Liabilities:				
Accounts payable	$ 162,580	$ -	$ 43,108	$ 205,688
Contracts payable	529,214	402,590	59,029	990,833
Accrued wages and benefits payable	293,723	-	38,807	332,530
Compensated absences payable	21,454	-	-	21,454
Interfund loans payable	-	-	500,000	500,000
Pension and postemployment benefits payable	150,970	-	14,989	165,959
Due to claimants	114,106	-	-	114,106
Unearned revenue	-	-	239,589	239,589
Total liabilities	1,272,047	402,590	895,522	2,570,159
Deferred inflows of resources:				
Property taxes levied for the next year	1,026,438	-	-	1,026,438
Delinquent property tax revenue not available	52,335	-	-	52,335
Accrued interest not available	90,680	-	-	90,680
Leases	70,008	-	-	70,008
Income tax revenue not available	1,002,112	-	-	1,002,112
Intergovernmental revenue not available	183,867	-	343,064	526,931
Total deferred inflows of resources	2,425,440	-	343,064	2,768,504
Fund balances:				
Nonspendable	57,067	-	268,045	325,112
Restricted	-	-	3,270,572	3,270,572
Committed	4,551,563	1,699,350	475,005	6,725,918
Assigned	1,424,425	-	-	1,424,425
Unassigned (deficit)	-	-	(292,349)	(292,349)
Total fund balances	6,033,055	1,699,350	3,721,273	11,453,678
Total liabilities, deferred inflows of resources and fund balances	$ 9,730,542	$ 2,101,940	$ 4,959,859	$ 16,792,341

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FREMONT
SANDUSKY COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total governmental fund balances		$ 11,453,678
Amounts reported for governmental activities on 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.		33,885,871
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	$ 1,002,112	
Delinquent property taxes receivable	52,335	
Due from other governments	526,931	
Accrued interest receivable	90,680	
Total		1,672,058
An internal service fund is used by management to charge the costs of internal equipment service to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		(37,959)
When consolidating the internal service fund, the portion of the operating income or loss allocated to business-type activities is eliminated from the governmental activities and is reported as a component of internal balance.		138
In the statement of net position interest is accrued on outstanding bonds, whereas in governmental funds, interest is reported when due.		(25,846)
Unamortized premiums on bond issuances are not recognized in the funds.		(285)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds (excludes internal service fund balances).		
Net pension asset	26,862	
Deferred outflows of resources - pension	7,544,344	
Deferred inflows of resources - pension	(898,272)	
Net pension liability	(20,720,755)	
Total		(14,047,821)
The net OPEB liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds (excludes internal service fund balances).		
Deferred outflows of resources - OPEB	1,178,808	
Deferred inflows of resources - OPEB	(1,237,464)	
Net OPEB liability	(1,256,285)	
Total		(1,314,941)
Long-term liabilities, including bonds payable and lease purchase obligations, are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
General obligation bonds	(70,000)	
Lease payable	(12,318)	
Lease purchase obligation	(2,016,978)	
Compensated absences	(726,340)	
Total		(2,825,636)
Net position of governmental activities		$ 28,759,257

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FREMONT
SANDUSKY COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Income taxes	$ 11,483,935	$ -	$ -	$ 11,483,935
Property and other local taxes	961,330	-	-	961,330
Charges for services	73,445	-	582,929	656,374
Licenses, permits and fees	17,095	-	-	17,095
Fines and forfeitures	279,140	-	185,566	464,706
Intergovernmental	1,640,622	973,305	2,789,311	5,403,238
Special assessments	-	113	-	113
Investment income	843,572	-	29,269	872,841
Contributions and donations	94,099	6,681	2,600	103,380
Increase in fair value of investments	768,987	-	-	768,987
Other	711,810	35,995	78,112	825,917
Total revenues	16,874,035	1,016,094	3,667,787	21,557,916
Expenditures:				
Current:				
General government	3,600,000	-	168,233	3,768,233
Security of persons and property	8,295,474	-	78,351	8,373,825
Public health and welfare	9,380	-	-	9,380
Transportation	-	-	1,077,368	1,077,368
Community environment	186,501	-	175,620	362,121
Leisure time activity	3,428,749	-	1,045,726	4,474,475
Economic development and assistance	189,684	-	-	189,684
Capital outlay	11,943	3,204,286	1,774,342	4,990,571
Debt service:				
Principal retirement	4,748	-	1,316,653	1,321,401
Interest and fiscal charges	172	-	113,546	113,718
Total expenditures	15,726,651	3,204,286	5,749,839	24,680,776
Excess (deficiency) of revenues over (under) expenditures	1,147,384	(2,188,192)	(2,082,052)	(3,122,860)
Other financing sources (uses):				
Lease transaction	11,747	-	-	11,747
Transfers in	-	2,300,000	1,489,222	3,789,222
Transfers out	(3,789,222)	-	-	(3,789,222)
Total other financing sources (uses)	(3,777,475)	2,300,000	1,489,222	11,747
Net change in fund balances	(2,630,091)	111,808	(592,830)	(3,111,113)
Fund balances at beginning of year	8,663,146	1,587,542	4,314,103	14,564,791
Fund balances at end of year	$ 6,033,055	$ 1,699,350	$ 3,721,273	$ 11,453,678

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FREMONT
SANDUSKY COUNTY

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		$ (3,111,113)
Amounts reported for governmental activities in the statement of activities are different because:		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	$ 8,932,058	
Current year depreciation/amortization	(2,125,896)	
Total		6,806,162
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(39,021)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property tax revenue	(438)	
Intergovernmental revenue	(8,026)	
Income tax revenue	152,447	
Investment income	24,078	
Total		168,061
Proceeds of lease payables are reported as an other financing source in the funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		(11,747)
Repayment of the general obligation bonds is an expenditure in the governmental funds; however, in the statement of activities it is not recorded as an expense as it decreases liabilities on the statement of net position.		1,321,401
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due. The following items resulted in more interest being reported in the statement of activities:		
Decrease in accrued interest	17,879	
Amortization of bond premiums	314	
Total		18,193
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(156,354)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		1,397,291
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(2,790,505)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		25,979
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.		81,748
An internal service fund is used by management to charge the costs of internal equipment service and employee benefits to individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund, including internal balance of ($138), is allocated among the governmental activities.		(550)
Change in net position of governmental activities		$ 3,709,545

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FREMONT
SANDUSKY COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
Property and other local taxes	$ 939,000	$ 939,000	$ 961,330	$ 22,330
Charges for services	23,000	23,000	39,996	16,996
Licenses, permits and fees	27,400	27,400	17,095	(10,305)
Fines and forfeitures	285,000	285,000	295,831	10,831
Intergovernmental	653,200	2,953,200	1,201,734	(1,751,466)
Investment income	400,000	400,000	832,536	432,536
Contributions and donations	10,000	260,000	93,099	(166,901)
Other	373,000	373,000	329,979	(43,021)
Total revenues	2,710,600	5,260,600	3,771,600	(1,489,000)
Expenditures:				
Current:				
General government	2,634,058	3,063,710	2,585,429	478,281
Security of persons and property	8,209,683	8,833,157	8,413,219	419,938
Public health and welfare	15,922	17,922	10,156	7,766
Community environment	236,304	235,304	192,132	43,172
Leisure time activity	1,470,846	4,711,099	4,210,410	500,689
Economic development and assistance	203,786	243,386	222,414	20,972
Total expenditures	12,770,599	17,104,578	15,633,760	1,470,818
Excess of expenditures over revenues	(10,059,999)	(11,843,978)	(11,862,160)	(18,182)
Other financing sources (uses):				
Sale of capital assets	2,500	2,500	-	(2,500)
Transfers in	8,600,000	8,600,000	8,600,000	-
Transfers out	(11,500)	(11,500)	(11,500)	-
Total other financing sources (uses)	8,591,000	8,591,000	8,588,500	(2,500)
Net change in fund balance	(1,468,999)	(3,252,978)	(3,273,660)	(20,682)
Fund balance at beginning of year	2,654,684	2,654,684	2,654,684	-
Prior year encumbrances appropriated	779,209	779,209	779,209	-
Fund balance at end of year	$ 1,964,894	$ 180,915	$ 160,233	$ (20,682)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FREMONT
SANDUSKY COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	**Sewer**	**Total**	
Assets:				
Current assets:				
Equity in pooled cash and investments	$ 5,291,810	$ 15,001,068	$ 20,292,878	$ 25,826
Receivables (net of allowance for uncollectibles):				
Accounts	982,388	1,293,183	2,275,571	-
Interfund loans	-	500,000	500,000	-
Materials and supplies inventory	665,384	91,148	756,532	-
Prepayments	13,764	15,554	29,318	474
Total current assets	6,953,346	16,900,953	23,854,299	26,300
Noncurrent assets:				
Net pension asset	14,792	16,482	31,274	514
Restricted assets:				
Equity in pooled cash and investments	92,645	-	92,645	-
Capital assets:				
Nondepreciable capital assets	1,163,704	552,276	1,715,980	-
Depreciable capital assets, net	62,916,002	72,015,746	134,931,748	-
Total capital assets, net	64,079,706	72,568,022	136,647,728	-
Total noncurrent assets	64,187,143	72,584,504	136,771,647	514
Total assets	71,140,489	89,485,457	160,625,946	26,814
Deferred outflows of resources:				
Pension	1,251,268	1,390,734	2,642,002	43,511
OPEB	186,546	207,318	393,864	6,488
Total deferred outflows of resources	1,437,814	1,598,052	3,035,866	49,999
Liabilities:				
Current liabilities:				
Accounts payable	108,373	122,100	230,473	275
Contracts payable	-	471,710	471,710	-
Accrued wages and benefits payable	75,336	82,907	158,243	2,672
Pension and postemployment benefits payable	28,066	32,032	60,098	1,000
Accrued interest payable	30,552	6	30,558	-
Current portion of compensated absences	46,929	59,164	106,093	-
Current portion of general obligation bonds	475,000	-	475,000	-
Current portion of OWDA loans payable	1,585,374	1,738,907	3,324,281	-
Current portion of OPWC loans payable	7,550	8,892	16,442	-
Current portion of financed purchase note payable	201,022	-	201,022	-
Current portion of lease payable	1,257	1,279	2,536	-
Payable from restricted assets:				
Refundable deposits	92,645	-	92,645	-
Total current liabilities	2,652,104	2,516,997	5,169,101	3,947
Long-term liabilities:				
Compensated absences payable	131,022	168,241	299,263	-
General obligation bonds payable	31,133	-	31,133	-
OWDA loans payable	12,500,035	56,137,858	68,637,893	-
OPWC loans payable	98,144	4,446	102,590	-
Lease payable	4,198	4,275	8,473	-
Financed purchase note payable	2,160,632	-	2,160,632	-
Net pension liability	3,000,483	3,343,205	6,343,688	104,286
Net OPEB liability	61,463	68,484	129,947	2,136
Total long-term liabilities	17,987,110	59,726,509	77,713,619	106,422
Total liabilities	20,639,214	62,243,506	82,882,720	110,369
Deferred inflows of resources:				
Pension	89,963	102,815	192,778	3,633
OPEB	22,054	24,588	46,642	770
Total deferred inflows of resources	112,017	127,403	239,420	4,403
Net position:				
Net investment in capital assets	47,015,361	14,200,655	61,216,016	-
Restricted for pension	14,792	16,482	31,274	514
Unrestricted (deficit)	4,796,919	14,495,463	19,292,382	(38,473)
Total net position (deficit)	$ 51,827,072	$ 28,712,600	80,539,672	$ (37,959)
Adjustment to reflect the consolidation of the internal service fund's activity related to enterprise funds			(138)	
Net position of business-type activities			$ 80,539,534	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FREMONT
SANDUSKY COUNTY

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	**Sewer**	**Total**	
Operating revenues:				
Charges for services	$ 8,406,668	$ 8,910,095	$ 17,316,763	$ 95,682
Other	24,043	27,730	51,773	24
Total operating revenues	8,430,711	8,937,825	17,368,536	95,706
Operating expenses:				
Personal services	2,417,478	2,755,591	5,173,069	79,816
Contract services	644,397	690,309	1,334,706	2,796
Materials and supplies	2,158,176	594,266	2,752,442	5,890
Utilities expense	572,958	706,017	1,278,975	8,954
Depreciation/amortization	2,298,088	2,635,762	4,933,850	-
Other	170,841	172,923	343,764	618
Total operating expenses	8,261,938	7,554,868	15,816,806	98,074
Operating income (loss)	168,773	1,382,957	1,551,730	(2,368)
Nonoperating revenues (expenses):				
Interest revenue	447	3,135	3,582	-
Interest and fiscal charges	(500,984)	(2,324,541)	(2,825,525)	-
Loss on disposal of capital assets	-	(100,675)	(100,675)	-
Total nonoperating revenues (expenses)	(500,537)	(2,422,081)	(2,922,618)	-
Change in net position	(331,764)	(1,039,124)	(1,370,888)	(2,368)
Net position (deficit) at beginning of year	52,158,836	29,751,724		(35,591)
Net position (deficit) at end of year	$ 51,827,072	$ 28,712,600		$ (37,959)
Adjustment to reflect the consolidation of the internal service fund's activity related to enterprise funds			(1,818)	
Change in net position of business-type activities			$ (1,372,706)	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FREMONT
SANDUSKY COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	**Sewer**	**Total**	
Cash flows from operating activities:				
Cash received from charges for services	$ 8,548,157	$ 8,968,071	$ 17,516,228	$ 95,682
Cash received from other operations	43,079	27,730	70,809	24
Cash payments for personal services	(2,332,007)	(2,670,781)	(5,002,788)	(77,626)
Cash payments for contractual services	(587,131)	(644,338)	(1,231,469)	(2,796)
Cash payments for materials and supplies	(2,080,440)	(622,138)	(2,702,578)	(5,890)
Cash payments for utilities expense	(546,509)	(694,939)	(1,241,448)	(8,751)
Cash payments for other expenses	(189,541)	(172,923)	(362,464)	(618)
Net cash provided by operating activities	2,855,608	4,190,682	7,046,290	25
Cash flows from noncapital financing activities:				
Cash received from Ballville dam removal grants	58,377	-	58,377	-
Cash payments for interfund loans	-	(500,000)	(500,000)	-
Net cash provided by (used in) noncapital financing activities	58,377	(500,000)	(441,623)	-
Cash flows from capital and related financing activities:				
Cash payments for the acquisition of capital assets	(769,465)	(3,710,573)	(4,480,038)	-
Cash payments for principal retirement	(2,401,515)	(1,679,685)	(4,081,200)	-
Cash payments for interest and fiscal charges	(538,118)	(2,324,647)	(2,862,765)	-
Net cash (used in) capital and related financing activities	(3,709,098)	(7,714,905)	(11,424,003)	-
Cash flows from investing activities:				
Cash received from interest earned	447	3,135	3,582	-
Net increase (decrease) in cash and cash equivalents	(794,666)	(4,021,088)	(4,815,754)	25
Cash and cash equivalents at beginning of year	6,179,121	19,022,156	25,201,277	25,801
Cash and cash equivalents at end of year	$ 5,384,455	$ 15,001,068	$ 20,385,523	$ 25,826

- - Continued

CITY OF FREMONT
SANDUSKY COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	**Sewer**	**Total**	
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income	$ 168,773	$ 1,382,957	$ 1,551,730	$ (2,368)
Adjustments:				
Depreciation/amortization	2,298,088	2,635,762	4,933,850	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
Decrease in accounts receivable	141,475	57,976	199,451	-
Decrease in intergovernmental receivable	86,053	-	86,053	-
(Increase) decrease in materials and supplies inventory	128,508	(743)	127,765	-
Decrease in net pension asset	1,631	1,854	3,485	64
Decrease in net OPEB asset	326,854	364,920	691,774	11,504
Decrease in prepayments	221	250	471	7
(Increase) in deferred outflows - pensions	(791,522)	(889,645)	(1,681,167)	(27,284)
(Increase) in deferred outflows - OPEB	(177,553)	(198,848)	(376,401)	(6,165)
Increase (decrease) in accounts payable	(53,110)	29,920	(23,190)	203
Increase in accrued wages and benefits	7,563	5,916	13,479	459
Increase in compensated absences payable	26,067	25,796	51,863	-
Increase in pension and postemployment benefits payable	1,372	1,953	3,325	90
Increase in refundable deposits liability	350	-	350	-
Increase in net pension liability	2,046,798	2,278,452	4,325,250	70,720
Increase in net OPEB liability	61,463	68,484	129,947	2,136
(Decrease) in deferred inflows - pensions	(1,090,250)	(1,211,349)	(2,301,599)	(37,854)
(Decrease) in deferred inflows - OPEB	(327,173)	(362,973)	(690,146)	(11,487)
Net cash provided by operating activities	$ 2,855,608	$ 4,190,682	$ 7,046,290	$ 25

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FREMONT
SANDUSKY COUNTY

STATEMENT OF FIUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Custodial
Assets:	
Equity in pooled cash and investments	$ 50,564
Cash in segregated accounts	7,638
Receivables (net of allowances for uncollectibles):	
Accounts	1,790
Total assets	59,992
Liabilities:	
Due to other governments	51,454
Net position:	
Restricted for individuals, organizations and other governments	$ 8,538

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FREMONT
SANDUSKY COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Custodial
Additions:	
Fines and forfeitures for other governments	$ 703,003
Sewer surcharges collected for other governments	652,819
Total additions	1,355,822
Deductions:	
Fines and forfeitures distributions to other governments	705,131
Sewer surcharges distributions to other governments	652,409
Total deductions	1,357,540
Net change in fiduciary net position	(1,718)
Net position beginning of year	10,256
Net position end of year	$ 8,538

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE CITY

The City of Fremont, Sandusky County, Ohio (the City) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The City operates under a Council/Mayor form of government and provides the following services to its residents: public safety, highways and streets, water, sewer, health and social services, culture recreation, public improvements, planning and zoning and general administration services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. The City's reporting entity has been defined according to GASB Statement No. 14, "The Financial Reporting Entity", and as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34" and GASB Statement No. 80, "Blending Requirements for Certain Component Units an Amendment of GASB Statement No. 14."

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; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the City and the organization is such that exclusion by the City would render the City's financial statements incomplete or misleading. Based upon these criteria, the City has no component units but is a member of an insurance pool described in Note 14.

B. Basis of Presentation - Fund Accounting

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. On the statement of activities, 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 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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business activity or governmental program is self-financing or draws from the general revenues of the City.

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

C. Fund Accounting

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

GOVERNMENTAL FUNDS

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

The following are the City's major governmental funds:

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

Capital Improvement fund - The Capital Improvement fund accounts for resources that are restricted for the acquisition, construction, or improvement of capital facilities and other capital assets.

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

PROPRIETARY FUNDS

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

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

Water fund - This fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

Sewer fund - This fund accounts for the provision of sanitary sewer service to the residential and commercial users located within the City.

Internal Service fund - The Internal Service fund accounts for the financing of services provided by one fund or department to other funds or departments of the City on a cost-reimbursement basis. The City's Internal Service fund reports on the operations of the servicing of internal equipment.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's only fiduciary funds are custodial funds. The City's custodial funds account for various funds held for Municipal Court activity, including Ohio Highway Patrol portion of Municipal Court fines, and the collections for the County Sewer District.

D. Measurement Focus and Basis of Accounting

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

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

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

The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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

E. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the 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.

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 15 and 16 for deferred outflows of resources related to net pension liability/asset and net OPEB liability, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 15 and 16 for deferred inflows of resources related to net pension liability/asset and net OPEB liability, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

F. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The legal level of control has been established at the fund-department and within each department, the amount spent on personal services and all other expenditures for all funds.

Estimated Resources - The County Budget Commission reviews the estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The County Budget Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the estimated beginning of year fund balance and projected revenue of each fund. On or about December 31, the City must revise its budget so that total contemplated expenditures from any fund during the ensuing 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 the actual unencumbered fund balances from the preceding year. The certificate of estimated resources may be further amended during the year if the City Auditor determines that revenue to be collected will be greater than or less than prior estimates and the County Budget Commission finds the revised estimates to be reasonable. The amounts set forth in the financial statements represent estimates from the first and final amended official certificate of estimated resources issued during 2023.

Appropriations - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department, and within each department, the amount for personal services and all other expenditures. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of Council. The amounts set forth in the financial statements represent the original and final appropriations approved by City Council during 2023.

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 appropriation. Encumbered appropriations are reappropriated in the succeeding year.

Encumbrances **-** As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation. On the GAAP basis, encumbrances outstanding at year end are reported as restricted, committed, or assigned classifications of fund balance in the governmental fund financial statements.

G. Cash 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 and investments" on the basic financial statements.

Cash and cash equivalents that are held separately for the City in segregated accounts and not held with the City Treasurer are recorded on the basic financial statements as "cash in segregated accounts".

During 2023, investments were limited to the Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Agriculture Mortgage Corporation (FAMC) securities, negotiable certificates of deposit (negotiable CD's), U.S. Treasury notes, State Treasury Asset Reserve of Ohio (STAR Ohio), and a U.S. Government money market fund. Except for investments in STAR Ohio, the City measures its investments at fair value which is based upon quoted market prices.

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

Interest earnings are allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General fund during 2023 was $843,572, which includes $689,230 assigned from other City funds.

For purposes of the statement of cash flows and for presentation on the basic financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months, and not purchased from the pool, are reported as investments.

H. Loans Receivable

Loans receivable represent the right to receive repayment for certain loans made by the City. These loans are based upon written agreements between the City and the various loan recipients.

I. Inventories of Materials and Supplies

On the government-wide and fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. On fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

J. Capital Assets

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

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 value. The City maintains a capitalization threshold of $2,500. The City's governmental infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers and streets. The City's proprietary and business-type infrastructure consists of water and sewer lines. 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 capitalized. Interest incurred during the construction of proprietary capital assets is also capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land improvements	10-50 years	10-50 years
Buildings	25-50 years	25-50 years
Building improvements	5-50 years	5-25 years
Machinery and equipment	3-30 years	5-10 years
Intangible leased assets	5 years	-
Infrastructure - streets, sidewalks, and storm sewers	25-50 years	50 years
Infrastructure - bridges and culverts	25-50 years	25-50 years

The City is reporting intangible right to use assets related to leased equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

K. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments as well as the sick leave accumulated by those employees expected to become eligible to receive termination benefits in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the City's union contracts or administrative ordinance. The City records a liability for accumulated unused sick leave for all employees with 10 or more years of service with the City up to a maximum of 500 hours for all employees except police sergeants, captains, and firefighters, which have a maximum of 600 hours.

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Interfund Activity

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

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

N. Fund Balance

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the City Auditor the authority to constrain monies for intended purposes. The City Council has also assigned amounts to cover a gap between estimated resources and appropriations in the 2023 budget.

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

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

O. Restricted Assets

Customer deposits are held in the water fund to assure payment of utility bills. At December 31, 2023, the City held $92,645 in restricted customer deposits. These restricted assets are equally offset by a restricted payable so there is no effect on net position of the Water fund.

P. Bond Issuance Costs, Bond Premiums and Discounts, Accounting Gain or Loss

On both the government-wide financial statements and the fund financial statements, bond issuance costs are recognized in the period in which these items are incurred.

On the government-wide financial statements, bond premiums and discounts are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds. On the governmental fund financial statements, bond premiums and discounts are recognized in the period in which these items are incurred. The reconciliation between the face value of bonds and the amount reported on the statement of net position is presented in Note 12.

For current and advance refundings resulting in the defeasance of debt reported in the government-wide financial statements and enterprise funds, the difference between the reacquisition price and the net carrying amount of the old debt is amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred inflow of resources or a deferred outflow of resources.

Q. Estimates

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

R. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, grants or outside contributions of resources restricted to capital acquisition and construction, or capital assets that are purchased by a fund and then transferred to another fund. Capital contributions are reported as nonoperating revenue in the proprietary fund financial statements. During 2023, the City did not report any capital contributions.

S. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. None of the City's net position are restricted by enabling legislation.

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. During 2023, the City did not report any extraordinary or special items.

U. 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 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.

V. Prepayments

Payments made to vendors for services that benefit future periods are recorded as prepayments in both government-wide and fund financial statements. A current asset for the prepaid amount is recorded at the time of purchase, and the expenditure is reported in the year in which services are consumed. Governmental fund balance has been presented as nonspendable equal to the balance of the prepayments at year-end.

W. Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of $16,379 are reflected as fines and forfeitures revenue in the OneOhio special revenue fund in the accompanying financial statements.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2023, the City has implemented GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the City.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the City.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

B. Deficit Fund Balances

Fund balances at December 31, 2023 included the following individual fund deficits:

	Deficit
Nonmajor governmental funds	
Debt service	$ 292,349

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

C. Compliance

Contrary to Ohio law, the City did not properly certify to the County Auditor the total amount from all sources available for expenditures for the Capital Improvement fund. Because of this, appropriations exceeded estimated resources for the Capital Improvement fund at December 31, 2023. In addition, the Capital Improvement fund had expenditures in excess of appropriatons.

NOTE 4 - DEPOSITS AND INVESTMENTS

Monies held by the City are classified by State statute into three categories:

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

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

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

6. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,

8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this state, as to which there is no default of principal, interest or coupons; and,

3. Obligations of the City.

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

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

Restricted equity in pooled cash: At year-end, the City had $92,645 in restricted assets for refundable deposits from customers of the water fund. This amount is included in the "Deposits with Financial Institutions" below.

A. Cash in Segregated Accounts

At year end, $7,638 was on deposit in segregated accounts for the Municipal Court and small business checking account. These accounts are included in the total amount of "Deposits with Financial Institutions" reported below; however, this amount is not part of the internal cash pool reported on the statement of net position and the governmental funds balance sheet as "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At December 31, 2023, the carrying amount of all City deposits was $1,197,986 and the bank balance of all City deposits was $2,124,190. Of the bank balance, $267,540 was covered by the FDIC and $1,856,650 was covered by the Ohio Pooled Collateral System.

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

C. Investments

As of December 31, 2023, the City had the following investments and maturities:

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Amortized cost:						
STAR Ohio	$ 275,000	$ 275,000	$ -	$ -	$ -	$ -
Fair value:						
FHLMC	1,025,567	-	-	475,800	549,767	-
FNMA	1,760,522	-	358,912	-	1,401,610	-
FHLB	5,156,999	396,400	-	479,060	234,508	4,047,031
FFCB	6,510,429	377,013	1,306,962	561,596	1,352,670	2,912,188
FAMC	1,388,483	-	-	-	159,465	1,229,018
U.S. Treasury Note	9,927,932	346,091	881,232	1,277,148	280,068	7,143,393
Negotiable CD	2,900,733	2,673,032	-	-	-	227,701
U.S. Government Money Market Mutual funds	322,313	322,313	-	-	-	-
Total	$ 29,267,978	$ 4,389,849	$ 2,547,106	$ 2,793,604	$ 3,978,088	$ 15,559,331

The weighted average maturity of investments is 1.13 years.

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

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

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City’s investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

Credit Risk: The City’s investments in federal agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. The City’s negotiable CD’s were not rated but are fully insured by the FDIC. Standard & Poor’s has assigned STAR Ohio and the U.S. Treasury money market mutual funds an AAAm money market rating. The City limits its investments to those authorized by State statute.

Concentration of Credit Risk: The City’s investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2023:

Measurement/ Investment type	Measurement Value	% of Total
Amortized cost:		
STAR Ohio	$ 275,000	0.94
Fair value:		
FHLMC	1,025,567	3.50
FNMA	1,760,522	6.02
FHLB	5,156,999	17.62
FFCB	6,510,429	22.24
FAMC	1,388,483	4.74
U.S. Treasury Note	9,927,932	33.93
Negotiable CD	2,900,733	9.91
U.S. Government Money Market Mutual funds	322,313	1.10
Total	$ 29,267,978	100.00

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note disclosure above to cash and investments as reported on the statement of net position as of December 31, 2023:

Cash and investments per note disclosure	
Carrying amount of deposits	$ 1,197,986
Investments	29,267,978
Cash in segregated accounts	7,638
Total	$ 30,473,602

Cash and investments per statement of net position	
Governmental activities	$ 10,029,877
Business-type activities	20,385,523
Custodial funds	58,202
Total	$ 30,473,602

NOTE 5 - INTERFUND BALANCES

A. Transfers

Interfund transfers for the year ended December 31, 2023 consisted of the following, as reported in the fund financial statements:

Transfers from:	General
Capital Improvement fund	$ 2,300,000
Nonmajor governmental funds	1,489,222
Total	$ 3,789,222

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; reclassification of prior year distributed monies, to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

Transfers between governmental funds are eliminated on the government-wide financial statements.

B. Interfund Loans

Interfund loans receivable/payable consisted of the following at December 31, 2023, as reported on the fund financial statements:

On June 21, 2023, the sewer fund issued $500,000 in manuscript notes which were purchased by the Debt Service fund (a nonmajor governmental fund). The manuscript notes bear an interest rate of 6.0 percent and mature on June 21, 2024.

NOTE 6 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Fremont. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflows since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred inflow.

The full tax rate for all City operations for the year ended December 31, 2023 was $3.20 per $1,000 of assessed value. The assessed values of real and public utility property upon which 2021 property tax receipts were based are as follows:

Real property	
Residential/agricultural	$ 169,241,880
Commercial/industrial/mineral	107,368,370
Public utility	
Real	74,390
Personal	28,459,310
Total assessed value	$ 305,143,950

NOTE 7 - LOCAL INCOME TAX

The City levies and collects an income tax of 1.5 percent based on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Income tax revenue is credited to the General fund and amounted to $11,483,935 in 2023.

NOTE 8 - RECEIVABLES

A. Receivables

Receivables at December 31, 2023 consisted of taxes, accounts (billings for user charged services), loans, accrued interest, and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the basic financial statements. Receivables have been recorded to the extent that they are measurable and available at December 31, 2023.

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

Receivables:	Governmental Activities	Business-Type Activities
Income taxes	$ 2,712,362	$ -
Property and other local taxes	1,078,773	-
Accounts	55,531	2,275,571
Loans	1,096,614	-
Accrued interest	150,026	-
Due from other governments	1,297,302	-
Leases receivable	72,570	-
Total	$ 6,463,178	$ 2,275,571

Receivables have been disaggregated on the face of the basic financial statements. The only receivables not expected to be collected within the subsequent year is the loans receivable, which is collected over the life of the loans (see Note 9) and leases receivable, which is discussed on the following page.

B. Leases Receivable

The City is reporting leases receivable of $72,570 in the General fund. For fiscal year 2023, the City recognized lease revenue of $4,078, which is reported in rental income, and interest revenue of $963.

The City has entered into lease agreements for building space rental with the following terms:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Building space	2021	20	2041	Annual

Lease payments will be paid into the General fund. The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2024	$ 3,051	$ 949	$ 4,000
2025	3,091	909	4,000
2026	3,131	869	4,000
2027	3,172	828	4,000
2028	3,714	786	4,500
2029 - 2033	20,830	3,170	24,000
2034 - 2038	24,794	1,706	26,500
2039 - 2041	10,787	213	11,000
Total	$ 72,570	$ 9,430	$ 82,000

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NOTE 9 - LOANS RECEIVABLE

The Fremont City Council created the Revolving Loan Committee and granted them the authority to act on behalf of the City of Fremont in making loans from the City's revolving loan fund to qualified applicants within the revolving loan fund geographic area. At the close of 2023, there were loans to three businesses with a total principal balance of $214,572. $6,757 is the amount due within one year and $207,815 is due in more than one year.

Additionally, the City has entered into an agreement with Sandusky County and the Fremont Development Corporation to loan $857,042 to a developer , in 2022, to develop land and turn the land into an industrial park. In 2023, the City loaned an additional $25,000, for a total loan of $882,042, to the developer to purchase an additional plot of land. The Developer will repay the loan through money generated by the sale of properties in the industrial park.

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NOTE 10 - CAPITAL ASSETS

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

Governmental activities:	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Capital assets, not being depreciated/amortized:				
Land	$ 864,955	$ 1,000	$ -	$ 865,955
Construction-in-progress	1,732,328	7,837,027	(1,999,629)	7,569,726
Total capital assets, not being depreciated/amortized	2,597,283	7,838,027	(1,999,629)	8,435,681
Capital assets, being depreciated/amortized:				
Land improvements	5,753,317	377,186	-	6,130,503
Buildings and improvements	13,673,457	208,658	(218,331)	13,663,784
Machinery and equipment	10,462,478	1,172,140	(277,153)	11,357,465
Infrastructure	29,475,189	1,323,733	-	30,798,922
Intangible right to use:				
Leased equipment	14,378	11,943	(3,761)	22,560
Total capital assets, being depreciated/amortized	59,378,819	3,093,660	(499,245)	61,973,234
Less: accumulated depreciation/amortization:				
Land improvements	(3,703,615)	(190,704)	-	(3,894,319)
Buildings and improvements	(8,960,808)	(408,926)	180,123	(9,189,611)
Machinery and equipment	(5,976,788)	(581,649)	276,340	(6,282,097)
Infrastructure	(16,209,880)	(936,814)	-	(17,146,694)
Intangible right to use:				
Leased equipment	(6,281)	(7,803)	3,761	(10,323)
Total accumulated depreciation/amortization	(34,857,372)	(2,125,896)	460,224	(36,523,044)
Total capital assets, being depreciated/amortized, net	24,521,447	967,764	(39,021)	25,450,190
Total capital assets, net	$ 27,118,730	$ 8,805,791	$ (2,038,650)	$ 33,885,871

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

Governmental activities:	
General government	$ 119,999
Security of persons and property	338,802
Transportation	1,071,267
Leisure time activities	585,456
Economic development	10,372
Total depreciation/amortization expense	$ 2,125,896

Business-type activities:	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Capital assets, not being depreciated/amortized:				
Land	$ 977,180	$ 500	$ -	$ 977,680
Construction-in-progress	37,536	700,764	-	738,300
Total capital assets, not being depreciated/amortized	1,014,716	701,264	-	1,715,980
Capital assets, being depreciated/amortized:				
Land improvements	47,280,607	-	-	47,280,607
Buildings and improvements	94,177,204	63,588	-	94,240,792
Machinery and equipment	19,189,511	414,240	(126,513)	19,477,238
Infrastructure	34,023,693	3,772,656	-	37,796,349
Intangible right to use:				
Leased equipment	-	13,527	-	13,527
Total capital assets, being depreciated/amortized	194,671,015	4,264,011	(126,513)	198,808,513
Less: accumulated depreciation/amortization:				
Land improvements	(9,316,773)	(1,096,310)	-	(10,413,083)
Buildings and improvements	(26,909,472)	(2,188,013)	-	(29,097,485)
Machinery and equipment	(9,470,332)	(991,182)	25,838	(10,435,676)
Infrastructure	(13,272,176)	(655,768)	-	(13,927,944)
Intangible right to use:				
Leased equipment	-	(2,577)	-	(2,577)
Total accumulated depreciation/amortization	(58,968,753)	(4,933,850)	25,838	(63,876,765)
Total capital assets, being depreciated/amortized, net	135,702,262	(669,839)	(100,675)	134,931,748
Total capital assets, net	$ 136,716,978	$ 31,425	$ (100,675)	$ 136,647,728

Construction in progress in the water fund represents costs of a chemical feed building and a portion of the industrial park project for waterlines as of December 31, 2023. Construction in progress in the sewer fund represents costs of the Croghan Street sewer lines and a portion of the industrial park project for sewer lines as of December 31, 2023.

Capital Assets related to Ohio Water Development Authority (OWDA) loans include $940,443 in capitalized interest from years prior to the implementation of GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period.*"

Depreciation/amortization expense was charged to the enterprise funds of the City as follows:

Business-type activities:	Depreciation/ Amortization Expense
Water fund	$ 2,298,088
Sewer fund	2,635,762
Total depreciation/amortization expense	$ 4,933,850

NOTE 11 – FINANCED PURCHASE NOTE PAYABLE

The financed purchase note payable agreements are direct borrowings that have terms negotiated directly between the City and the vendor and are not offered for public sale.

In 2018, the City entered into a financed purchase note payable agreement to finance the purchase of energy efficient equipment. Principal and interest payments are made 46% from the Capital Improvement fund and 54% from the water fund. In the event of default, the lessor may declare all rental payments payable by the City and other amounts payable by the City hereunder to the end of the then current original term or renewal term to be immediately due and payable.

In 2019 and 2020, the City entered into financed purchase note payable agreements to finance the purchases of fitness equipment. Principal and interest payments are made from the public recreation fund (a nonmajor governmental fund).

Principal and interest requirements to retire the financed purchase note payable as of December 31, 2023 are as follows:

Year Ending December 31,	Governmental Activities Financed purchase note payable Principal	Interest	Total	Year Ending December 31,	Business-Type Activities Financed purchase note payable Principal	Interest	Total
2024	$ 172,604	$ 71,491	$ 244,095	2024	$ 201,022	$ 83,912	$ 284,934
2025	177,320	65,402	242,722	2025	208,158	76,776	284,934
2026	183,615	59,107	242,722	2026	215,548	69,386	284,934
2027	190,133	52,589	242,722	2027	223,200	61,735	284,935
2028	196,883	45,839	242,722	2028	231,124	53,811	284,935
2029 - 2033	1,096,423	119,257	1,215,680	2029 - 2033	1,282,602	139,998	1,422,600
Total	$ 2,016,978	$ 413,685	$ 2,430,663	Total	$ 2,361,654	$ 485,618	$ 2,847,272

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NOTE 12 - LONG-TERM OBLIGATIONS

A. Governmental activities

The City's governmental activities long-term obligations at December 31, 2023 were as follows.

Governmental activities:	Balance 12/31/22	Increases	Decreases	Balance 12/31/23	Amount Due Within One Year
General obligation bonds:					
Police and fire pension	$ 140,000	$ -	$ (70,000)	$ 70,000	$ 70,000
Bond anticipation notes:					
Street improvement	1,070,000	-	(1,070,000)	-	-
Other long-term obligations:					
Net pension liability	11,809,504	9,015,537	-	20,825,041	-
Net OPEB liability	1,753,520	113,749	(608,848)	1,258,421	-
Financed purchase note payable (direct borrowing)	2,190,810	-	(173,832)	2,016,978	172,604
Lease payable	8,140	11,747	(7,569)	12,318	3,701
Compensated absences	622,893	254,656	(129,755)	747,794	125,036
Total	17,594,867	9,395,689	(2,060,004)	24,930,552	371,341
Unamortized premium on bonds	599	-	(314)	285	-
Total long-term obligations	$ 17,595,466	$ 9,395,689	$ (2,060,318)	$ 24,930,837	$ 371,341

Police and Fire Pension General Obligation Bonds
On October 31, 2012, the City issued $745,000 in general obligation bonds. The proceeds of these bonds were used to retire the police and fire past service liability. The bonds bear interest rates ranging from 1.7% to 2.7%. These bonds are a general obligation of the City, and principal and interest payments will be made from the police and fire debt service fund. These bonds mature on December 1, 2024. The general obligation bonds are supported by the full faith and credit of the City.

Street Improvement Notes
On June 23, 2022, the City issued $1,070,000 in notes related to governmental activities. The proceeds of these notes were used to pay off the previous street improvement notes. The notes bear an interest rate of 0.195%. These bonds matured on June 23, 2023.

Lease Purchase Agreements
See Note 11 for information on the City's lease purchase agreements.

Compensated Absences
Compensated absences will be paid from the fund from which the employees' salaries are paid, which for the City is primarily the General fund and the street maintenance fund (a nonmajor governmental fund).

Net Pension Liability and Net OPEB Liability
The City pays obligations related to employee compensation from the fund benefitting from their service. See Note 15 and Note 16 for further information.

Leases Payable

The City has entered into lease agreements for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the City will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the General fund, the Recreation nonmajor special revenue fund, the Water enterprise fund, and the Sewer enterprise fund.

The City has entered into lease agreements for copier equipment at varying years and terms as follows:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Copiers	2018-2023	5	2023-2028	Monthly

The following is a schedule of future lease payments under the lease agreements:

	Leases payable - Governmental Activities			Leases payable - Business-type Activities		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2024	$ 3,701	$ 137	$ 3,838	$ 2,536	$ 128	$ 2,664
2025	3,404	91	3,495	2,569	95	2,664
2026	2,298	54	2,352	2,603	61	2,664
2027	2,328	24	2,352	2,637	27	2,664
2028	587	1	588	664	1	665
Total	$ 12,318	$ 307	$ 12,625	$ 11,009	$ 312	$ 11,321

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B. Business-type activities

The City's business-type activities long-term obligations at December 31, 2023 were as follows.

Business-type activities:	Balance 12/31/22	Increases	Decreases	Balance 12/31/23	Within One Year
General obligation bonds					
Water refunding series 2012	$ 1,135,000	$ -	$ (660,000)	$ 475,000	$ 475,000
OPWC loans (direct borrowing):					
Sewer - series 2004	22,230	-	(8,892)	13,338	8,892
Water - series 2017	113,244	-	(7,550)	105,694	7,550
Total	135,474	-	(16,442)	119,032	16,442
OWDA loans (direct borrowing):					
Dam removal project	2,016,762	-	(170,863)	1,845,899	177,069
Water pollution control center expansion	57,529,638	-	(1,498,772)	56,030,866	1,561,838
Water reservoir phase 1	3,104,385	-	(301,561)	2,802,824	311,578
Water reservoir phase 2	897,377	-	(87,705)	809,672	90,490
Off stream raw water - supply phase 2A	485,856	-	(50,691)	435,165	52,300
Water reservoir phase 1 - supplement	11,136,487	-	(1,098,739)	10,037,748	1,131,006
Total	75,170,505	-	(3,208,331)	71,962,174	3,324,281
Other long-term obligations					
Net pension liability	2,018,438	4,325,250	-	6,343,688	-
Net OPEB liability	-	129,947	-	129,947	-
Lease payable	-	13,305	(2,296)	11,009	2,536
Financed purchase note payable (direct borrowing)	2,555,785	-	(194,131)	2,361,654	201,022
Compensated absences	353,493	92,784	(40,921)	405,356	106,093
Total	81,368,695	4,561,286	(4,122,121)	81,807,860	4,125,374
Unamortized premium on bonds	65,095	-	(33,962)	31,133	-
Total long-term obligations	$ 81,433,790	$ 4,561,286	$ (4,156,083)	$ 81,838,993	$ 4,125,374

Series 2012 Water Refunding General Obligation Bond
On October 3, 2012, the City issued $6,900,000 in general obligation current refunding bonds to refund outstanding general obligation bonds. The balance of the refunding bonds at December 31, 2019 is $2,415,000. The refunding bonds bear an annual interest rate ranging from 2.00% - 5.00% and will mature in 2024. The general obligation bonds are a general obligation of the City, and the principal and interest payments are paid from the water fund. A portion of the proceeds of the bonds were used for the advance refunding of the 2003 general obligation bonds. These proceeds were used to purchase state and local government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The balance of the refunded bonds at December 31, 2023 is $570,000; however, this amount is not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding. The general obligation bonds are supported by the full faith and credit of the City.

Ohio Public Works Commission (OPWC) Loans
The OPWC loans were granted from the Ohio Public Works Commission in 2004 and 2017, and do not carry an interest rate. The OPWC loan granted in 2004 is an obligation of the sewer fund, and the principal payments are paid out of the sewer fund. The OPWC loan granted in 2017 is an obligation of the Water fund, and the principal payments are paid out of the Water fund. The OPWC loan proceeds were used for improvements to the sewer plant and facilities and waterlines.

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

Ohio Water Development Authority (OWDA) Loans
The City has entered into loans with the Ohio Water Development Authority for the construction of the Water Reservoir Phase 1, Water Reservoir Phase 2, Sewer Dam Removal Project, Water Pollution Control Center Expansion and Off Stream Raw Water Supply Phase 2A. The OWDA loans carry interest rates of 2.49% - 4.49% and mature between July 1, 2031 and July 1, 2046. Repayment of these loans will be funded through user charges.

The City has pledged future water and sewer revenues to repay OWDA loans. The loans are payable solely from water and sewer fund revenues and are payable through a future date which has yet to be finalized. Annual principal and interest payments on the loans are expected to require 92.33 percent of net revenues and 34.49 percent of total revenues. The total principal and interest remaining to be paid on the loans is $103,151,927. Principal and interest paid for the current year were $5,991,148, total net revenues were $6,489,162 and total revenues were $17,368,536.

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

C. Future Debt Service Requirements

Principal and interest requirements to retire the general obligation bonds, the OPWC loans, and the police and fire pension liability as of December 31, 2023 are as follows:

Year Ending December 31,	Pension Liability - Police and Fire Pension Principal	Interest	Total
2024	$ 70,000	$ 1,890	$ 71,890

Year Ending December 31,	General Obligation Bonds - Water Series 2012 Principal	Interest	Total
2024	$ 475,000	$ 9,500	$ 484,500

Year Ending December 31,	OPWC Loans Water Series 2017 Principal	Interest	Total
2024	$ 7,550	$ -	$ 7,550
2025	7,550	-	7,550
2026	7,550	-	7,550
2027	7,550	-	7,550
2028	7,550	-	7,550
2029 - 2033	37,748	-	37,748
2034 - 2037	30,196	-	30,196
Total	$ 105,694	$ -	$ 105,694

Year Ending December 31,	OPWC Loans - Sewer - Series 2004 Principal	Interest	Total
2024	$ 8,892	$ -	$ 8,892
2025	4,446	-	4,446
Total	$ 13,338	$ -	$ 13,338

Year Ending December 31,	OWDA Loans Principal	Interest	Total
2024	$ 3,324,281	$ 2,670,630	$ 5,994,911
2025	3,444,583	2,554,256	5,998,839
2026	3,569,409	2,433,535	6,002,944
2027	3,698,933	2,308,302	6,007,235
2028	3,833,335	2,178,379	6,011,714
2029 - 2033	16,998,212	8,861,486	25,859,698
2034 - 2038	12,839,892	6,227,853	19,067,745
2039 - 2043	15,792,435	3,448,876	19,241,311
2044 - 2046	8,461,094	506,435	8,967,529
Total	$ 71,962,174	$ 31,189,752	$ 103,151,926

D. Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2023, the City's total debt margin was $31,747,766 and the unvoted debt margin was $16,782,917.

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Employees earn vacation and sick leave at different rates which are also affected by length of service. Vacation can be carried over at different rates depending on the department. Police captains, sergeants, patrol officers, dispatchers and record clerks may carry over five days for use during the first six months of the following year. Sick leave accrual is continuous. Overtime worked is always paid, or accrued, to employees on the paycheck for the period in which it was worked.

Upon retirement, police captains and sergeants are paid for 33.33 percent and firefighters are paid for 33.50 percent of their accumulated hours of sick leave, up to 1,800 hours for a maximum payout of 600 hours. All other employees are paid for 42 percent of their accumulated hours of sick leave, up to 1,200 hours for a maximum payout of 500 hours. Upon retirement, termination, or death of the employee, accrued vacation is paid for time the employees have earned but not yet used.

As of December 31, 2023, the governmental activities liability for compensated absences was $747,794, the business-type activities liability for compensated absences was $405,356, and the City's total liability for compensated absences was $1,153,150.

NOTE 14 - RISK MANAGEMENT

Property and Casualty Insurance

The City is exposed to various risks of property and casualty losses, and injuries to employees.

The City insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. American Risk Pooling Consultants, Inc. (ARPCO), is a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage
APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2022 (the latest information available), PEP retained $500,000 for casualty claims and $250,000 for property claims. Settlements have not exceeded insurance coverage in each of the past three years and there has not been a significant reduction in coverage from the prior year.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2023 and 2022:

Casualty & Property Coverage	2023	2022
Assets	$43,996,442	$42,310,794
Liabilities	(19,743,401)	(15,724,479)
Net Position	$24,253,041	$26,586,315

At December 31, 2023 and 2022, respectively, the liabilities above include approximately $19.7 million and $15.7 million of estimated incurred claims payable. At December 31, 2023 and 2022, the assets above include approximately $17.6 million and $14.4 million of unpaid claims to be billed. The Pool's membership increased from 608 members in 2022 to 616 members in 2023. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2023, the City's share of these unpaid claims collectible in future years is approximately $211,015.

Based on discussions with PEP the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

Contributions to PEP	
2023	$334,945
2022	$315,919

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

NOTE 15 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability

The net pension liability/asset and the net OPEB liability reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and 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 pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset and the net OPEB liability represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others.

While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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/OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

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

The remainder of this note includes the pension disclosures. See Note 16 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	State and Local	
	Traditional	Combined
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2023 Actual Contribution Rates		
Employer:		
Pension ****	14.0 %	12.0 %
Post-employment Health Care Benefits ****	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was $943,186 for 2023. Of this amount, $110,193 is reported as pension and postemployment benefits payable.

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

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

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before 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 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

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

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

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

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

	Police	Firefighters
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2023 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was $965,311 for 2023. Of this amount, $110,972 is reported as pension and postemployment benefits payable.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2023, the specific liability of the City was $70,000 payable in semi-annual payments through the year 2035.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2022, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 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 or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.04405900%	0.01622000%	0.01159000%	0.15998010%	
Proportion of the net pension liability/asset current measurement date	0.04027300%	0.02452700%	0.01077200%	0.16077500%	
Change in proportionate share	-0.00378600%	0.00830700%	-0.00081800%	0.00079490%	
Proportionate share of the net pension liability	$ 11,896,662	$ -	$ -	$ 15,272,067	$ 27,168,729
Proportionate share of the net pension asset	-	(57,808)	(842)	-	(58,650)
Pension expense	1,603,907	7,412	(82)	2,042,089	3,653,326

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	$ 395,156	$ 3,553	$ 2,427	$ 229,076	$ 630,212
Net difference between projected and actual earnings on pension plan investments	3,390,923	21,068	399	2,223,424	5,635,814
Changes of assumptions	125,680	3,828	53	1,377,488	1,507,049
Changes in employer's proportionate percentage/ difference between employer contributions	71,197	-	-	477,088	548,285
Contributions subsequent to the measurement date	916,659	18,261	8,266	965,311	1,908,497
Total deferred outflows of resources	$ 4,899,615	$ 46,710	$ 11,145	$ 5,272,387	$ 10,229,857

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
Deferred inflows of resources					
Differences between expected and actual experience	$ -	$ 8,261	$ -	$ 347,942	$ 356,203
Changes of assumptions	-	-	-	297,801	297,801
Changes in employer's proportionate percentage/ difference between employer contributions	411,174	-	-	29,505	440,679
Total deferred inflows of resources	$ 411,174	$ 8,261	$ -	$ 675,248	$ 1,094,683

$1,908,497 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset 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 - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
Year Ending December 31:					
2024	$ 253,177	$ 859	$ 402	$ 454,980	$ 709,418
2025	659,382	3,881	434	893,196	1,556,893
2026	998,112	5,376	439	970,584	1,974,511
2027	1,661,111	9,070	496	1,337,654	3,008,331
2028	-	(30)	290	(24,586)	(24,326)
Thereafter	-	1,032	818	-	1,850
Total	$ 3,571,782	$ 20,188	$ 2,879	$ 3,631,828	$ 7,226,677

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (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 actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

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

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

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 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 %	

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2022 was 6.90%. 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.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share			
of the net pension liability (asset):			
Traditional Pension Plan	$ 17,820,803	$ 11,896,662	$ 6,968,840
Combined Plan	(30,168)	(57,808)	(79,713)
Member-Directed Plan	(539)	(842)	(1,077)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing 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 lives 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, prepared as of December 31, 2022, compared to December 31, 2021, are presented below.

Valuation date	1/1/22 with actuarial liabilities rolled forward to 12/31/22
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

Health 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 most recent experience study was completed for the five-year period ended December 31, 2021.

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 geometric 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
Total	125.00 %	

Note: assumptions are geometric.
* levered 2x
** Numbers are net of expected inflation.

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

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, 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%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	$ 20,146,802	$ 15,272,067	$ 11,219,698

NOTE 16 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

See Note 15 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

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

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

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 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $6,350 for 2023. Of this amount, $742 is reported as pension and postemployment benefits payable.

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

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

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was $23,071 for 2023. Of this amount, $2,652 is reported as pension and postemployment benefits payable.

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or 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 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
Proportion of the net OPEB liability/asset prior measurement date	0.04194500%	0.15998010%	
Proportion of the net OPEB liability current measurement date	0.03865000%	0.16077500%	
Change in proportionate share	-0.00329500%	0.00079490%	
Proportionate share of the net OPEB liability	$ 243,696	$ 1,144,672	$ 1,388,368
OPEB expense	(425,368)	98,225	(327,143)

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			
Differences between expected and actual experience	$ -	$ 68,307	$ 68,307
Net difference between projected and actual earnings on OPEB plan investments	483,986	98,178	582,164
Changes of assumptions	238,023	570,441	808,464
Changes in employer's proportionate percentage/ difference between employer contributions	10,703	80,101	90,804
Contributions subsequent to the measurement date	6,350	23,071	29,421
Total deferred outflows of resources	$ 739,062	$ 840,098	$ 1,579,160

	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 60,787	$ 225,704	$ 286,491
Changes of assumptions	19,585	936,246	955,831
Changes in employer's proportionate percentage/ difference between employer contributions	7,434	35,120	42,554
Total deferred inflows of resources	$ 87,806	$ 1,197,070	$ 1,284,876

$29,421 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/increase to the net OPEB liability in the year ending December 31, 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	$ 85,984	$ (12,403)	$ 73,581
2025	174,193	(1,091)	173,102
2026	150,922	(39,999)	110,923
2027	233,807	(17,881)	215,926
2028	-	(86,662)	(86,662)
Thereafter	-	(222,007)	(222,007)
Total	$ 644,906	$ (380,043)	$ 264,863

Actuarial Assumptions - OPERS

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

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

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

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75% including wage inflation
Prior Measurement date	2.75 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

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

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

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.

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's 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 (REITs)	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 %	

Discount Rate - 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.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22%) or one-percentage-point higher (6.22%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	$ 829,429	$ 243,696	$ (239,630)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability 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. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

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

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	$ 228,422	$ 243,696	$ 260,888

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.27%
Prior measurement date	2.84%
Cost of Living Adjustments	2.20% simple per year

Health 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 most recent experience study was completed for the five-year period ended December 31, 2021.

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 geometric 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
Total	125.00 %	

Note: assumptions are geometric.
* levered 2x
** Numbers are net of expected inflation.

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

Discount Rate - For 2022, the total OPEB liability was calculated using the discount rate of 4.27%. For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. 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%. 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% was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65% was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27%.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27%, 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%), or one percentage point higher (5.27%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	$ 1,409,555	$ 1,144,672	$ 921,041

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

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), 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 revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the General fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,

(e) Some funds are included in the General fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	General fund
Budget basis	$ (3,273,660)
Net adjustment for revenue accruals	1,256,358
Net adjustment for expenditure accruals	(545,698)
Net adjustment for other sources/uses	11,747
Funds budgeted elsewhere	(1,696,706)
Adjustment for encumbrances	1,617,868
GAAP basis	$ (2,630,091)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a GAAP basis. This includes the Unclaimed Monies fund, the Recreation Trust fund and the Municipal Income Tax fund.

NOTE 18 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2023.

B. Litigation

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

NOTE 19 - OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances (not already included in payables) in the governmental funds were as follows:

Fund	Year-End Encumbrances
General fund	$ 1,014,876
Capital improvement	1,741,880
Other governmental	687,263
Total	$ 3,444,019

NOTE 20 - TAX ABATEMENTS

As of December 31, 2023, the City provides tax abatements through two programs: Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

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

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone.

The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the Agreement) with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business's property tax bill.

The City has entered into agreements to abate property taxes through these programs. During 2023, the City's property tax revenues were reduced as a result of these agreements as follows:

Tax Abatement Program	City Taxes Abated
CRA	$ 17,616
Ezone	10,800
Total	$ 28,416

NOTE 21 – DAM REMOVAL PROJECT

The City reports a due from other governments receivable related to a special item that began in 2018 for grants and expenses related to the removal of the Ballville dam (the "Dam"). The City received a $2 million U.S. Fish and Wildlife grant to assist with the removal costs. The remaining costs are financed through participation in the Water Resource Restoration Sponsor Program (WRRSP). The Ohio Environmental Protection Agency (Ohio EPA), in conjunction with the Ohio Water Development Authority (OWDA), administers the Water Pollution Control Loan Fund (WPCLF) and the Water Supply Revolving Loan Account (WSRLA). The WRRSP advances interest monies from the WPCLF sponsor projects to fund preservation and restoration of the state's water resources. The City did not report any new activity for 2023 related to the receivable or expenses incurred. In 2023, the City received reimbursements in the amount of $58,377. The Ohio EPA has determined the City will receive no more funding related to the dam removal and replacement project.

NOTE 22 - FUND BALANCE

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

Fund balance	General	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	$ -	$ -	$ 260,172	$ 260,172
Prepayments	57,067	-	7,873	64,940
Total nonspendable	57,067	-	268,045	325,112
Restricted:				
Debt service	-	-	72,878	72,878
Transporation projects	-	-	744,573	744,573
Court projects	-	-	611,558	611,558
Revolving loans	-	-	376,941	376,941
R.L. Walsh trust	-	-	712,682	712,682
Other purposes	-	-	751,940	751,940
Total restricted	-	-	3,270,572	3,270,572
Committed:				
Capital projects	-	1,699,350	397,496	2,096,846
Recreation	-	-	77,509	77,509
Municipal income tax	4,551,563	-	-	4,551,563
Total committed	4,551,563	1,699,350	475,005	6,725,918
Assigned:				
General government	122,844	-	-	122,844
Securities of persons and property	65,036	-	-	65,036
Public health and welfare	776	-	-	776
Community environment	7,213	-	-	7,213
Leisure time activities	761,335	-	-	761,335
Economic environment	1,014			1,014
Recreation trust	5,164	-	-	5,164
Subsequent year appropriations	461,043	-	-	461,043
Total assigned	1,424,425	-	-	1,424,425
Unassigned (deficit)	-	-	(292,349)	(292,349)
Total fund balances	$ 6,033,055	$ 1,699,350	$ 3,721,273	$ 11,453,678

NOTE 23 - JOINTLY GOVERNED ORGANIZATION

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collecting income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2023, the City paid RITA $336,504 for income tax collection services.

CITY OF FREMONT
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Traditional Plan:				
City's proportion of the net pension liability	0.040273%	0.044059%	0.042174%	0.042781%
City's proportionate share of the net pension liability	$ 11,896,662	$ 3,833,311	$ 6,245,050	$ 8,455,955
City's covered payroll	$ 6,278,657	$ 6,624,800	$ 5,922,136	$ 6,005,021
City's proportionate share of the net pension liability as a percentage of its covered payroll	189.48%	57.86%	105.45%	140.81%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	96.62%	86.88%	82.17%
Combined Plan:				
City's proportion of the net pension asset	0.024527%	0.016220%	0.015784%	0.009177%
City's proportionate share of the net pension asset	$ 57,808	$ 63,908	$ 45,563	$ 19,136
City's covered payroll	$ 117,014	$ 73,943	$ 69,564	$ 40,850
City's proportionate share of the net pension asset as a percentage of its covered payroll	49.40%	86.43%	65.50%	46.84%
Plan fiduciary net position as a percentage of the total pension asset	137.14%	169.88%	157.67%	145.28%
Member Directed Plan:				
City's proportion of the net pension asset	0.010772%	0.011590%	0.001691%	0.001717%
City's proportionate share of the net pension asset	$ 842	$ 2,104	$ 308	$ 65
City's covered payroll	$ 72,990	$ 64,530	$ 10,160	$ 10,210
City's proportionate share of the net pension asset as a percentage of its covered payroll	1.15%	3.26%	3.03%	0.64%
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%	188.21%	118.84%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.043960%	0.043295%	0.042366%	0.042701%	0.042375%	0.042375%
$ 12,039,753	$ 6,792,146	$ 9,620,598	$ 7,396,351	$ 5,110,899	$ 4,995,460
$ 5,922,321	$ 5,707,331	$ 5,385,900	$ 5,227,550	$ 5,606,342	$ 5,080,531
203.29%	119.01%	178.63%	141.49%	91.16%	98.33%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
0.013636%	0.015831%	0.013653%	0.024830%	0.023261%	0.023261%
$ 15,248	$ 21,551	$ 7,599	$ 12,083	$ 8,956	$ 2,441
$ 58,321	$ 64,838	$ 90,375	$ 81,633	$ 85,025	$ 92,938
26.14%	33.24%	8.41%	14.80%	10.53%	2.63%
126.64%	137.28%	116.55%	116.90%	114.83%	104.56%
0.005819%	0.011238%	0.011047%	0.030099%	n/a	n/a
$ 133	$ 392	$ 46	$ 115	n/a	n/a
$ 33,270	$ 60,760	$ 103,158	$ 94,308	n/a	n/a
0.40%	0.65%	0.04%	0.12%	n/a	n/a
113.42%	124.46%	103.40%	103.91%	n/a	n/a

CITY OF FREMONT
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	**2022**	**2021**	**2020**
City's proportion of the net pension liability	0.16077500%	0.15998010%	0.15112960%	0.15094950%
City's proportionate share of the net pension liability	$ 15,272,067	$ 9,994,631	$ 10,302,640	$ 10,168,765
City's covered payroll	$ 4,399,751	$ 4,302,304	$ 3,755,133	$ 3,611,861
City's proportionate share of the net pension liability as a percentage of its covered payroll	347.11%	232.31%	274.36%	281.54%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	75.03%	70.65%	69.89%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.15282200%	0.15078500%	0.15314500%	0.16453700%	0.16301960%	0.16301960%
$ 12,474,313	$ 9,254,387	$ 9,700,058	$ 10,584,777	$ 8,445,095	$ 7,939,566
$ 3,506,114	$ 3,308,080	$ 3,309,112	$ 3,244,724	$ 3,529,882	$ 3,208,481
355.79%	279.75%	293.13%	326.22%	239.25%	247.46%
63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

CITY OF FREMONT
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Traditional Plan:				
Contractually required contribution	$ 916,659	$ 879,012	$ 927,472	$ 829,099
Contributions in relation to the contractually required contribution	(916,659)	(879,012)	(927,472)	(829,099)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 6,547,564	$ 6,278,657	$ 6,624,800	$ 5,922,136
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
Combined Plan:				
Contractually required contribution	$ 18,261	$ 16,382	$ 10,352	$ 9,739
Contributions in relation to the contractually required contribution	(18,261)	(16,382)	(10,352)	(9,739)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 152,175	$ 117,014	$ 73,943	$ 69,564
Contributions as a percentage of covered payroll	12.00%	14.00%	14.00%	14.00%
Member Directed Plan:				
Contractually required contribution	$ 8,266	$ 7,299	$ 6,453	$ 1,016
Contributions in relation to the contractually required contribution	(8,266)	(7,299)	(6,453)	(1,016)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 82,660	$ 72,990	$ 64,530	$ 10,160
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

Note: Information prior to 2015 was unavailable for the Member Directed Plan. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 840,703	$ 829,125	$ 741,953	$ 646,308	$ 627,306	$ 672,761
(840,703)	(829,125)	(741,953)	(646,308)	(627,306)	(672,761)
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,005,021	$ 5,922,321	$ 5,707,331	$ 5,385,900	$ 5,227,550	$ 5,606,342
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
$ 5,719	$ 8,165	$ 8,429	$ 10,845	$ 9,796	$ 10,203
(5,719)	(8,165)	(8,429)	(10,845)	(9,796)	(10,203)
$ -	$ -	$ -	$ -	$ -	$ -
$ 40,850	$ 58,321	$ 64,838	$ 90,375	$ 81,633	$ 85,025
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
$ 1,021	$ 3,327	$ 6,076	$ 12,379	$ 11,317	
(1,021)	(3,327)	(6,076)	(12,379)	(11,317)	
$ -	$ -	$ -	$ -	$ -	
$ 10,210	$ 33,270	$ 60,760	$ 103,158	$ 94,308	
10.00%	10.00%	10.00%	12.00%	12.00%	

CITY OF FREMONT
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Police:				
Contractually required contribution	$ 502,562	$ 462,779	$ 476,121	$ 409,641
Contributions in relation to the contractually required contribution	(502,562)	(462,779)	(476,121)	(409,641)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 2,645,063	$ 2,435,679	$ 2,505,900	$ 2,156,005
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
Fire:				
Contractually required contribution	$ 462,749	$ 461,557	$ 422,155	$ 375,795
Contributions in relation to the contractually required contribution	(462,749)	(461,557)	(422,155)	(375,795)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,969,145	$ 1,964,072	$ 1,796,404	$ 1,599,128
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 389,916	$ 382,131	$ 348,117	$ 347,013	$ 348,937	$ 374,445
(389,916)	(382,131)	(348,117)	(347,013)	(348,937)	(374,445)
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,052,189	$ 2,011,216	$ 1,832,195	$ 1,826,384	$ 1,836,511	$ 1,970,763
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
$ 366,523	$ 351,301	$ 346,833	$ 348,441	$ 330,930	$ 366,393
(366,523)	(351,301)	(346,833)	(348,441)	(330,930)	(366,393)
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,559,672	$ 1,494,898	$ 1,475,885	$ 1,482,728	$ 1,408,213	$ 1,559,119
23.50%	23.50%	23.50%	23.50%	23.50%	23.50%

CITY OF FREMONT
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	2023	**2022**	**2021**	**2020**
City's proportion of the net OPEB liability/asset	0.038650%	0.041945%	0.039803%	0.040179%
City's proportionate share of the net OPEB liability/(asset)	$ 243,696	$ (1,313,781)	$ (709,122)	$ 5,549,764
City's covered payroll	$ 6,468,661	$ 6,763,273	$ 6,001,860	$ 6,056,081
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	3.77%	19.43%	11.82%	91.64%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017	
	0.041567%		0.041290%		0.040286%
$	5,419,356	$	4,483,790	$	4,069,016
$	6,013,912	$	5,832,929	$	5,579,433
	90.11%		76.87%		72.93%
	46.33%		54.14%		54.05%

CITY OF FREMONT
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	2023	2022	2021	2020
City's proportion of the net OPEB liability	0.16077500%	0.15998010%	0.15112960%	0.15094950%
City's proportionate share of the net OPEB liability	$ 1,144,672	$ 1,753,520	$ 1,601,243	$ 1,491,038
City's covered payroll	$ 4,399,751	$ 4,302,304	$ 3,755,133	$ 3,611,861
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	26.02%	40.76%	42.64%	41.28%
Plan fiduciary net position as a percentage of the total OPEB liability	52.59%	46.86%	45.42%	47.08%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017	
	0.15282200%		0.15078500%		0.15314500%
$	1,391,679	$	8,543,289	$	7,269,449
$	3,506,114	$	3,308,080	$	3,309,112
	39.69%		258.26%		219.68%
	46.57%		14.13%		15.96%

CITY OF FREMONT
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 6,350	$ 2,920	$ 2,581	$ 406
Contributions in relation to the contractually required contribution	(6,350)	(2,920)	(2,581)	(406)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 6,782,399	$ 6,468,661	$ 6,763,273	$ 6,001,860
Contributions as a percentage of covered payroll	0.09%	0.05%	0.04%	0.01%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	408	$	1,331	$	60,152	$	115,389	$	106,184	$	105,230
	(408)		(1,331)		(60,152)		(115,389)		(106,184)		(105,230)
$	-	$	-	$	-	$	-	$	-	$	-
$	6,056,081	$	6,013,912	$	5,832,929	$	5,579,433	$	5,403,491	$	5,691,367
	0.01%		0.02%		1.03%		2.07%		1.97%		1.85%

CITY OF FREMONT
SANDUSKY COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Police:				
Contractually required contribution	$ 13,225	$ 12,178	$ 12,530	$ 10,780
Contributions in relation to the contractually required contribution	(13,225)	(12,178)	(12,530)	(10,780)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 2,645,063	$ 2,435,679	$ 2,505,900	$ 2,156,005
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
Fire:				
Contractually required contribution	$ 9,846	$ 9,820	$ 8,982	$ 7,996
Contributions in relation to the contractually required contribution	(9,846)	(9,820)	(8,982)	(7,996)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,969,145	$ 1,964,072	$ 1,796,404	$ 1,599,128
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	10,261	$	10,056	$	9,161	$	9,132	$	9,431	$	9,101
	(10,261)		(10,056)		(9,161)		(9,132)		(9,431)		(9,101)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,052,189	$	2,011,216	$	1,832,195	$	1,826,384	$	1,836,511	$	1,970,763
	0.50%		0.50%		0.50%		0.50%		0.50%		0.50%
$	7,798	$	7,474	$	7,379	$	7,414	$	7,041	$	7,155
	(7,798)		(7,474)		(7,379)		(7,414)		(7,041)		(7,155)
$	-	$	-	$	-	$	-	$	-	$	-
$	1,559,672	$	1,494,898	$	1,475,885	$	1,482,728	$	1,408,213	$	1,559,119
	0.50%		0.50%		0.50%		0.50%		0.50%		0.50%

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- There were no changes in assumptions for 2023.

(Continued)

PENSION

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed from 2.84% to 4.27% and (b) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

CITY OF FREMONT
SANDUSKY COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Direct Assistance			
Community Facilities Loans and Grants Cluster			
Community Facilities Loans and Grants	10.766		$ 336,678
Total U.S. Department of Agriculture			336,678
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through the Ohio Department of Development			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	A-F-21-2BP-1	141,480
Home Investment Partnerships Program	14.239		25,943
Total U.S. Department of Housing and Urban Development			167,423
U.S. DEPARTMENT OF JUSTICE			
Direct Assistance			
Equitable Sharing Program	16.922	OH0720300	6,486
Total U.S. Department of Justice			6,486
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Ohio Department of Transportation			
Highway Planning and Construction	20.205	PID#116580	788,269
Total U.S. Department of Transportation			788,269
U.S. DEPARTMENT OF TREASURY			
Passed through the Ohio Department of Development			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		1,000,000
Passed through the Ohio Department of Public Safety			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	DPSFE270	176,900
Passed through the Ohio Office of Budget and Management			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		1,272,681
Total U.S. Department of Treasury			2,449,581
Total Expenditures of Federal Awards			**$ 3,748,437**

The accompanying notes are an integral part of this schedule.

CITY OF FREMONT
SANDUSKY COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Fremont, Sandusky County, Ohio (the City) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – MATCHING REQUIREMENTS

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

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OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

City of Fremont
Sandusky County
323 South Front Street
Fremont, Ohio 43420-3037

To the City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fremont, Sandusky County, Ohio (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 9, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2023-001 and 2023-002.

City's Response to Finding

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

September 9, 2024

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

City of Fremont
Sandusky County
323 South Front Street
Fremont, Ohio 43420-3037

To the City Council:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Fremont, Sandusky County, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City of Fremont's major federal programs for the year ended December 31, 2023. The City of Fremont's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Fremont complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

September 9, 2024

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CITY OF FREMONT
SANDUSKY COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Coronavirus State and Local Fiscal Recovery Funds – AL #21.027 Community Facilities Loans and Grants – AL #10.766
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2023-001

Noncompliance

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

At December 31, 2023, the City's appropriations exceeded the amount certified as available by the budget commission in the Capital Improvement fund by $1,590,879.

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the City’s compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The City should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the City should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the City Council to reduce the appropriations.

Officials’ Response:

See Corrective Action Plan.

FINDING NUMBER 2023-002

Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the City's Capital Improvement Fund had expenditures in excess of appropriations of $267,531, as of December 31, 2023.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Council should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the City Auditor should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials’ Response:

See Corrective Action Plan.

3. FINDINGS FOR FEDERAL AWARDS

None

CITY OF FREMONT

OFFICE OF THE AUDITOR

PAUL D. GRAHL

AUDITOR

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2023

Finding Number:	2023-001
Planned Corrective Action:	The original budgeted amount of transfers into the Capital Improvement Fund from the Municipal Income Tax Fund during 2023 was $500,000. During 2023 due to the industrial park and Croghan Street Utility Improvements projects, a total amount of transfers into the Capital Improvement Fund from the Municipal Income Tax Fund approved by City Council was $2.3 million. An amended certificate with the additional $1.8 million in revenues for the Capital Improvement Fund was not requested from the Sandusky County Budget Commission. If the additional $1.8 million in Council approved transfers would been included in a new amended certificate, appropriation would not have exceeded the amount certified as available by the budget commission. In the future, the City will more closely monitor the anticipated revenues within the Capital Projects Fund so amended certificates can be requested from the budget commission. The City will also monitor appropriations to ensure estimated resources are available to cover the appropriations and if the estimated resources are insufficient a reduction in appropriations will be approved by City Council.
Anticipated Completion Date:	December 31, 2024
Responsible Contact Person:	Paul Grahl, City Auditor

THE CITY OF Fremont EST. 1849 OHIO

Terri Meek, Deputy Auditor ♦ Nickee Linder, Account Clerk ♦ Carrie Sielschott, Payroll Administrator

323 South Front Street, Fremont, Ohio 43420 ♦ Phone: 419-334-3867 ♦ Fax: 419-552-5067
www.fremontohio.org

Finding Number: 2023-002

Planned Corrective Action: In December 2023 a change order was processed for the construction of infrastructure at the H.P. Young Industrial Park in the amount of $151,697.70 and a purchase order was entered and approved for that change order. Also in December, the City contracted with Columbia Gas of Ohio to extend the gas line into the H.P. Young Industrial Park and a purchase order was entered and approved for $558,499.00. While preparing the year-end ordinance to amend appropriations, the excess of expenditures over appropriations within the Capital Improvement Fund was missed.

In the future, the City will more closely monitor expenditures versus appropriations within the Capital Projects Fund, especially towards year-end, so an amendment to appropriations can be presented to City Council for approval.

Anticipated Completion Date: December 31, 2024
Responsible Contact Person: Paul Grahl, City Auditor

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OHIO AUDITOR OF STATE
KEITH FABER

CITY OF FREMONT

SANDUSKY 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 9/24/2024

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