

**CITY OF YOUNGSTOWN**  
MAHONING COUNTY, OHIO

**SINGLE AUDIT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2023**





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

City Council  
City of Youngstown  
26 S. Phelps St.  
Youngstown, OH 44503

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

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

The Auditor of State is conducting an investigation of the city, any potential findings related to controls or compliance will be reported in a future report.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

October 30, 2024

**This page intentionally left blank.**

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor’s Report .....	1 - 3
Management’s Discussion and Analysis .....	4 - 15
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	17 - 18
Statement of Activities.....	19 - 20
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	21 - 22
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	25 - 26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	27
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.....	28
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Fire Levy Fund.....	29
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Police Levy Fund .....	30
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) – American Rescue Plan Fund.....	31
Statement of Net Position - Proprietary Funds .....	33 - 34
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	35
Statement of Cash Flows - Proprietary Funds.....	36 - 37
Statement of Fiduciary Net Position - Fiduciary Funds .....	38
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	39
Notes to the Basic Financial Statements.....	41 - 109
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability/Asset:	
Ohio Public Employees Retirement System (OPERS).....	112 - 113
Ohio Police and Fire (OP&F) Pension Fund .....	114 - 115
Schedule of City Pension Contributions:	
Ohio Public Employees Retirement System (OPERS) .....	116 - 117
Ohio Police and Fire (OP&F) Pension Fund .....	118 - 119
Schedule of the City’s Proportionate Share of the Net OPEB Liability/Asset:	
Ohio Public Employees Retirement System (OPERS) .....	120
Ohio Police and Fire (OP&F) Pension Fund .....	121
Schedule of City OPEB Contributions:	
Ohio Public Employees Retirement System (OPERS) .....	122 - 123
Ohio Police and Fire (OP&F) Pension Fund .....	124 - 125
Notes to the Required Supplementary Information .....	126 - 129

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

TABLE OF CONTENTS - (Continued)

Supplementary Information:

Schedule of Expenditures of Federal Awards.....	130 – 131
Notes to the Schedule of Expenditures of Federal Awards .....	132
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	133 - 134
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	135 - 137
Schedule of Findings 2 <i>CFR</i> § 200.515.....	138

## Independent Auditor's Report

City of Youngstown  
Mahoning County  
26 South Phelps Street  
Youngstown, Ohio 44503

To the Members of the City Council and Mayor:

### Report on the Audit of the Financial Statements

#### *Opinions*

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Youngstown, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Fire Levy Fund, Polic Levy Fund, and the American Rescue Plan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Youngstown's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Youngstown'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 assets and liabilities and pension and other post-employment benefit contributions, listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Youngstown's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2024 on our consideration of the City of Youngstown's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Youngstown's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Youngstown's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
September 16, 2024

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

The management's discussion and analysis of the City of Youngstown'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 \$37,828,583. Net position of governmental activities increased \$31,131,298 or 36.87% from 2022. Net position of business-type activities increased \$6,697,285 or 6.40% from 2022.
- General revenues accounted for \$87,925,960 or 70.60% of total governmental activities revenue. Program specific revenues accounted for \$36,623,406 or 29.40% of total governmental activities revenue.
- The City had \$93,383,053 in expenses related to governmental activities; \$36,623,406 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$56,759,647 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$87,925,960.
- The general fund had revenues and other financing sources of \$43,840,285 in 2023. This represents an increase of \$7,154,746 from 2022. The expenditures and other financing uses of the general fund, which totaled \$39,453,717 in 2023, increased \$6,774,898 from 2022. The increase in fund balance was \$4,386,568 in the general fund at December 31, 2023.
- The fire levy fund had revenues and other financing sources of \$15,144,234 in 2023. This represents an increase of \$1,154,690 from 2022. The expenditures of the fire levy fund, which totaled \$13,491,147, in 2023, increased \$764,168 from 2022. The increase in fund balance was \$888,919 in the fire levy fund at December 31, 2023.
- The police levy fund had revenues and other financing sources of \$21,302,217 in 2023. This represents an increase of \$1,609,925 from 2022. The expenditures of the police levy fund, which totaled \$19,692,292 in 2023, increased \$711,586 from 2022. The increase in fund balance was \$1,357,675 in the police levy fund at December 31, 2023.
- The American Rescue Plan (ARP) fund had revenues of \$14,194,647 in 2023. Expenditures in 2023 totaled \$10,863,746 and the fund balance at the end of the year in the ARP fund was \$3,687,950.
- Net position for the business-type activities, which are made up of the sewer, water and environmental sanitation enterprise funds increased in 2023 by \$6,697,285. In total, the enterprise funds had adequate charges for services revenue to cover operating expenses.

**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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

**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, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual 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. Nonfinancial 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 three distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, fire, street maintenance, parks and recreation, capital improvements 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 sewer, water and environmental sanitation operations are reported here.

Component unit - The City's financial statements include financial data of the Youngstown City Health District. The component unit is described in the notes to the financial statements.

**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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general, fire levy, police levy, and ARP funds. 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 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 sewer, water and environmental sanitation operations. The sewer, water and environmental sanitation 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. The City's internal service fund accounts for worker's compensation insurance and self-insured dental and vision programs.

***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 statements 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 and Required Supplementary Information***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This report also presents certain required supplementary information concerning the net pension liability/asset and net OPEB liability.

THIS SPACE IS INTENTIONALLY LEFT BLANK

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

**Government-Wide Financial Analysis**

The table on the following table provides a summary of the City's net position for 2023 and 2022.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b><u>Assets</u></b>						
Current and other assets	\$ 159,588,308	\$ 147,766,909	\$ 58,043,132	\$ 52,917,826	\$ 217,631,440	\$ 200,684,735
Net pension asset	83,279	153,240	77,755	159,603	161,034	312,843
Net OPEB asset	-	2,175,699	-	2,266,031	-	4,441,730
Capital assets, net	136,895,846	127,187,456	150,779,114	155,323,154	287,674,960	282,510,610
Total assets	<u>296,567,433</u>	<u>277,283,304</u>	<u>208,900,001</u>	<u>210,666,614</u>	<u>505,467,434</u>	<u>487,949,918</u>
<b><u>Deferred outflows of resources</u></b>						
Unamortized deferred charges	296,263	339,713	-	-	296,263	339,713
Pension	29,724,699	17,301,538	8,078,520	3,209,963	37,803,219	20,511,501
OPEB	4,568,397	4,064,363	1,199,727	60,998	5,768,124	4,125,361
Total deferred outflows of resources	<u>34,589,359</u>	<u>21,705,614</u>	<u>9,278,247</u>	<u>3,270,961</u>	<u>43,867,606</u>	<u>24,976,575</u>
<b><u>Liabilities</u></b>						
Current liabilities	78,065,147	89,579,138	2,725,406	3,494,188	80,790,553	93,073,326
Long-term liabilities:						
Due within one year	3,372,602	3,433,576	5,604,665	6,071,654	8,977,267	9,505,230
Net pension liability	85,409,285	51,256,747	19,285,315	6,550,658	104,694,600	57,807,405
Net OPEB liability	5,278,445	7,889,326	396,824	-	5,675,269	7,889,326
Other amounts	21,157,835	22,308,076	77,532,280	81,809,564	98,690,115	104,117,640
Total liabilities	<u>193,283,314</u>	<u>174,466,863</u>	<u>105,544,490</u>	<u>97,926,064</u>	<u>298,827,804</u>	<u>272,392,927</u>
<b><u>Deferred inflows of resources</u></b>						
Property taxes	1,775,000	1,445,386	-	-	1,775,000	1,445,386
Payment in lieu of taxes	3,525,000	3,600,000	-	-	3,525,000	3,600,000
Leases	4,324,206	4,525,605	-	-	4,324,206	4,525,605
Pension	6,424,978	24,349,767	1,073,596	8,570,560	7,498,574	32,920,327
OPEB	6,258,750	6,167,051	148,505	2,726,579	6,407,255	8,893,630
Total deferred inflows of resources	<u>22,307,934</u>	<u>40,087,809</u>	<u>1,222,101</u>	<u>11,297,139</u>	<u>23,530,035</u>	<u>51,384,948</u>
<b><u>Net position</u></b>						
Net investment in capital assets	126,744,486	114,006,243	70,176,185	68,948,780	196,920,671	182,955,023
Restricted	26,865,674	20,938,104	77,755	-	26,943,429	20,938,104
Unrestricted (deficit)	<u>(38,044,616)</u>	<u>(50,510,101)</u>	<u>41,157,657</u>	<u>35,765,592</u>	<u>3,113,041</u>	<u>(14,744,509)</u>
Total net position	<u>\$ 115,565,544</u>	<u>\$ 84,434,246</u>	<u>\$ 111,411,597</u>	<u>\$ 104,714,372</u>	<u>\$ 226,977,141</u>	<u>\$ 189,148,618</u>

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 related to pension and OPEB and the net pension asset.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with accounting principles generally accepted in the United States of America. 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/asset 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, 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 of resources exceeded liabilities and deferred inflows of resources by \$226,977,201.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 56.91% of total assets. Capital assets include land, buildings, improvements other than buildings, machinery and equipment, computer software, vehicles, infrastructure, subscription-based information technology arrangements (SBITAs) and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2023, were \$126,744,486 and \$70,176,185 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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

A portion of the City's net position, \$26,943,429, at December 31, 2023, represents resources that are subject to external restriction on how they may be used.

The following table shows the changes in net position for 2023 and 2022.

	<b>Change in Net Position</b>					
	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,877,393	\$ 3,370,852	\$ 69,666,524	\$ 68,187,084	\$ 72,543,917	\$ 71,557,936
Operating grants and contributions	22,650,969	14,148,178	-	-	22,650,969	14,148,178
Capital grants and contributions	11,095,044	7,830,482	253,190	-	11,348,234	7,830,482
Total program revenues	<u>36,623,406</u>	<u>25,349,512</u>	<u>69,919,714</u>	<u>68,187,084</u>	<u>106,543,120</u>	<u>93,536,596</u>
General revenues:						
Property taxes	2,571,141	2,040,792	-	-	2,571,141	2,040,792
Income taxes	70,106,808	49,848,847	-	-	70,106,808	49,848,847
Payments in lieu of taxes	4,776,405	4,817,510	-	-	4,776,405	4,817,510
Unrestricted grants and entitlements	4,512,973	4,482,414	-	-	4,512,973	4,482,414
Investment earnings	5,304,303	482,799	-	-	5,304,303	482,799
Gain on sale of capital assets	448,788	-	-	14,925	448,788	14,925
Miscellaneous	205,542	166,863	131,427	105,029	336,969	271,892
Total general revenues	<u>87,925,960</u>	<u>61,839,225</u>	<u>131,427</u>	<u>119,954</u>	<u>88,057,387</u>	<u>61,959,179</u>
Total revenues	<u>124,549,366</u>	<u>87,188,737</u>	<u>70,051,141</u>	<u>68,307,038</u>	<u>194,600,507</u>	<u>155,495,775</u>
<b>Expenses:</b>						
General government	11,953,657	8,740,995	-	-	11,953,657	8,740,995
Security of persons and property	43,007,801	35,173,832	-	-	43,007,801	35,173,832
Public health and welfare	1,361,378	702,000	-	-	1,361,378	702,000
Transportation	11,568,488	9,645,829	-	-	11,568,488	9,645,829
Community environment	21,179,441	13,723,829	-	-	21,179,441	13,723,829
Leisure time activity	3,807,679	2,744,792	-	-	3,807,679	2,744,792
Interest and fiscal charges	504,609	570,435	-	-	504,609	570,435
Water	-	-	27,669,860	16,716,313	27,669,860	16,716,313
Sewer	-	-	30,892,149	28,487,599	30,892,149	28,487,599
Environmental sanitation	-	-	4,826,862	5,058,078	4,826,862	5,058,078
Total expenses	<u>93,383,053</u>	<u>71,301,712</u>	<u>63,388,871</u>	<u>50,261,990</u>	<u>156,771,924</u>	<u>121,563,702</u>
Change in net position before transfers	31,166,313	15,887,025	6,662,270	18,045,048	37,828,583	33,932,073
Transfers	(35,015)	1,721,008	35,015	(1,721,008)	-	-
Change in net position	31,131,298	17,608,033	6,697,285	16,324,040	37,828,583	33,932,073
Net position at beginning of year	<u>84,434,246</u>	<u>66,826,213</u>	<u>104,714,372</u>	<u>88,390,332</u>	<u>189,148,618</u>	<u>155,216,545</u>
Net position at end of year	<u>\$ 115,565,544</u>	<u>\$ 84,434,246</u>	<u>\$ 111,411,657</u>	<u>\$ 104,714,372</u>	<u>\$ 226,977,201</u>	<u>\$ 189,148,618</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Governmental Activities**

Governmental activities net position increased by \$31,131,298 in 2023. The deficit unrestricted net position in governmental activities, a deficit of \$38,044,616, is primarily from the net pension and net OPEB liability, explained on pages 6-7. Current and other assets increased significantly from a 40.64% increase in income taxes, a result of net profits from Vallourec based on record earnings. The unearned revenue liability of \$80.9 million was reduced to \$69.9 million, as \$10.9 in ARP funding was recognized during 2023. The City received approximately \$82.8 million in 2021 and 2022 in federal ARP funding, of which the unspent balance is reported as unearned revenue on the statement of net position.

In total, 2023 revenues increased \$37,360,629 from 2022. Charges for services program revenues related to general government, security of persons and property, and community environment decreased from 2022. Operating grants and contributions program revenues in 2023 increased from 2022 as a result of ARP funding spent down for various programs in 2023. ARP programs include demolition and remediation throughout the City, façade grant program, road/waterline replacements, neighborhood revitalization, park improvements, City IT upgrades, police body cameras and tasers, and EMS transport services. Capital grants and contributions increased during 2023 primarily from federal funding from the Ohio Department of Transportation (ODOT) and Ohio Public Works Commission (OPWC) for ongoing projects such as the SMART2 Network, Crescent Street Bridge, Mahoning Avenue Phase I, Fifth Avenue and Signal Upgrade. Capital grant funding was also provided through the Appalachian Regional Commission for the Smart 2 Network.

General revenues totaled \$87,925,960 and amounted to 70.60% of total governmental revenues during 2023. These revenues primarily consist of income tax revenue of \$70,106,808. The other primary source of general revenues is investment earnings/change in fair value of investments, payments in lieu of taxes and grants and entitlements not restricted to specific programs (including local government and local government revenue assistance).

In total, 2023 expenses increased \$22,081,341 or 30.97%. This increase is primarily the result of an increase in pension expense and an increase in expenses related to ARP programs. Pension expense increased \$13,261,079. 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. ARP program expenses totaled \$10,863,746 for 2023.

Security of persons and property, which primarily supports the operations of the police and fire departments, is the City's largest category of governmental activity expenses accounting for \$43,007,801 and \$35,173,832 of the total expenses of the City during 2023 and 2022, respectively. These expenses were partially funded by \$4,591,740 in 2023 compared to \$2,343,749 in 2022 in direct charges to users of the services and operating grants. An increase in expenses in security of persons and property is related to the change in the City's OP&F net OPEB liability and related deferred inflows and outflows of resources for police and fire. Community environment expenses totaled \$21,179,441 in 2023 and \$13,723,829 in 2022, and primarily relate to the City's Community Development programs and various ARP programs to promote economic development within the City. Transportation expenses, which mainly consist of repair and upkeep of the City's roads, totaled \$11,568,488 during 2023 and \$9,645,829 during 2022. In 2023, these expenses were funded by operating grants and contributions and capital grants and contributions.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The table on the following page 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.



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<b>Governmental Activities</b>			
	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
Program Expenses:				
General government	\$ 11,953,657	\$ 10,277,406	\$ 8,740,995	\$ 3,851,265
Security of persons and property	43,007,801	38,416,061	35,173,832	32,830,083
Public health and welfare	1,361,378	1,159,500	702,000	702,000
Transportation	11,568,488	442,932	9,645,829	(181,253)
Community environment	21,179,441	3,506,973	13,723,829	6,556,266
Leisure time activity	3,807,679	3,164,690	2,744,792	2,337,689
Interest and fiscal charges	<u>504,609</u>	<u>(207,915)</u>	<u>570,435</u>	<u>(143,850)</u>
Total	<u>\$ 93,383,053</u>	<u>\$ 56,759,647</u>	<u>\$ 71,301,712</u>	<u>\$ 45,952,200</u>

The dependence upon general revenues for governmental activities is apparent, with 60.78% and 64.45% of expenses supported through taxes and other general revenues during 2023 and 2022, respectively.

**Business-Type Activities**

Business-type activities include the sewer, water and environmental sanitation enterprise funds. These programs had program revenues of \$69,919,714, general revenues of \$87,925,960, and expenses of \$63,388,871 for 2023. Net position increased by \$6,697,285.

**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 \$45,058,949 which is \$18,200,401 higher/lower than last year's fund balance total of \$26,858,548. 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	Increase (Decrease)
	<u>12/31/23</u>	<u>12/31/22</u>	<u>(Decrease)</u>
Major funds:			
General	\$ 17,137,237	\$ 12,750,669	\$ 4,386,568
Fire levy	2,097,150	1,208,231	888,919
Police levy	2,948,429	1,590,754	1,357,675
ARP	3,687,950	357,049	3,330,901
Nonmajor governmental funds	<u>19,188,183</u>	<u>10,951,845</u>	<u>8,236,338</u>
Total	<u>\$ 45,058,949</u>	<u>\$ 26,858,548</u>	<u>\$ 18,200,401</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

***General Fund***

The City's general fund balance increased \$4,386,568 during 2023. The table that follows assists in illustrating the revenues of the general fund.

	<u>2023</u> Amount	<u>2022</u> Amount	<u>Percentage</u> Change
<b><u>Revenues</u></b>			
Income taxes	\$ 35,493,852	\$ 29,311,968	21.09 %
Charges for services	375,335	590,810	(36.47) %
Licenses and permits	221,233	210,072	5.31 %
Fines and forfeitures	605,543	552,064	9.69 %
Intergovernmental	4,249,517	4,218,491	0.74 %
Investment income	1,973,460	677,538	191.27 %
Rental income	37,532	35,896	4.56 %
Other	<u>796,302</u>	<u>935,506</u>	(14.88) %
Total	<u>\$ 43,752,774</u>	<u>\$ 36,532,345</u>	19.76 %

Income tax revenue represents 81.12% of all general fund revenue and increased by 21.09% in 2023 due to payments from Vallourec as a result of record net profits. Charges for services decreased 36.47% from services provided to others. Fines and forfeitures increased from amounts received during 2023 from the Youngstown Municipal Court. Investment income increased significantly by 191.27% as a result of higher interest rates. Other revenues decreased by 14.88% from miscellaneous rebates and reimbursements.

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

	<u>2023</u> Amount	<u>2022</u> Amount	<u>Percentage</u> Change
<b><u>Expenditures</u></b>			
General government	\$ 10,563,049	\$ 9,350,924	12.96 %
Security of persons and property	2,831,710	2,508,226	12.90 %
Public health and welfare	1,159,500	702,000	65.17 %
Community environment	927,018	612,685	51.30 %
Leisure time activity	194,251	97,984	98.25 %
Capital outlay	64,641	-	100.00 %
Debt service	<u>22,548</u>	<u>-</u>	100.00 %
Total	<u>\$ 15,762,717</u>	<u>\$ 13,271,819</u>	18.77 %

General government expenditures increased 12.96% in 2023. Security of persons and property expenditures increased from 2022 as a result of costs associated with street lights. Public health expenditures in the general fund represent the amount of City contributions made to the Youngstown City Health District to subsidize operations, contributions amounted to \$1,159,500 for 2023. Community environment expenditures increased due to expenditures related to community planning and economic development projects. Leisure time activities increased/decreased from expenditures associated with the Federal Plaza Ad Hoc Committee. Capital outlay and debt service expenditures were related to the SBITA transaction recognized in 2023.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

***Fire Levy Fund***

The fire levy fund had revenues and other financing sources of \$15,144,234 and expenditures of \$14,255,315 in 2023. Fund balance increased \$888,919, primarily due to the increase in income taxes from Vallourec. The fire levy fund received \$5,375,000 in transfers from the general fund in 2022, compared to \$5,748,000 in 2022.

***Police Levy Fund***

The police levy had revenues and other financing sources of \$21,302,217 and expenditures of \$19,944,542 in 2023. Fund balance increased \$1,357,675, primarily due to the increase in income taxes from Vallourec. The police levy fund reported \$35,000 in SBITA transaction and \$7,600,000 in transfer from the general fund in 2023, compared to transfers in of \$8,310,000 in 3033.

***ARP Fund***

The ARP fund is reported as a major fund. The City received approximately \$82.8 million in 2021 and 2022 in federal ARP funding on cash-basis to provide additional relief to address the continued impact of the COVID-19 pandemic. The City made \$10,863,746 in expenditures from the ARP fund during 2023. The unspent portion of the City's ARP funding as of December 31, 2023, which amounts to \$69,936,465 has been reported as unearned revenue. The ARP fund received \$3,025,404 in investment income, a significant increase from prior year as a result of higher interest rates.

***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 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 than the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund, fire levy fund, police levy fund, and ARP fund. In the general fund, actual expenditures, and other financing uses of \$42,806,543 came in \$1,016,001 lower than final budgeted expenditures and other financing uses of \$43,822,544. Original and final budgeted revenues totaled \$43,869,608 and \$43,822,544, respectively, for 2023. Actual revenues and other financing sources were \$42,293,280 which were \$326,780 higher than final budgeted revenues.

***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 and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of 2023, the City had \$287,587,888 (net of accumulated depreciation/amortization) invested in land, buildings, improvements other than buildings (I.O.T.B.), machinery and equipment, computer software, vehicles, infrastructure, SBITAs, and construction in progress (CIP). Of this total, \$136,895,846 was reported in governmental activities and \$150,779,114 was reported in business-type activities.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

The following table shows 2023 capital asset balances (net of depreciation/amortization) compared to 2022:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022
Land	\$ 14,664,828	\$ 14,528,203	\$ 1,268,120	\$ 1,268,120	\$ 15,932,948	\$ 15,796,323
Construction in progress	36,974,381	23,658,656	569,856	64,941,841	37,544,237	88,600,497
Buildings	37,247,894	38,922,073	38,209,796	39,510,927	75,457,690	78,433,000
I.O.T.B.	2,710,991	2,963,040	4,795,503	1,297,125	7,506,494	4,260,165
Machinery and equipment	3,011,479	3,420,698	35,947,740	4,069,737	38,959,219	7,490,435
Computer software	16,201	113,841	6,153	17,277	22,354	131,118
Vehicles	2,911,484	3,539,261	3,482,931	3,067,466	6,394,415	6,606,727
Infrastructure	39,271,516	40,041,684	66,499,015	41,150,661	105,770,531	81,192,345
Intangible right to use:						
SBITA	<u>87,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,072</u>	<u>-</u>
<b>Totals</b>	<u><u>\$ 136,895,846</u></u>	<u><u>\$ 127,187,456</u></u>	<u><u>\$ 150,779,114</u></u>	<u><u>\$ 155,323,154</u></u>	<u><u>\$ 287,674,960</u></u>	<u><u>\$ 282,510,610</u></u>

The City's largest governmental activities capital asset categories are buildings and infrastructure. The net book value of the City's buildings and infrastructure (cost less accumulated depreciation/amortization) represents 55.90% and 62.08%, respectively of the City's total governmental capital assets at December 31, 2023 and 2022, respectively.

The City's largest business-type capital asset category are buildings and infrastructure. The net book value (cost less accumulated depreciation) of the City's buildings and infrastructure represents 69.45% and 51.93% of the City's total business-type activities capital assets at December 31, 2023 and 2022, respectively.

See Note 10 to the basic financial statements for further detail on capital assets.

***Debt Administration***

The City had the following short-term and long-term debt obligations outstanding at December 31, 2023 and 2022:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	2023	2022	2023	2022
General obligation bonds	\$ 5,260,000	\$ 6,011,000	\$ -	\$ -
Short-term notes	500,000	3,900,000	-	-
Long-term notes	2,900,000	3,400,000	-	-
HUD 108 loan	3,242,000	3,404,000	-	-
OWDA loans	-	-	76,584,864	81,141,990
OPWC loan	53,572	75,001	3,998,471	3,809,870
ODSA/EPA loan	586,795	665,034	-	-
SIB loan	231,298	599,827	-	-
SBITA payable	42,093	-	-	-
Direct financing notes payable	<u>733,856</u>	<u>987,785</u>	<u>798,200</u>	<u>1,227,742</u>
<b>Total long-term obligations</b>	<u><u>\$13,549,614</u></u>	<u><u>\$ 19,042,647</u></u>	<u><u>\$81,381,535</u></u>	<u><u>\$86,179,602</u></u>

See Note 11 to the basic financial statements for further detail on the City's long-term obligations outstanding at year end and Note 12 to the basic financial statements for the City's short-term note obligations outstanding at year end.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Economic Conditions and Outlook**

The City's administration considered the impact of various economic factors when establishing the 2024 budget. It has been nearly three years since COVID-19 struck, causing unprecedented supply shocks to global manufacturing systems. People and businesses throughout Ohio and the Mahoning Valley are still responding to vexing economic conditions that continue to plague us.

Last year, economist throughout the country were unclear to what extent price instability was a function of supply-chain disruptions, demand shifts, wages or some combination thereof, and whether that instability would warrant monetary policy action. In April 2022, the U.S. Federal Reserve began to battle inflation, moving more quickly and aggressively than any time since the days of stagflation.

Youngstown relies heavily on manufacturing and the current battle against inflation presents several risks to our local economy. Elevated interest rates and high inflation will weigh on consumer spending and industrial production will decline. Total manufacturing output will slow in Youngstown as businesses continue to struggle with labor shortages and tangled supply chains.

While there are hints of an economic recession looming, under the leadership of Mayor Jamael Tito Brown, the City is well positioned to weather whatever economic storm may arise. We expect another weak year of job growth in the area as employers struggle to fill openings. Nonetheless, current high levels of inflation may encourage more workers to reenter the workforce, easing burdens on the job market and encouraging local employers to create additional jobs.

Looking at 2024, Youngstown, as a manufacturing region will feel the pressure of Federal Reserve tightening as we forge a new business cycle. We expect a flat trajectory in terms of output, while confronting a real possibility of shedding jobs. Let there be no doubt, the City's core mission is straightforward: to continue with conservative budgeting practices, stimulate economic growth, create new and better jobs, and to ensure that Youngstown continues to embark on the path of steady growth. Likewise, the City will continue to right itself relative to revenues and expenditures. For these reasons, the City expects the actions undertaken by management will be successful in maintaining balanced operations through the end of 2024.

**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. Kyle Miasek, Finance Director, City of Youngstown, and 26 S. Phelps Street, Youngstown, Ohio 44503.

THIS PAGE IS INTENTIONALLY LEFT BLANK

BASIC  
FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF NET POSITION  
DECEMBER 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Youngstown City Health District
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 109,129,002	\$ 43,629,327	\$ 152,758,329	\$ 1,537,700
Cash in segregated accounts . . . . .	1,000	-	1,000	-
Receivables:				
Income taxes . . . . .	24,883,605	-	24,883,605	-
Real and other local taxes . . . . .	3,404,943	-	3,404,943	-
Payment in lieu of taxes . . . . .	3,525,000	-	3,525,000	-
Accounts . . . . .	620,591	10,713,692	11,334,283	-
Intergovernmental . . . . .	12,729,141	281,394	13,010,535	98,639
Special assessments . . . . .	100,824	1,177,911	1,278,735	-
Accrued interest . . . . .	236,975	-	236,975	-
Loans . . . . .	-	700,000	700,000	-
Leases . . . . .	4,231,241	-	4,231,241	-
Materials and supplies inventory . . . . .	392,432	1,872,962	2,265,394	7,988
Internal balance . . . . .	332,154	(332,154)	-	-
Loan to component unit . . . . .	1,400	-	1,400	-
Net pension asset . . . . .	83,279	77,755	161,034	7,536
Capital assets:				
Nondepreciable/amortized capital assets . . .	51,639,209	1,837,976	53,477,185	-
Depreciable/amortized capital assets, net . . .	85,256,637	148,941,138	234,197,775	116,339
Total capital assets, net . . . . .	136,895,846	150,779,114	287,674,960	116,339
<b>Total assets . . . . .</b>	<b>296,567,433</b>	<b>208,900,001</b>	<b>505,467,434</b>	<b>1,768,202</b>
<b>Deferred outflows of resources:</b>				
Unamortized deferred charges on debt refunding .	296,263	-	296,263	-
Pension . . . . .	29,724,699	8,078,520	37,803,219	859,873
OPEB . . . . .	4,568,397	1,199,727	5,768,124	118,523
<b>Total deferred outflows of resources . . . . .</b>	<b>34,589,359</b>	<b>9,278,247</b>	<b>43,867,606</b>	<b>978,396</b>
<b>Liabilities:</b>				
Accounts payable . . . . .	1,118,837	473,314	1,592,151	2,430
Contracts payable . . . . .	2,033,783	19,594	2,053,377	-
Accrued wages payable . . . . .	1,326,694	414,606	1,741,300	45,793
Due to other governments . . . . .	314,746	1,130,404	1,445,150	7,213
Loan from primary government . . . . .	-	-	-	1,400
Accrued interest payable . . . . .	137,099	687,488	824,587	-
Claims payable . . . . .	664,302	-	664,302	-
Deposits payable . . . . .	1,315,058	-	1,315,058	-
Payroll withholding payable . . . . .	718,163	-	718,163	-
Notes payable . . . . .	500,000	-	500,000	-
Unearned revenue . . . . .	69,936,465	-	69,936,465	-
Long-term liabilities:				
Due within one year . . . . .	3,372,602	5,604,665	8,977,267	25,935
Due greater than one year:				
Net pension liability . . . . .	85,409,285	19,285,315	104,694,600	1,869,042
Net OPEB liability . . . . .	5,278,445	396,824	5,675,269	38,458
Other amounts due in more than one year .	21,157,835	77,532,280	98,690,115	123,790
<b>Total liabilities . . . . .</b>	<b>193,283,314</b>	<b>105,544,490</b>	<b>298,827,804</b>	<b>2,114,061</b>

- (Continued)



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF NET POSITION - (Continued)  
DECEMBER 31, 2023

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Youngstown City Health District</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next year . . . . .	\$ 1,775,000	\$ -	\$ 1,775,000	\$ -
Payment in lieu of taxes levied for the next year.	3,525,000	-	3,525,000	-
Leases . . . . .	4,324,206	-	4,324,206	-
Pension . . . . .	6,424,978	1,073,596	7,498,574	1,077
OPEB . . . . .	6,258,750	148,505	6,407,255	13,415
Total deferred inflows of resources . . . . .	<u>22,307,934</u>	<u>1,222,101</u>	<u>23,530,035</u>	<u>14,492</u>
<b>Net position:</b>				
Net investment in capital assets. . . . .	126,744,486	70,176,185	196,920,671	116,339
Restricted for:				
Debt service . . . . .	4,645,661	-	4,645,661	-
Capital projects . . . . .	4,839,378	-	4,839,378	-
Community development . . . . .	8,279,406	-	8,279,406	-
Street maintenance and repair . . . . .	3,823,983	-	3,823,983	-
Law enforcement . . . . .	3,198,402	-	3,198,402	-
Leisure time activities . . . . .	1,955,329	-	1,955,329	-
Public health and welfare. . . . .	1,686	-	1,686	840,944
Unclaimed monies . . . . .	38,550	-	38,550	-
Pension. . . . .	83,279	77,755	161,034	7,536
Unrestricted (deficit) . . . . .	<u>(38,044,616)</u>	<u>41,157,717</u>	<u>3,113,101</u>	<u>(346,774)</u>
Total net position . . . . .	<u>\$ 115,565,544</u>	<u>\$ 111,411,657</u>	<u>\$ 226,977,201</u>	<u>\$ 618,045</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
Current:				
General government . . . . .	\$ 11,953,657	\$ 1,348,392	\$ 31,554	\$ 296,305
Security of persons and property . . . . .	43,007,801	954,193	3,637,547	-
Public health and welfare . . . . .	1,361,378	-	201,878	-
Transportation . . . . .	11,568,488	25	5,283,607	5,841,924
Community environment . . . . .	21,179,441	543,148	12,347,505	4,781,815
Leisure time activity . . . . .	3,807,679	31,635	436,354	175,000
Interest and fiscal charges . . . . .	504,609	-	712,524	-
Total governmental activities . . . . .	<u>93,383,053</u>	<u>2,877,393</u>	<u>22,650,969</u>	<u>11,095,044</u>
<b>Business-type activities:</b>				
Sewer . . . . .	27,669,860	30,357,989	-	200,690
Water . . . . .	30,892,149	34,607,524	-	52,500
Environmental sanitation . . . . .	4,826,862	4,701,011	-	-
Total business-type activities . . . . .	<u>63,388,871</u>	<u>69,666,524</u>	<u>-</u>	<u>253,190</u>
Total primary government . . . . .	<u>\$ 156,771,924</u>	<u>\$ 72,543,917</u>	<u>\$ 22,650,969</u>	<u>\$ 11,348,234</u>
<b>Component Unit:</b>				
Youngstown City Health District . . . . .	<u>\$ 2,587,242</u>	<u>\$ 834,684</u>	<u>\$ 2,015,798</u>	<u>\$ -</u>

**General revenues:**

Property taxes levied for:
Debt service . . . . .
Special revenue . . . . .
Income taxes levied for:
General purposes . . . . .
Fire levy . . . . .
Police levy . . . . .
Capital projects . . . . .
Payment in lieu of taxes . . . . .
Grants and entitlements not restricted to specific programs . . . . .
Investment earnings . . . . .
Change in fair value of investments . . . . .
Gain on sale of capital assets . . . . .
Miscellaneous . . . . .
Total general revenues . . . . .
Transfers . . . . .
Change in net position . . . . .
<b>Net position at beginning of year . . . . .</b>
<b>Net position at end of year . . . . .</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Net (Expense) Revenue and Changes in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Youngstown City Health District</b>
\$ (10,277,406)	\$ -	\$ (10,277,406)	\$ -
(38,416,061)	-	(38,416,061)	-
(1,159,500)	-	(1,159,500)	-
(442,932)	-	(442,932)	-
(3,506,973)	-	(3,506,973)	-
(3,164,690)	-	(3,164,690)	-
207,915	-	207,915	-
<u>(56,759,647)</u>	<u>-</u>	<u>(56,759,647)</u>	<u>-</u>
-	2,888,819	2,888,819	-
-	3,767,875	3,767,875	-
-	(125,851)	(125,851)	-
-	<u>6,530,843</u>	<u>6,530,843</u>	<u>-</u>
<u>(56,759,647)</u>	<u>6,530,843</u>	<u>(50,228,804)</u>	<u>-</u>
-	-	-	263,240
2,213,748	-	2,213,748	-
357,393	-	357,393	-
38,390,797	-	38,390,797	-
10,466,326	-	10,466,326	-
13,958,391	-	13,958,391	-
7,291,294	-	7,291,294	-
4,776,405	-	4,776,405	-
4,512,973	-	4,512,973	-
4,998,806	-	4,998,806	-
305,497	-	305,497	-
448,788	-	448,788	-
205,542	131,427	336,969	185,171
<u>87,925,960</u>	<u>131,427</u>	<u>88,057,387</u>	<u>185,171</u>
<u>(35,015)</u>	<u>35,015</u>	<u>-</u>	<u>-</u>
31,131,298	6,697,285	37,828,583	448,411
<u>84,434,246</u>	<u>104,714,372</u>	<u>189,148,618</u>	<u>169,634</u>
<u>\$ 115,565,544</u>	<u>\$ 111,411,657</u>	<u>\$ 226,977,201</u>	<u>\$ 618,045</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023

	<b>General</b>	<b>Fire Levy</b>	<b>Police Levy</b>	<b>American Rescue Plan</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 7,165,064	\$ 260,680	\$ 886,800	\$ 74,237,130
Cash with fiscal and escrow agents. . . . .	1,000	-	-	-
Receivables:				
Income taxes. . . . .	13,606,666	3,721,323	4,963,194	-
Real and other local taxes . . . . .	-	-	-	-
Payment in lieu of taxes . . . . .	-	-	-	-
Accounts. . . . .	584,455	3,139	-	-
Intergovernmental . . . . .	1,481,042	-	135,748	-
Special assessments . . . . .	100,824	-	-	-
Accrued interest . . . . .	115,518	-	-	117,696
Leases. . . . .	3,027,882	-	-	-
Loan to component unit . . . . .	1,400	-	-	-
Advances to other funds . . . . .	2,977,000	-	-	-
Materials and supplies inventory. . . . .	-	-	32,855	-
<b>Total assets . . . . .</b>	<b>\$ 29,060,851</b>	<b>\$ 3,985,142</b>	<b>\$ 6,018,597</b>	<b>\$ 74,354,826</b>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 100,157	\$ 4,799	\$ 20,990	\$ 719,754
Contracts payable. . . . .	-	-	581,209	-
Accrued wages payable . . . . .	257,257	414,521	520,284	-
Compensated absences payable . . . . .	44,474	-	-	-
Due to other governments . . . . .	39,747	105,496	108,999	-
Advances from other funds. . . . .	-	-	-	-
Accrued interest payable . . . . .	-	-	-	-
Unearned revenue . . . . .	-	-	-	69,936,465
Deposits payable . . . . .	1,283,104	-	-	-
Payroll withholding payable . . . . .	718,163	-	-	-
Notes payable. . . . .	-	-	-	-
<b>Total liabilities . . . . .</b>	<b>2,442,902</b>	<b>524,816</b>	<b>1,231,482</b>	<b>70,656,219</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next year. . . . .	-	-	-	-
Payment in lieu of taxes levied for the next year . . . . .	-	-	-	-
Leases . . . . .	3,158,936	-	-	-
Delinquent property tax revenue not available. . . . .	-	-	-	-
Accrued interest not available . . . . .	-	-	-	10,657
Special assessments revenue not available. . . . .	100,824	-	-	-
Miscellaneous revenue not available. . . . .	491,555	-	-	-
Income tax revenue not available . . . . .	4,984,327	1,363,176	1,818,093	-
Intergovernmental nonexchange transactions . . . . .	745,070	-	20,593	-
<b>Total deferred inflows of resources . . . . .</b>	<b>9,480,712</b>	<b>1,363,176</b>	<b>1,838,686</b>	<b>10,657</b>
<b>Fund balances:</b>				
Nonspendable . . . . .	3,016,950	-	32,855	-
Restricted. . . . .	-	2,097,150	2,915,574	-
Committed . . . . .	-	-	-	3,687,950
Assigned. . . . .	1,405,750	-	-	-
Unassigned (deficit) . . . . .	12,714,537	-	-	-
<b>Total fund balances. . . . .</b>	<b>17,137,237</b>	<b>2,097,150</b>	<b>2,948,429</b>	<b>3,687,950</b>
<b>Total liabilities, deferred inflows of resources and fund balances . . . . .</b>	<b>\$ 29,060,851</b>	<b>\$ 3,985,142</b>	<b>\$ 6,018,597</b>	<b>\$ 74,354,826</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 20,575,693	\$ 103,125,367
-	1,000
2,592,422	24,883,605
3,404,943	3,404,943
3,525,000	3,525,000
32,997	620,591
11,112,351	12,729,141
-	100,824
3,761	236,975
1,203,359	4,231,241
-	1,400
-	2,977,000
359,577	392,432
<u>\$ 42,810,103</u>	<u>\$ 156,229,519</u>
\$ 273,137	\$ 1,118,837
1,452,574	2,033,783
134,632	1,326,694
-	44,474
20,800	275,042
2,977,000	2,977,000
11,721	11,721
-	69,936,465
31,954	1,315,058
-	718,163
500,000	500,000
<u>5,401,818</u>	<u>80,257,237</u>
1,775,000	1,775,000
3,525,000	3,525,000
1,165,270	4,324,206
1,594,454	1,594,454
-	10,657
-	100,824
-	491,555
949,643	9,115,239
9,210,735	9,976,398
<u>18,220,102</u>	<u>30,913,333</u>
359,577	3,409,382
16,643,457	21,656,181
3,154,084	6,842,034
-	1,405,750
(968,935)	11,745,602
<u>19,188,183</u>	<u>45,058,949</u>
<u>\$ 42,810,103</u>	<u>\$ 156,229,519</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

<b>Total governmental fund balances</b>		\$ 45,058,949
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		136,895,846
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 9,115,239	
Real and other taxes receivable	1,594,454	
Accounts receivable	491,555	
Intergovernmental receivable	9,976,398	
Special assessments receivable	100,824	
Accrued interest receivable	10,657	
Total		21,289,127
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(125,378)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		296,263
The net pension asset is not available to pay for current period expenditures and the net pension liability does not require the use of current period net resources; therefore, the asset, liability, and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	83,279	
Deferred outflows of resources	29,724,699	
Deferred inflows of resources	(6,424,978)	
Net pension liability	(85,409,285)	
Total		(62,026,285)
The net OPEB liability does not require the use of current period net resources; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	4,568,397	
Deferred inflows of resources	(6,258,750)	
Net OPEB liability	(5,278,445)	
Total		(6,968,798)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(6,709,977)	
General obligation refunding bonds	(5,260,000)	
Bond anticipation notes	(2,900,000)	
HUD Section 108 loans	(3,242,000)	
ODSA/EPA loan	(586,795)	
OPWC loan	(53,572)	
SIB loan	(231,298)	
Subscription-based information technology arrangements payable	(42,093)	
Direct financing notes	(733,856)	
Total		(19,759,591)
Internal service funds are used by management to charge the costs of workers' compensation and dental and vision insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.		573,257
An internal balance is recorded in governmental activities to reflect overpayments to the internal service funds by the business-type activities.		332,154
<b>Net position of governmental activities</b>		<b>\$ 115,565,544</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<u>General</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>American Rescue Plan</u>
<b>Revenues:</b>				
Income taxes . . . . .	\$ 35,493,852	\$ 9,684,336	\$ 12,915,663	\$ -
Real and other local taxes . . . . .	-	-	-	-
Charges for services . . . . .	375,335	56,504	-	-
Licenses and permits . . . . .	221,233	-	-	-
Fines and forfeitures . . . . .	605,543	-	903	-
Intergovernmental . . . . .	4,249,517	22,000	644,467	10,863,746
Special assessments . . . . .	218,842	-	-	-
Investment income . . . . .	1,973,460	-	-	3,025,404
Rental income . . . . .	37,532	-	47,605	-
Contributions and donations . . . . .	200	-	4,450	-
Franchise fees . . . . .	371,718	-	-	-
Payment in lieu of taxes . . . . .	-	-	-	-
Change in fair value of investments . . . . .	-	-	-	305,497
Other . . . . .	205,542	6,394	34,043	-
Total revenues . . . . .	<u>43,752,774</u>	<u>9,769,234</u>	<u>13,647,131</u>	<u>14,194,647</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	10,563,049	-	-	26,572
Security of persons and property . . . . .	2,831,710	14,166,713	19,674,323	1,531,909
Public health and welfare . . . . .	1,159,500	-	-	201,878
Transportation . . . . .	-	-	-	-
Community environment . . . . .	927,018	-	-	7,727,528
Leisure time activity . . . . .	194,251	-	-	177,306
Capital outlay . . . . .	64,641	-	35,000	1,198,553
Debt service:				
Principal retirement . . . . .	22,548	86,081	202,848	-
Interest and fiscal charges . . . . .	-	2,521	32,371	-
Total expenditures . . . . .	<u>15,762,717</u>	<u>14,255,315</u>	<u>19,944,542</u>	<u>10,863,746</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>27,990,057</u>	<u>(4,486,081)</u>	<u>(6,297,411)</u>	<u>3,330,901</u>
<b>Other financing sources (uses):</b>				
Note issuance . . . . .	-	-	-	-
Loan issuance . . . . .	-	-	-	-
Premium on note issuance . . . . .	-	-	-	-
Subscription-based information technology arrangement transactions . . . . .	64,641	-	35,000	-
Sale of capital assets . . . . .	400	-	20,086	-
Insurance proceeds . . . . .	22,470	-	-	-
Transfers in . . . . .	-	5,375,000	7,600,000	-
Transfers (out) . . . . .	(23,691,000)	-	-	-
Total other financing sources (uses) . . . . .	<u>(23,603,489)</u>	<u>5,375,000</u>	<u>7,655,086</u>	<u>-</u>
Net change in fund balances . . . . .	4,386,568	888,919	1,357,675	3,330,901
<b>Fund balances at beginning of year . . . . .</b>	<u>12,750,669</u>	<u>1,208,231</u>	<u>1,590,754</u>	<u>357,049</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 17,137,237</u>	<u>\$ 2,097,150</u>	<u>\$ 2,948,429</u>	<u>\$ 3,687,950</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 6,746,516	\$ 64,840,367
2,122,869	2,122,869
424,572	856,411
-	221,233
216,503	822,949
21,769,929	37,549,659
-	218,842
47,208	5,046,072
177,371	262,508
600	5,250
-	371,718
4,776,405	4,776,405
-	305,497
916,125	1,162,104
<u>37,198,098</u>	<u>118,561,884</u>
215,824	10,805,445
361,105	38,565,760
-	1,361,378
8,299,224	8,299,224
11,314,705	19,969,251
3,091,376	3,462,933
13,285,055	14,583,249
5,125,192	5,436,669
419,151	454,043
<u>42,111,632</u>	<u>102,937,952</u>
<u>(4,913,534)</u>	<u>15,623,932</u>
2,900,000	2,900,000
343,995	343,995
3,851	3,851
-	99,641
532,979	553,465
53,047	75,517
14,877,622	27,852,622
(5,561,622)	(29,252,622)
<u>13,149,872</u>	<u>2,576,469</u>
8,236,338	18,200,401
10,951,845	26,858,548
<u>\$ 19,188,183</u>	<u>\$ 45,058,949</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

<b>Net change in fund balances - total governmental funds</b>		\$ 18,200,401
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
In the current period these amounts are:		
Capital asset additions	\$ 15,397,143	
Current year depreciation/amortization	<u>(5,584,076)</u>	
Total		9,813,067
Miscellaneous transactions involving capital assets (i.e. capital contributions, transfers and disposals) are not reflected in the governmental funds, but had the following effect in the statement of activities:		(104,677)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	5,266,441	
Real and other taxes	448,272	
Intergovernmental revenues	(299,493)	
Investment income	(58)	
Special assessments, charges for services & franchise fees	<u>123,532</u>	
Total		5,538,694
The issuance of debt provides current financial resources to governmental funds, but in the statement of net position, the debt obligations are reported as a liability.		(3,343,636)
Payment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
General obligation refunding bond principal payments	751,000	
HUD Section 108 loan principal payments	162,000	
Long-term note principal payments	3,400,000	
ODSA loan principal payments	78,239	
OPWC loan principal payments	21,429	
SIB loan principal payments	712,524	
Direct financing note principal payments	253,929	
Subscription-based information technology arrangements payments	<u>57,548</u>	
Total		5,436,669
In the statement of activities, accrued interest on outstanding bonds/notes and the deferred charges on debt refundings are amortized over the term of the bonds, whereas in governmental funds, other financing sources (uses) are reported when bonds/notes are issued:		
Accrued interest payable	(10,967)	
Amortization of deferred charge on refunding	<u>(43,450)</u>	
Total		(54,417)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		5,833,969
OPEB		103,190
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension		(9,708,518)
OPEB		744,327
Some items reported as expenses 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.		
		(140,510)
The internal service funds are used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.		
		<u>(1,187,261)</u>
<b>Change in net position of governmental activities</b>		<u>\$ 31,131,298</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Income taxes . . . . .	\$ 27,464,200	\$ 31,075,000	\$ 31,524,903	\$ 449,903
Charges for services. . . . .	2,850,000	3,031,000	3,063,411	32,411
Licenses and permits . . . . .	602,500	58,500	60,343	1,843
Fines and forfeitures . . . . .	422,500	605,000	603,234	(1,766)
Intergovernmental. . . . .	4,163,500	4,358,500	4,273,314	(85,186)
Special assessments . . . . .	240,000	240,000	218,842	(21,158)
Investment income. . . . .	855,676	1,850,000	1,859,576	9,576
Contributions and donations. . . . .	-	-	200	200
Franchise fees . . . . .	231,400	550,000	502,885	(47,115)
Other. . . . .	75,324	165,000	163,702	(1,298)
<b>Total revenues . . . . .</b>	<u>36,905,100</u>	<u>41,933,000</u>	<u>42,270,410</u>	<u>337,410</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	14,753,992	14,703,978	13,930,089	773,889
Security of persons and property . . . . .	1,676,249	1,461,638	1,442,323	19,315
Community environment . . . . .	1,088,867	1,306,428	1,083,631	222,797
<b>Total expenditures. . . . .</b>	<u>17,519,108</u>	<u>17,472,044</u>	<u>16,456,043</u>	<u>1,016,001</u>
Excess of revenues over expenditures . . . . .	<u>19,385,992</u>	<u>24,460,956</u>	<u>25,814,367</u>	<u>1,353,411</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets. . . . .	-	-	400	400
Insurance proceeds . . . . .	31,500	31,500	22,470	(9,030)
Advances in . . . . .	-	2,000	-	(2,000)
Transfers in . . . . .	162,000	-	-	-
Transfers (out). . . . .	(26,350,500)	(26,350,500)	(26,350,500)	-
<b>Total other financing sources (uses) . . . . .</b>	<u>(26,157,000)</u>	<u>(26,317,000)</u>	<u>(26,327,630)</u>	<u>(10,630)</u>
Net change in fund balances . . . . .	(6,771,008)	(1,856,044)	(513,263)	1,342,781
<b>Unencumbered fund balance at beginning of year . . . . .</b>	3,368,464	3,368,464	3,368,464	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>609,948</u>	<u>609,948</u>	<u>609,948</u>	<u>-</u>
<b>Unencumbered fund balance (deficit) at end of year. . . . .</b>	<u>\$ (2,792,596)</u>	<u>\$ 2,122,368</u>	<u>\$ 3,465,149</u>	<u>\$ 1,342,781</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 7,727,624	\$ 8,600,000	\$ 8,621,822	\$ 21,822
Charges for services. . . . .	58,787	66,000	65,590	(410)
Intergovernmental. . . . .	19,718	22,000	22,000	-
Other . . . . .	82,758	125,887	92,827	(33,060)
Total revenues . . . . .	<u>7,888,887</u>	<u>8,813,887</u>	<u>8,802,239</u>	<u>(11,648)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	14,527,166	14,532,130	14,421,873	110,257
Total expenditures . . . . .	<u>14,527,166</u>	<u>14,532,130</u>	<u>14,421,873</u>	<u>110,257</u>
Excess of expenditures over revenues . . . . .	<u>(6,638,279)</u>	<u>(5,718,243)</u>	<u>(5,619,634)</u>	<u>98,609</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	6,036,000	5,375,000	5,375,000	-
Total other financing sources . . . . .	<u>6,036,000</u>	<u>5,375,000</u>	<u>5,375,000</u>	<u>-</u>
Net change in fund balances . . . . .	(602,279)	(343,243)	(244,634)	98,609
<b>Unencumbered fund balance at beginning of year . . . . .</b>				
	188,295	188,295	188,295	-
<b>Prior year encumbrances appropriated . . .</b>				
	<u>239,779</u>	<u>239,779</u>	<u>239,779</u>	<u>-</u>
<b>Unencumbered fund balance (deficit) at end of year. . . . .</b>				
	<u>\$ (174,205)</u>	<u>\$ 84,831</u>	<u>\$ 183,440</u>	<u>\$ 98,609</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Income taxes . . . . .	\$ 10,208,400	\$ 11,500,000	\$ 11,499,078	\$ (922)
Fines and forfeitures . . . . .	-	-	903	903
Intergovernmental. . . . .	525,000	750,000	682,905	(67,095)
Rental income . . . . .	40,991	46,000	47,606	1,606
Contributions and donations. . . . .	3,832	2,500	4,450	1,950
Other. . . . .	208,677	249,000	242,349	(6,651)
Total revenues . . . . .	<u>10,986,900</u>	<u>12,547,500</u>	<u>12,477,291</u>	<u>(70,209)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	20,530,820	20,697,412	20,429,949	267,463
Total expenditures . . . . .	<u>20,530,820</u>	<u>20,697,412</u>	<u>20,429,949</u>	<u>267,463</u>
Excess of expenditures over revenues . . . . .	<u>(9,543,920)</u>	<u>(8,149,912)</u>	<u>(7,952,658)</u>	<u>197,254</u>
<b>Other financing sources:</b>				
Sale of capital assets. . . . .	21,000	21,000	20,086	(914)
Transfers in . . . . .	9,000,000	7,600,000	7,600,000	-
Total other financing sources . . . . .	<u>9,021,000</u>	<u>7,621,000</u>	<u>7,620,086</u>	<u>(914)</u>
Net change in fund balances . . . . .	(522,920)	(528,912)	(332,572)	196,340
<b>Unencumbered fund balance at beginning beginning of year . . . . .</b>	145,158	145,158	145,158	-
<b>Prior year encumbrances appropriated . . .</b>	<u>226,920</u>	<u>226,920</u>	<u>226,920</u>	<u>-</u>
<b>Unencumbered fund balance (deficit) at end of year. . . . .</b>	<u>\$ (150,842)</u>	<u>\$ (156,834)</u>	<u>\$ 39,506</u>	<u>\$ 196,340</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income . . . . .	\$ -	\$ -	\$ 3,033,756	3,033,756
Total revenues . . . . .	<u>-</u>	<u>-</u>	<u>3,033,756</u>	<u>3,033,756</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	49,337,244	72,646,274	72,490,773	155,501
Total expenditures . . . . .	<u>49,337,244</u>	<u>72,646,274</u>	<u>72,490,773</u>	<u>155,501</u>
Net change in fund balances . . . . .	(49,337,244)	(72,646,274)	(69,457,017)	3,189,257
<b>Unencumbered fund balance at beginning of year . . . . .</b>	31,933,928	31,933,928	31,933,928	-
<b>Prior year encumbrances appropriated . . .</b>	<u>49,337,244</u>	<u>49,337,244</u>	<u>49,337,244</u>	<u>-</u>
<b>Unencumbered fund balance at end of year.</b>	<u>\$ 31,933,928</u>	<u>\$ 8,624,898</u>	<u>\$ 11,814,155</u>	<u>\$ 3,189,257</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2023

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Sewer</b>	<b>Water</b>	<b>Environmental Sanitation</b>	<b>Total</b>	
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 32,133,129	\$ 9,495,418	\$ 2,000,780	\$ 43,629,327	\$ 6,003,635
Receivables:					
Accounts . . . . .	5,510,213	4,623,639	579,840	10,713,692	-
Special assessments . . . . .	-	-	1,177,911	1,177,911	-
Due from other governments . . . . .	281,394	-	-	281,394	-
Loans receivable . . . . .	280,000	280,000	140,000	700,000	-
Materials and supplies inventory . . . . .	481,136	1,391,826	-	1,872,962	-
Total current assets . . . . .	<u>38,685,872</u>	<u>15,790,883</u>	<u>3,898,531</u>	<u>58,375,286</u>	<u>6,003,635</u>
Noncurrent assets:					
Net pension asset . . . . .	35,387	36,626	5,742	77,755	-
Capital assets:					
Land and construction in progress . . . . .	1,379,640	458,336	-	1,837,976	-
Depreciable capital assets, net . . . . .	112,842,989	33,423,401	2,674,748	148,941,138	-
Total capital assets, net . . . . .	<u>114,222,629</u>	<u>33,881,737</u>	<u>2,674,748</u>	<u>150,779,114</u>	<u>-</u>
Total noncurrent assets . . . . .	<u>114,258,016</u>	<u>33,918,363</u>	<u>2,680,490</u>	<u>150,856,869</u>	<u>-</u>
Total assets . . . . .	<u>152,943,888</u>	<u>49,709,246</u>	<u>6,579,021</u>	<u>209,232,155</u>	<u>6,003,635</u>
<b>Deferred outflows of resources:</b>					
Pension . . . . .	3,677,745	3,797,674	603,101	8,078,520	-
OPEB . . . . .	546,216	563,881	89,630	1,199,727	-
Total deferred outflows of resources . . . . .	<u>4,223,961</u>	<u>4,361,555</u>	<u>692,731</u>	<u>9,278,247</u>	<u>-</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable . . . . .	215,299	249,539	8,476	473,314	-
Contracts payable . . . . .	-	19,594	-	19,594	-
Accrued wages payable . . . . .	184,699	199,896	30,011	414,606	-
Compensated absences payable . . . . .	125,730	161,243	17,096	304,069	-
Due to other governments . . . . .	42,299	1,083,468	4,637	1,130,404	39,704
Accrued interest payable . . . . .	561,502	125,986	-	687,488	-
OWDA loans payable . . . . .	3,989,574	780,135	-	4,769,709	-
OPWC loans payable . . . . .	139,142	131,745	-	270,887	-
Claims payable . . . . .	-	-	-	-	1,406,506
Direct financing notes payable . . . . .	-	-	260,000	260,000	-
Total current liabilities . . . . .	<u>5,258,245</u>	<u>2,751,606</u>	<u>320,220</u>	<u>8,330,071</u>	<u>1,446,210</u>

- (Continued)



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS - (Continued)  
DECEMBER 31, 2023

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Sewer</b>	<b>Water</b>	<b>Environmental Sanitation</b>	<b>Total</b>	
<b>Long-term liabilities:</b>					
Compensated absences payable . . . . .	\$ 600,114	\$ 769,624	\$ 81,603	\$ 1,451,341	\$ -
OWDA loans payable . . . . .	65,626,577	6,188,578	-	71,815,155	-
OPWC loans payable . . . . .	2,653,493	1,074,091	-	3,727,584	-
Direct financing notes payable . . . . .	-	-	538,200	538,200	-
Claims payable . . . . .	-	-	-	-	3,984,168
Net pension liability . . . . .	8,776,811	9,084,296	1,424,208	19,285,315	-
Net OPEB liability . . . . .	180,596	186,923	29,305	396,824	-
<b>Total long-term liabilities . . . . .</b>	<b>77,837,591</b>	<b>17,303,512</b>	<b>2,073,316</b>	<b>97,214,419</b>	<b>3,984,168</b>
<b>Total liabilities . . . . .</b>	<b>83,095,836</b>	<b>20,055,118</b>	<b>2,393,536</b>	<b>105,544,490</b>	<b>5,430,378</b>
<b>Deferred inflows of resources:</b>					
Pension . . . . .	425,919	585,129	62,548	1,073,596	-
OPEB . . . . .	67,216	70,420	10,869	148,505	-
<b>Total deferred inflows of resources . . . . .</b>	<b>493,135</b>	<b>655,549</b>	<b>73,417</b>	<b>1,222,101</b>	<b>-</b>
<b>Net position:</b>					
Net investment in capital assets . . . . .	41,813,843	25,687,594	2,674,748	70,176,185	-
Restricted for pension . . . . .	35,387	36,626	5,742	77,755	-
Unrestricted . . . . .	31,729,648	7,635,914	2,124,309	41,489,871	573,257
<b>Total net position . . . . .</b>	<b>\$ 73,578,878</b>	<b>\$ 33,360,134</b>	<b>\$ 4,804,799</b>	<b>111,743,811</b>	<b>\$ 573,257</b>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				(332,154)	
Net position of business-type activities				<u>\$ 111,411,657</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Sewer</b>	<b>Water</b>	<b>Environmental Sanitation</b>	<b>Total</b>	
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 30,357,989	\$ 34,607,524	\$ 4,320,846	\$ 69,286,359	\$ 11,332,022
Other operating revenues . . . . .	35,664	44,231	51,532	131,427	-
Total operating revenues . . . . .	<u>30,393,653</u>	<u>34,651,755</u>	<u>4,372,378</u>	<u>69,417,786</u>	<u>11,332,022</u>
<b>Operating expenses:</b>					
Personal services . . . . .	7,939,587	8,813,340	1,559,546	18,312,473	-
Contract services . . . . .	11,526,681	4,453,388	1,995,516	17,975,585	-
Materials and supplies . . . . .	1,852,521	16,046,821	589,173	18,488,515	-
Administrative costs . . . . .	-	-	-	-	1,501,792
Claims expense . . . . .	-	-	-	-	11,133,683
Depreciation . . . . .	5,149,424	1,263,265	527,924	6,940,613	-
Other . . . . .	-	-	117,141	117,141	-
Total operating expenses . . . . .	<u>26,468,213</u>	<u>30,576,814</u>	<u>4,789,300</u>	<u>61,834,327</u>	<u>12,635,475</u>
Operating income (loss) . . . . .	<u>3,925,440</u>	<u>4,074,941</u>	<u>(416,922)</u>	<u>7,583,459</u>	<u>(1,303,453)</u>
<b>Nonoperating revenues (expenses):</b>					
Interest and fiscal charges . . . . .	(1,140,329)	(262,277)	(29,203)	(1,431,809)	-
Loss on disposal of capital assets . . . . .	(6,543)	-	-	(6,543)	-
Other nonoperating expenses . . . . .	(1,059,535)	(305,450)	-	(1,364,985)	-
Special assessments . . . . .	-	-	380,165	380,165	-
Total nonoperating revenues (expenses) . . . . .	<u>(2,206,407)</u>	<u>(567,727)</u>	<u>350,962</u>	<u>(2,423,172)</u>	<u>-</u>
Income (loss) before transfers and capital contributions . . . . .	1,719,033	3,507,214	(65,960)	5,160,287	(1,303,453)
Transfers in . . . . .	-	-	1,400,000	1,400,000	-
Capital contributions . . . . .	<u>200,690</u>	<u>52,500</u>	<u>-</u>	<u>253,190</u>	<u>-</u>
Change in net position . . . . .	1,919,723	3,559,714	1,334,040	6,813,477	(1,303,453)
<b>Net position at beginning of year . . . . .</b>	<u>71,659,155</u>	<u>29,800,420</u>	<u>3,470,759</u>	<u>1,876,710</u>	<u>1,876,710</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 73,578,878</u>	<u>\$ 33,360,134</u>	<u>\$ 4,804,799</u>	<u>\$ 573,257</u>	<u>\$ 573,257</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				(116,192)	
Change in net position of business-type activities.				<u>\$ 6,697,285</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Sewer</b>	<b>Water</b>	<b>Environmental Sanitation</b>	<b>Total</b>	
<b>Cash flows from operating activities:</b>					
Cash received from charges for services. . . . .	\$ 30,516,351	\$ 34,789,318	\$ 4,340,296	\$ 69,645,965	\$ 11,332,022
Cash received from other operations. . . . .	136,687	44,231	51,532	232,450	-
Cash payments for personal services. . . . .	(8,171,307)	(9,167,088)	(1,282,006)	(18,620,401)	-
Cash payments for contractual services . . . . .	(11,897,997)	(4,418,166)	(2,296,068)	(18,612,231)	-
Cash payments for materials and supplies . . . . .	(1,621,591)	(16,227,428)	(589,103)	(18,438,122)	-
Cash payments for administrative costs. . . . .	-	-	-	-	(1,474,142)
Cash payments for claims . . . . .	-	-	-	-	(10,194,018)
Cash payments for other expenses . . . . .	-	-	(122,600)	(122,600)	-
Net cash provided by (used in) operating activities . . . . .	<u>8,962,143</u>	<u>5,020,867</u>	<u>102,051</u>	<u>14,085,061</u>	<u>(336,138)</u>
<b>Cash flows from noncapital financing activities:</b>					
Cash received from transfers in . . . . .	-	-	1,400,000	1,400,000	-
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets. . . . .	(1,416,538)	(468,305)	(875,256)	(2,760,099)	-
Capital contributions to governmental activities . . . . .	(1,059,535)	(305,450)	-	(1,364,985)	-
Capital contributions . . . . .	200,690	52,500	-	253,190	-
OWDA loan issuance . . . . .	93,606	-	-	93,606	-
OPWC loan issuance . . . . .	437,050	-	-	437,050	-
Principal retirement on loans . . . . .	(4,016,140)	(883,041)	-	(4,899,181)	-
Principal retirement on notes . . . . .	-	-	(429,542)	(429,542)	-
Interest and fiscal charges . . . . .	(1,206,443)	(276,076)	(29,203)	(1,511,722)	-
Special assessments . . . . .	-	-	179,485	179,485	-
Net cash (used in) capital and related financing activities. . . . .	<u>(6,967,310)</u>	<u>(1,880,372)</u>	<u>(1,154,516)</u>	<u>(10,002,198)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents . . . . .	1,994,833	3,140,495	347,535	5,482,863	(336,138)
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>30,138,296</u>	<u>6,354,923</u>	<u>1,653,245</u>	<u>38,146,464</u>	<u>6,339,773</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 32,133,129</u>	<u>\$ 9,495,418</u>	<u>\$ 2,000,780</u>	<u>\$ 43,629,327</u>	<u>\$ 6,003,635</u>

- (Continued)

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Environmental Sanitation	Total	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss) . . . . .	\$ 3,925,440	\$ 4,074,941	\$ (416,922)	\$ 7,583,459	\$ (1,303,453)
Adjustments:					
Depreciation. . . . .	5,149,424	1,263,265	527,924	6,940,613	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) decrease in materials and supplies inventory. . . . .	202,072	(119,703)	70	82,439	-
Decrease in accounts receivable. . . . .	439,756	181,794	19,450	641,000	-
Increase in due from other governments . . . . .	(281,394)	-	-	(281,394)	-
Decrease in net pension asset . . . . .	35,979	40,163	5,706	81,848	-
Decrease in net OPEB asset . . . . .	1,013,256	1,090,243	162,532	2,266,031	-
(Increase) in deferred outflows of resources - pension . . . . .	(2,233,917)	(2,285,627)	(349,013)	(4,868,557)	-
(Increase) in deferred outflows of resources - OPEB. . . . .	(517,826)	(538,773)	(82,130)	(1,138,729)	-
Increase (decrease) in accounts payable . . . . .	(214,967)	88,190	(61,844)	(188,621)	-
(Decrease) in contracts payable. . . . .	(13,331)	-	-	(13,331)	-
Increase (decrease) in accrued wages payable. . . . .	4,693	(6,944)	(282)	(2,533)	-
Increase (decrease) in due to other governments . . . . .	(12,412)	(114,946)	(43)	(127,401)	27,650
Increase (decrease) in compensated absences payable. . . . .	53,567	(19,838)	20,065	53,794	-
Increase in net pension liability. . . . .	5,847,685	5,932,614	954,358	12,734,657	-
Increase in net OPEB liability. . . . .	180,596	186,923	29,305	396,824	-
Increase in claims payable . . . . .	-	-	-	-	939,665
(Decrease) in deferred inflows of resources - pension . . . . .	(3,441,004)	(3,521,534)	(534,426)	(7,496,964)	-
(Decrease) in deferred inflows of resources - OPEB . . . . .	(1,175,474)	(1,229,901)	(172,699)	(2,578,074)	-
Net cash provided by (used in) operating activities. . . . .	<u>\$ 8,962,143</u>	<u>\$ 5,020,867</u>	<u>\$ 102,051</u>	<u>\$ 14,085,061</u>	<u>\$ (336,138)</u>

**Non-Cash Transactions:**

During 2022, the Sewer fund purchased \$218,940 of capital assets on account.

During 2022, the Water fund purchased \$138,043 of capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2023

	<b>Custodial</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 1,780,692
Cash in segregated accounts . . . . .	249,730
Receivables (net of allowances for uncollectibles):	
Income taxes . . . . .	2,523
Accounts . . . . .	1,473,201
Total assets. . . . .	3,506,146
 <b>Liabilities:</b>	
Due to other governments . . . . .	3,448,696
 <b>Net position:</b>	
Restricted for individuals, organizations and other governments . .	\$ 57,450

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<b>Custodial</b>
<b>Additions:</b>	
Fines and forfeitures for other governments . . . . .	\$ 1,887,350
Property tax collection for other governments . . . . .	23,575
Charges for services collection for other governments . . . . .	21,623,446
Total additions . . . . .	23,534,371
 <b>Deductions:</b>	
Fines and forfeitures distributions to other governments . . . . .	1,887,350
Property tax distributions to other governments . . . . .	23,575
Charges for services distributions to other governments . . . . .	21,633,284
Total deductions. . . . .	23,544,209
 Net change in fiduciary net position. . . . .	 (9,838)
 <b>Net position beginning of year . . . . .</b>	 67,288
 <b>Net position end of year . . . . .</b>	 \$ 57,450

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**THIS PAGE IS INTENTIONALLY LEFT BLANK**



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 1 - DESCRIPTION OF THE CITY**

The City of Youngstown, Ohio (the "City") is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted May 15, 1923. The Mayor is elected to a four-year term and seven council members are each elected for a two-year term.

**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 City's significant accounting policies are described below.

**A. Reporting Entity**

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, agencies, boards, commissions, and departments that are not legally separate from the City. For the City of Youngstown, this includes police, fire, street construction, parks and recreation, sewer, water, environmental sanitation, and a City council.

Included as part of the City's primary government in the determination of the City's reporting entity is the Youngstown Municipal Court (the "Court"). The Court's operations are not legally separate from the City. In addition, the City is responsible for budgeting and appropriating funds for the operation of the Court and is ultimately responsible for any operating deficits sustained by the Court. The City's share of the fines and forfeitures collected by the Court along with its share of the Court's administrative and operating costs is recorded in the City's general fund. Fines and forfeitures collected and distributed by the Court to other governments, organizations and individuals are recorded in a custodial fund in the accompanying BFS.

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 organizations' voting board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The City's only component unit is the Youngstown City Health District.

*DISCRETELY PRESENTED COMPONENT UNIT*

The component unit column in the combined financial statements identifies the financial data of the City's component unit: Youngstown City Health District. It is reported separately to emphasize that it is legally separate from the City.

Youngstown City Health District (the "Health District") - The Health District was created as a legally separate organization under Chapter 3709 of the Ohio Revised Code. The Health District's services include communicable disease investigations, immunization clinics, tuberculosis screenings, home visits, public health nursing services and issues, health-related licenses and permits, emergency preparedness activities as well as birth certificates and death certificates. The Mayor appoints a voting majority of the Health District Board. The rates charged by the City are subject to the approval of City Council. In addition, the City provides funding to the Health District, thus the City can impose will on the Health District, and the Health District imposes a financial burden to the City. Therefore, The Health District is considered a discretely presented component unit of the City of Youngstown.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Separately issued financial statements can be obtained from the Finance Director, City of Youngstown, 26 S. Phelps Street, Youngstown, Ohio 44503.

Information related to the Health District is presented in Note 23.

*JOINTLY GOVERNED ORGANIZATIONS*

Western Reserve Transit Authority

The Western Reserve Transit Authority (WRTA) is a legally separate entity created pursuant to Sections 306.30 through 306.71 of the Ohio Revised Code for the purpose of providing public transportation in the greater Youngstown area. Prior to January 1, 2009, the WRTA was reported as a component unit of the City. Effective for 2009, an amendment was made to add and include Mahoning County to the WRTA. In addition, the former five-member Board of Trustees which was appointed by the City (four by the mayor and one by City Council) was amended to be governed by a seven member Board of Trustees in which the City appoints three members and Mahoning County appoints four members. Continued existence of the WRTA is not dependent on the City's continued participation. The City does not make any financial contributions to the WRTA. Funding is received through property taxes, charges for services, and State and federal subsidies and grants. Separately issued financial statements can be obtained from the Western Reserve Transit Authority, 604 Mahoning Avenue, Youngstown, Ohio 44502.

Mahoning County Drug Task Force

The City's police department participates in the Mahoning County Drug Task Force (the "Force") which is jointly governed by its thirteen participants: nine local police departments and four federal law enforcement agencies. Each participant has one representative on the Board of Control. Each participant's control over the operation of the Force is limited to its representation on the Board. The Force uses the talents and resources of the participants to combat the trafficking of illicit narcotics. Continued existence of the Force is not dependent on the City's continued participation. Funding is provided by the Governor's Office of Criminal Justice Services and forfeitures and fines. None of the participants made financial contributions in 2023. Austintown Township served as the fiscal agent for the Force during 2014. Financial information can be obtained from the Mahoning County Drug Task Force, 82 Ohltown Road, Austintown, Ohio 44515.

East Gate Regional Council of Governments

The East Gate Regional Council of Governments (EGRCG) is a jointly governed organization among 27 local governments in Ashtabula, Columbiana, Mahoning and Trumbull counties. The Board is comprised of one representative from each city, village, county or governmental agency and one additional representative for each 20,000 population. The City of Youngstown currently has five representatives on the 48-member Board. Each participant's control over the operation of EGRCG is limited to its representation on the Board. EGRCG develops and reviews plans for regional growth and development and aids in coordinating plans among local governments. Continued existence of EGRCG is not dependent on the City's continued participation. In 2023, the City contributed \$25,829. Complete financial statements can be obtained from the East Gate Regional Council of Governments, 100 Federal Plaza East, Youngstown, Ohio 44503.

Youngstown Metropolitan Housing Authority

The Youngstown Metropolitan Housing Authority (YMHA) is a jointly governed organization among four local governments created to provide subsidized public housing. The City appoints two members of the five-member Board. Each participant's control over the operation of YMHA is limited to its representation on the Board. Continued existence of the YMHA is not dependent on the City's continued participation. The City does not make any financial contributions to YMHA. Funding is received through state and federal subsidies and grants. Complete financial statements can be obtained from the Youngstown Metropolitan Housing Authority, 131 W. Boardman Street, Youngstown, Ohio 44503.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Metropolitan Fire Investigation Unit

The Metropolitan Fire Investigation Unit (MFIU) is a jointly governed organization among eight local governments. The Board of Governors is comprised of one representative from each participating government. The MFIU was created to investigate major fires and explosions of unknown or suspicious cause and to aid in the prosecution of those persons or groups responsible. Each participant's control over the operation of MFIU is limited to its representation on the Board. Continued existence of MFIU is not dependent on the City's continued participation. The City does not make any financial contributions to MFTIJ. Funding is received through insurance companies and donations. Financial information can be obtained from the Metropolitan Fire Investigation Unit, 3025 South Avenue, Youngstown, Ohio 44502.

Regional Council of Governments

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) to administer tax collection and enforcement concerns facing the cities and villages. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for municipalities throughout the State of Ohio. The City began using RITA for its income tax collection services during 2006. Each member municipality appoints its own delegate to the RCOG, including electing members to the RITA Board of Trustees. Regardless of the population or tax collections of member municipalities, each member of the RCOG has an equal say in the operations of RITA.

**B. Basis of Presentation - Fund Accounting**

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

***Government-Wide Financial Statements*** - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds, with the exception of services provided and used during the fiscal year, are 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.

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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 services. Operating expenses for the enterprise funds include personnel and other expenses related to sewer, water and environmental sanitation operations. Operating expenses for the internal service fund include claims expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**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. Governmental fund assets and deferred outflows of resources less liabilities and deferred inflows of resources is reported as fund balance.

The following are the City's major governmental funds:

*General fund* - The general fund 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.

*Fire levy fund* - This special revenue fund accounts for revenues collected for fire operations.

*Police levy fund* - This special revenue fund accounts for revenues collected for police operations.

*American rescue plan fund* - This special revenue fund accounts for monies received from the federal government as part of the American Rescue Plan Act (ARPA) of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

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 or committed to expenditure for principal and interest.

***Proprietary Funds*** - Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

*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:

*Sewer fund* - This fund accounts for the operations of providing sewage services to customers and maintaining the local sewer system of the City.

*Water fund* - This fund accounts for the operations of providing water services to customers and maintaining the local water system of the City.

*Environmental sanitation fund* - This fund accounts for the operations of providing sanitation services to customers of the City.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Internal service funds* - The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on the operations of the workers' compensation retrospective rating plan and the self-insured medical, prescription, dental and vision plans.

*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 used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's fiduciary funds are custodial funds which account for income tax collected and distributed to other governments, charge for services collected and distributed to other governments on behalf of the Mahoning County Sewer District, and the Youngstown Municipal Court fines and forfeitures collected and distributed to other governments, organizations, and individuals.

**D. Measurement Focus**

*Government-Wide Financial Statements* - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources 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, deferred outflows of resources, current liabilities and deferred inflows of resources 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

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

**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 custodial 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 of resources and in the presentation of expenses versus expenditures.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, payment in lieu of 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 6). Revenue from property taxes and payment in lieu of taxes is recognized in the year for which the taxes are levied (See Note 7). 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, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), grants, fines and forfeitures, fees and special assessments.

***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/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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, 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/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*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 Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the 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 the custodial funds, are legally required to be budgeted and appropriated. The legal level of budgetary controls is at the object level within each department. Any budgetary modifications at this level may only be made by resolution of City Council.

*Tax Budget* - Ohio Revised Code Section 5705.28 required the Mayor to present the annual operating budget for the following fiscal year to City Council for consideration and passage at the first Council meeting in July. This section requires the adopted budget to be submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The City obtained a waiver as provided for by Ohio Revised Code Section 5705.281, in which they did not have to adopt an operating budget nor submit the operating budget to the County Auditor.

*Estimated Resources* - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate of estimated resources may be further amended during the year if the Finance Director determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the original and final amended official certificates of estimated resources issued during 2023.

*Appropriations* - A temporary appropriation measure 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 object level. 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 only by an ordinance of Council. The Director of Finance is authorized to transfer appropriations between line items within an object of any department.

During the year, several supplemental appropriation measures were passed. None of these supplemental appropriations had any significant effect on the original appropriations. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications passed by Council.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Lapsing of Appropriations* - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations except for grant funds and capital projects funds, unencumbered balances for these funds are rolled forward and are not reappropriated. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

**G. Cash and Cash Equivalents**

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

During 2023, investments were limited to a U.S. Treasury bills, U.S. Treasury notes, and U.S. government money market mutual funds. Investments are reported at fair value, which is based on quoted market prices.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2023 amounted to \$1,973,460, of which \$1,787,512 was assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account for the Youngstown Municipal Court and land bank activity. The interest bearing depository accounts are presented on the financial statements as "cash in segregated accounts" since they are not required to be deposited into the City treasury.

For purposes of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City, are considered to be cash equivalents. Investments with maturities greater than three months at the time of purchase are not reported as investments.

An analysis of the City's investment account at year end is provided in Note 4.

**H. Inventories of Materials and Supplies**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported materials 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.

Inventory consists of expendable supplies held for consumption.

**I. 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 funds.



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City's capitalization thresholds are \$100,000 for infrastructure and \$10,000 for all other categories of capital assets. Expenditures that are below these capitalization thresholds are expensed as incurred. The City's infrastructure consists of traffic signals, sidewalks, bridges, culverts, storm sewers, streets, and water and sewer lines. Governmental activities infrastructure consisting of traffic signals, sidewalks and streets were reported retroactively back to 1980 and governmental activities infrastructure consisting of bridges and culverts were reported retroactively back to 1919. 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. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Buildings	50	50
Improvements other than buildings	20	20
Machinery and equipment	5 - 20	5 - 20
Computer software	5	5
Vehicles	8	8
Infrastructure	15 - 65	65
Intangible right to use:		
Subscription-based information technology arrangements	3	-

The City is reporting intangible right to use assets related to subscription-based information technology arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the subscription term or the useful life of the underlying asset.

**J. Prepaid Items**

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

**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 that 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 for the City using the vesting method. A liability is accrued for thirty-five percent of accumulated unused sick leave for all employees since the employees are entitled to that amount if they leave the City's employment for any reason. This item is discussed further in Note 14 to the BFS.

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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, compensated absences and pension/OPEB liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. 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 Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund loans receivable/payable and due from/to other funds, and receivables and receivables and payables resulting from long-term interfund loans are classified as advances to/from other funds. These amounts are eliminated in the governmental activities column on the statement of net position, except for any residual amounts between governmental and business-type activities, which are presented as internal balance.

**N. 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 and reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the BFS.

**O. 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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*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 committed. City Council has by ordinance authorized the City Auditor to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated 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.

**P. 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.

**Q. 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 the use of resources either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**R. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss**

Bond discounts and premiums for government-wide statements and proprietary fund statements are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond discounts and premiums are presented as a reduction/increase to the face amount of bonds.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

On the governmental fund financial statements, issuance costs, premiums, discounts, and deferred charges from refunding are recognized in the current period.

**S. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, environmental sanitation and workers compensation programs. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund.

**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 City Council and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items during 2023.

**U. Capital Contributions**

Capital contributions in proprietary fund financial statements arise from contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements.

**V. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, net pension/OPEB 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.

**W. Fair Value Measurements**

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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. These changes were incorporated in the City’s 2023 financial statements.

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 deficit:

	<u>Deficit</u>
<u>Nonmajor governmental fund</u>	
Demolition nonmajor capital projects fund	\$ 968,935

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 4 - DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the financial statements as "equity in pooled cash and cash equivalents". Statutes require the classification of monies held by the City into three categories:

*Active Monies:* those monies required to be kept in a "cash" or "near-cash" status for immediate use by the City. Such monies must by law be maintained either as cash in the City treasury; in depository accounts payable or withdrawable on demand; including negotiable order of withdrawal (NOW) account; or in money market deposit accounts.

*Inactive Monies:* those monies not required for use within the current five-year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories or as savings or deposit accounts including, but not limited to, passbook accounts.

*Interim Monies:* 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 must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal 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 the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
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) 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);
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 a period of 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;

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash in Segregated Accounts**

The City has cash in the amount of \$250,730 being held in a segregated account for use Municipal Court and Land Bank. This amount is included in the City's depository balance below.

**B. Deposits with Financial Institutions**

At December 31, 2023, the carrying amount of all City deposits was \$91,817,738. Of the \$95,181,067 bank balance, \$1,530,482 was covered by the FDIC and \$93,650,585 was potentially exposed to custodial credit risk discussed below.

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 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 financial institutions were collateralized at a rate of 102 percent through 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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Investments**

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

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>Investment Maturity 6 months or less</u>
<i>Fair value:</i>		
U.S. Treasury bill	\$ 299,295	\$ 299,295
U.S. Treasury notes	17,005,735	17,005,735
U.S. Government money market mutual funds	<u>45,666,983</u>	<u>45,666,983</u>
Total	<u>\$ 62,972,013</u>	<u>\$ 62,972,013</u>

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 U.S. Treasury bills and U.S. Treasury notes 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:** As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City's investment policy limits investment portfolio maturities to five years or less.

**Credit Risk:** The City's investment in the U.S. Treasury bill and U.S. Treasury notes were rated Aaa by Moody's Investor Services, respectively. The U.S. government money market mutual funds are not rated. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

**Custodial Credit Risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U.S. Treasury bill, U.S. Treasury notes, and U.S. government money market mutual funds are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**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 maturity, a specific obligor or a specific class or type of security. The following table includes the percentage of each investment type held by the City at December 31, 2023:

<u>Investment type</u>	<u>Measurement Value</u>	<u>% to Total</u>
<i>Fair Value:</i>		
U.S. Treasury bill	\$ 299,295	0.48
U.S. Treasury notes	17,005,735	27.00
U.S. government money market mutual funds	<u>45,666,983</u>	<u>72.52</u>
Total	<u>\$ 62,972,013</u>	<u>100.00</u>



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**D. Reconciliation of Cash and Cash Equivalents to the Statement of Net Position**

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

<u>Cash and cash equivalents per note</u>	
Carrying amount of deposits	\$ 91,817,738
Investments	<u>62,972,013</u>
Total	<u>\$ 154,789,751</u>
<u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	\$ 109,130,002
Business-type activities	43,629,327
Custodial funds	<u>2,030,422</u>
Total	<u>\$ 154,789,751</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

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

<u>Transfers to</u>	<u>Transfers from</u>		<u>Total</u>
	<u>General</u>	<u>Nonmajor Governmental</u>	
Fire levy	\$ 5,375,000	\$ -	\$ 5,375,000
Police levy	7,600,000	-	7,600,000
Nonmajor governmental	9,316,000	5,561,622	14,877,622
Environmental sanitation	<u>1,400,000</u>	<u>-</u>	<u>1,400,000</u>
Total	<u>\$ 23,691,000</u>	<u>\$ 5,561,622</u>	<u>\$ 29,252,622</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between nonmajor governmental funds were to move income tax revenue received from a capital improvement levy to other funds for capital improvement purposes and to pay current debt obligations. Transfers between governmental funds are eliminated on the government-wide financial statements.

B. Advances to other funds consisted of the following at December 31, 2023, as reported on the fund financial statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 2,977,000</u>

Advances to/from other funds between governmental funds are eliminated for reporting on the statement of net position.

C. At December 31, 2023, a \$1,400 loan made in a prior year from the City to the Health District, a component unit, was outstanding.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 6 - INCOME TAXES**

The City levies an income tax of two and three-quarter percent 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 not to exceed two and three-quarter percent on income earned outside the City and paid to other municipalities.

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 four funds. Of the original two percent levied, the general fund receives one and one-half percent and of the remaining one-half percent, 40 percent is credited to the police levy special revenue fund, 35 percent to the fire levy special revenue fund, and 25 percent to the ¼ of 5 mil capital improvement capital projects fund.

An additional one-quarter percent was levied for 1997. Of this additional one-quarter percent 50 percent is credited to the police levy special revenue fund, 25 percent to the fire levy special revenue fund and 25 percent to the ¼ of 5 mil capital improvement capital projects fund.

Effective January 1, 2003, the citizens of the City voted for an additional one-half percent to bring the total tax levied on income to two and three-quarter percent. Of the additional one half percent levied, 45 percent is credited to the police levy special revenue fund, 35 percent to the fire levy special revenue fund and 20 percent to the ¼ of 5 mil capital improvement capital projects fund.

In addition, the City receives income tax monies as the result of its agreement with the City of Girard for a Joint Economic Development Zone (JEDZ). Businesses within the JEDZ pay taxes on income earned within the JEDZ and are required to withhold income tax on employee earnings and remit the tax to the City. The City is responsible for collection and administration of the income tax for the JEDZ. The City is entitled to 45% of all income taxes collected from the JEDZ and the City of Girard is entitled to the remaining 55%.

The Regional Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of three percent.

**NOTE 7 - 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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 7 - PROPERTY TAXES - (Continued)**

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Youngstown. 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 of resources since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources 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 revenue.

The full tax rate for all City operations for the year ended December 31, 2023 was \$3.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 250,332,050
Commercial/industrial/mineral	171,496,270
Public utilities	1,822,240
<u>Public utility</u>	
Personal	<u>99,278,770</u>
Total assessed value	<u><u>\$ 522,929,330</u></u>

**NOTE 8 - SPECIAL ASSESSMENTS**

Special assessments include annually assessed service assessments. Service type special assessments are levied against all property owners which benefit from the provided service. Special assessments are payable by the time and in the manner stipulated in the assessing ordinance and are a lien from the date of the passage of the ordinance.

The City's special assessments include street lighting, demolitions including board-ups and asbestos abatement, curbs, sidewalks, sewer rehabilitation and weed cutting which are billed by the County Auditor and collected by the County Treasurer. The County Auditor periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. Special assessments are reported net of allowance for uncollectible.

THIS SPACE IS INTENTIONALLY LEFT BLANK

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 9 - RECEIVABLES**

- A. Receivables at December 31, 2023, consisted of taxes, accounts (billings for user charged services), loans, special assessments, accrued interest, intergovernmental receivables arising from grants, entitlements and shared revenue, and leases. Receivables have been recorded to the extent that they are measurable at December 31, 2023.

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

**Governmental activities:**

Income taxes	\$ 24,883,605
Real and other taxes	3,404,943
Payment in lieu of taxes	3,525,000
Accounts	620,591
Intergovernmental	12,729,141
Special assessments	100,824
Accrued interest	236,975
Leases	4,231,241

**Business-type activities:**

Accounts - gross	14,227,964
Less - allowance for uncollectibles	<u>(3,514,272)</u>
Net accounts receivable	<u>10,713,692</u>
Intergovernmental	281,394
Special assessments	1,177,911
Loans receivable	700,000

Receivables have been disaggregated on the face of the BFS. The only receivables not expected to be collected within the subsequent year are the special assessments, leases and loans. The special assessments are collected over the life of the assessment and notes receivable which will be repaid over a period ranging from one to eight years. Accounts receivable in the business-type activities for utilities have been reported net of a twenty-five percent allowance for uncollectible accounts. See Note 9.B for detail on the leases receivable. The loans receivable in the business-type activities are term loans that will need to be repaid per the loan agreements. Loans receivable have been reported net of loan forgiveness of \$700,000.

**B. Leases Receivable**

The City is reporting leases receivable of \$3,027,882 and \$1,203,359 in the General Fund and Business Development nonmajor capital projects fund, respectively. For 2023, the City recognized lease revenue of \$201,399, which is reported in rental income, and interest revenue of \$163,184.

The City has entered into the following lease agreements as the lessor at varying years and terms as follows:

<u>Lease Type</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
AT&T Services, Inc. - 3033 Salt Springs Rd.	2019	13	2032	Monthly
Vallourec - Ground Lease	2013	98	2111	Annual
Vallourec - OWD Properties	2018	93	2111	Annual
Kemphthorn Collision Center - 2933 Salt Springs Rd.	2022	2	2024	Monthly
Fiber	2011	20	2031	Monthly

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 9 - RECEIVABLES - (Continued)**

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 196,909	\$ 158,042	\$ 354,951
2025	170,848	151,102	321,950
2026	177,366	144,584	321,950
2027	139,133	137,818	276,951
2028	144,441	132,509	276,950
2029 - 2033	550,734	582,692	1,133,426
2034 - 2038	33,455	541,545	575,000
2039 - 2043	40,343	534,657	575,000
2044 - 2048	48,649	526,351	575,000
2049 - 2053	58,665	516,335	575,000
2054 - 2058	70,742	504,258	575,000
2059 - 2063	85,307	489,693	575,000
2064 - 2068	102,868	472,131	574,999
2069 - 2073	124,048	450,952	575,000
2074 - 2078	149,587	425,413	575,000
2079 - 2083	180,383	394,616	574,999
2084 - 2088	217,520	357,480	575,000
2089 - 2093	262,302	312,697	574,999
2094 - 2098	316,305	258,695	575,000
2099 - 2103	381,425	193,575	575,000
2104 - 2108	459,952	115,048	575,000
2109 - 2111	<u>320,259</u>	<u>24,741</u>	<u>345,000</u>
Total	<u>\$ 4,231,241</u>	<u>\$ 7,424,934</u>	<u>\$ 11,656,175</u>

THIS SPACE INTENTIONALLY LEFT BLANK

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 10 - CAPITAL ASSETS**

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

<b><u>Governmental activities:</u></b>	<u>Balance 12/31/22</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/23</u>
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 14,528,203	\$ 161,792	\$ (25,167)	\$ 14,664,828
Construction in progress	<u>23,658,656</u>	<u>15,007,626</u>	<u>(1,691,901)</u>	<u>36,974,381</u>
Total capital assets, not being depreciated/amortized	<u>38,186,859</u>	<u>15,169,418</u>	<u>(1,717,068)</u>	<u>51,639,209</u>
<i>Capital assets, being depreciated/amortized:</i>				
Buildings	69,476,237	69,400	-	69,545,637
Improvements other than buildings	7,963,621	-	-	7,963,621
Machinery and equipment	14,261,123	66,941	(117,236)	14,210,828
Computer software	889,980	-	-	889,980
Vehicles	14,249,162	236,522	(509,135)	13,976,549
Infrastructure	72,939,978	1,447,122	-	74,387,100
Intangible right to use:				
Subscription-based information technology arrangements	<u>-</u>	<u>99,641</u>	<u>-</u>	<u>99,641</u>
Total capital assets, being depreciated/amortized	<u>179,780,101</u>	<u>1,919,626</u>	<u>(626,371)</u>	<u>181,073,356</u>
<i>Less: accumulated depreciation/amortized:</i>				
Buildings	(30,554,164)	(1,743,579)	-	(32,297,743)
Improvements other than buildings	(5,000,581)	(252,049)	-	(5,252,630)
Machinery and equipment	(10,840,425)	(469,617)	110,693	(11,199,349)
Computer software	(776,139)	(97,640)	-	(873,779)
Vehicles	(10,709,901)	(791,332)	436,168	(11,065,065)
Infrastructure	(32,898,294)	(2,217,290)	-	(35,115,584)
Intangible right to use:				
Subscription-based information technology arrangements	<u>-</u>	<u>(12,569)</u>	<u>-</u>	<u>(12,569)</u>
Total accumulated depreciation/amortization	<u>(90,779,504)</u>	<u>(5,584,076)</u>	<u>546,861</u>	<u>(95,816,719)</u>
Total capital assets, being depreciated/amortized, net	<u>89,000,597</u>	<u>(3,664,450)</u>	<u>(79,510)</u>	<u>85,256,637</u>
Governmental activities capital assets, net	<u>\$ 127,187,456</u>	<u>\$ 11,504,968</u>	<u>\$ (1,796,578)</u>	<u>\$ 136,895,846</u>

Depreciation/amortization expense was charged to functions/programs of governmental activities as follows:

<b><u>Governmental activities:</u></b>	
General government	\$ 718,917
Security of persons and property	868,470
Transportation	2,540,548
Leisure time activity	268,343
Community environment	<u>1,187,798</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 5,584,076</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 10 - CAPITAL ASSETS - (Continued)**

Capital assets of the business-type activities for the year ended December 31, 2023, was as follows:

<b><u>Business-type activities:</u></b>	Balance 12/31/22	Additions	Disposals	Balance 12/31/23
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,268,120	\$ -	\$ -	\$ 1,268,120
Construction in progress	64,941,841	569,856	(64,941,841)	569,856
Total capital assets, not being depreciated	<u>66,209,961</u>	<u>569,856</u>	<u>(64,941,841)</u>	<u>1,837,976</u>
<i>Capital assets, being depreciated:</i>				
Buildings	76,045,449	598,835	-	76,644,284
Improvements other than buildings	3,945,076	3,767,449	-	7,712,525
Machinery and equipment	29,132,982	34,569,717	(140,356)	63,562,343
Computer software	791,804	-	-	791,804
Vehicles	11,501,791	1,209,705	(294,709)	12,416,787
Infrastructure	60,216,083	26,629,395	-	86,845,478
Total capital assets, being depreciated	<u>181,633,185</u>	<u>66,775,101</u>	<u>(435,065)</u>	<u>247,973,221</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(36,534,522)	(1,899,966)	-	(38,434,488)
Improvements other than buildings	(2,647,951)	(269,071)	-	(2,917,022)
Machinery and equipment	(25,063,245)	(2,685,171)	133,813	(27,614,603)
Computer software	(774,527)	(11,124)	-	(785,651)
Vehicles	(8,434,325)	(794,240)	294,709	(8,933,856)
Infrastructure	(19,065,422)	(1,281,041)	-	(20,346,463)
Total accumulated depreciation	<u>(92,519,992)</u>	<u>(6,940,613)</u>	<u>428,522</u>	<u>(99,032,083)</u>
Total capital assets, being depreciated, net	<u>89,113,193</u>	<u>59,834,488</u>	<u>(6,543)</u>	<u>148,941,138</u>
Business-type activities capital assets, net	<u>\$ 155,323,154</u>	<u>\$ 60,404,344</u>	<u>\$ (64,948,384)</u>	<u>\$ 150,779,114</u>

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

<b><u>Business-type activities:</u></b>	
Sewer	\$ 5,149,424
Water	1,263,265
Environmental sanitation	<u>527,924</u>
Total depreciation expense - business-type activities	<u>\$ 6,940,613</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - LONG-TERM OBLIGATIONS**

During 2023, the following changes occurred in governmental activities long-term obligations.

<b>Governmental activities:</b>	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/23</u>	Amounts Due in <u>One Year</u>
<u>General obligation bonds:</u>					
2015 various purpose refunding bonds	\$ 636,000	\$ -	\$ (206,000)	\$ 430,000	\$ 212,000
2016 pension refunding bonds	<u>5,375,000</u>	<u>-</u>	<u>(545,000)</u>	<u>4,830,000</u>	<u>555,000</u>
Total general obligations bonds	<u>6,011,000</u>	<u>-</u>	<u>(751,000)</u>	<u>5,260,000</u>	<u>767,000</u>
<u>Other long-term obligations:</u>					
HUD section 108 loan (direct borrowing)	3,404,000	-	(162,000)	3,242,000	168,000
OPWC loan (direct borrowing)	75,001	-	(21,429)	53,572	21,429
ODSA/EPA loan (direct borrowing)	665,034	-	(78,239)	586,795	78,239
SIB loan (direct borrowing)	599,827	343,995	(712,524)	231,298	231,298
Notes payable	3,400,000	2,900,000	(3,400,000)	2,900,000	-
Direct financing notes payable	987,785	-	(253,929)	733,856	173,875
Subscription-based information technology arrangement	-	99,641	(57,548)	42,093	20,562
Net pension liability	51,256,747	34,152,538	-	85,409,285	-
Net OPEB liability	7,889,326	425,016	(3,035,897)	5,278,445	-
Claims payable	3,942,477	986,066	(202,171)	4,726,372	742,204
Compensated absences	<u>6,656,528</u>	<u>3,460,373</u>	<u>(3,362,450)</u>	<u>6,754,451</u>	<u>1,169,995</u>
Total governmental activities long-term obligations	<u>\$ 84,887,725</u>	<u>\$ 42,367,629</u>	<u>\$ (12,037,187)</u>	<u>\$ 115,218,167</u>	<u>\$ 3,372,602</u>

THIS SPACE INTENTIONALLY LEFT BLANK



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - LONG-TERM OBLIGATIONS – (Continued)**

During 2023, the following changes occurred in business-type activities long-term obligations.

	Interest Rate	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Amounts Due In One Year
<b>Business-type activities:</b>						
<u>OWDA loans (direct borrowing):</u>						
Orchard meadow overflow elimination	3.81%	\$ 1,018,281	\$ -	\$ (277,346)	\$ 740,935	\$ 288,012
Pump station improvements	3.79%	335,959	-	(91,527)	244,432	95,029
Waterline replacement	4.48%	26,195	-	(12,807)	13,388	13,388
Elevated storage tanks	4.48%	527,558	-	(123,258)	404,300	128,842
Waterline construction	3.99%	67,203	-	(12,400)	54,803	12,900
WWTP roof replacement	3.25%	301,073	-	(33,527)	267,546	34,625
Sludge storage tank covers	3.25%	249,830	-	(27,820)	222,010	28,732
Woodland and Andrews Avenue	3.25%	175,338	-	(19,525)	155,813	20,165
Boardman storage tank	3.83%	881,272	-	(89,547)	791,725	93,009
Roger Lindgren Way - forcemain	4.14%	317,226	-	(27,881)	289,345	29,047
Roger Lindgren Way - waterlines	3.49%	759,938	-	(64,717)	695,221	66,995
Meadowbrook flow equalization basis	2.86%	3,085,188	-	(242,368)	2,842,820	249,349
Myrtle Avenue pump station	3.30%	667,611	-	(60,905)	606,706	62,933
Briar Hill elevated storage tank	4.29%	1,303,479	-	(106,887)	1,196,592	111,523
WWTP secondary treatment improvements	0.86%	21,755,767	-	(1,155,624)	20,600,143	1,163,083
WWTP electrical upgrades contract A	1.81%	8,589,439	-	(412,346)	8,177,093	444,930
WWTP improvements & microscreen system	2.15%	16,354,867	93,606	(712,492)	15,735,981	803,876
Interceptor sewer relocation	2.08%	5,147,399	-	(180,982)	4,966,417	140,068
WWTP UV disinfection improvement	2.12%	3,919,034	-	(143,423)	3,775,611	193,350
Water department maintenance complex	3.45%	3,486,753	-	(280,775)	3,205,978	290,545
WWTP electrical upgrades - contract B	1.17%	3,390,574	-	(205,936)	3,184,638	29,367
WWTP primary settling tanks improvements	1.04%	8,782,006	-	(368,639)	8,413,367	469,941
Total OWDA loans		81,141,990	93,606	(4,650,732)	76,584,864	4,769,709
<u>OPWC loans (direct borrowing):</u>						
Kirk Road water storage tank	0.00%	188,876	-	(47,219)	141,657	47,219
Boardman elevated water tank	0.00%	620,243	-	(56,385)	563,858	56,386
Gypsy Lane water and sanitary improvements	0.00%	80,145	-	(13,358)	66,787	13,358
Kirkmere sanitary sewer	0.00%	237,347	-	(11,578)	225,769	11,578
Phelps Street sanitary sewer	0.00%	569,250	-	(25,300)	543,950	25,300
Belle Vista waterline replacements	0.00%	508,424	-	(24,801)	483,623	24,801
WWTP electrical system upgrade	0.00%	1,605,585	-	(69,808)	1,535,777	69,808
Pipe storage facility wastewater treatment plant	0.00%	-	437,050	-	437,050	22,437
Total OPWC loans		3,809,870	437,050	(248,449)	3,998,471	270,887
<u>Other long-term obligations:</u>						
Direct financing notes payable		1,227,742	-	(429,542)	798,200	260,000
Net pension liability		6,550,658	12,734,657	-	19,285,315	-
Net OPEB liability		-	396,824	-	396,824	-
Compensated absences		1,701,616	1,420,214	(1,366,420)	1,755,410	304,069
Total other long-term obligations		9,480,016	14,551,695	(1,795,962)	22,235,749	564,069
Total business-type activities long-term obligations		\$ 94,431,876	\$ 15,082,351	\$ (6,695,143)	\$ 102,819,084	\$ 5,604,665

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

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

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
2024	\$ 767,000	\$ 139,066	\$ 906,066
2025	783,000	119,266	902,266
2026	580,000	99,057	679,057
2027	605,000	83,571	688,571
2028	615,000	67,417	682,417
2029 - 2031	1,910,000	102,928	2,012,928
Total	<u>\$ 5,260,000</u>	<u>\$ 611,305</u>	<u>\$ 5,871,305</u>

Year	HUD Section 108 Loans Payable (Direct Borrowing)		
	Principal	Interest	Total
2024	\$ 168,000	\$ 105,653	\$ 273,653
2025	174,000	101,171	275,171
2026	180,000	96,407	276,407
2027	186,000	91,259	277,259
2028	193,000	85,921	278,921
2029-2033	1,070,000	333,898	1,403,898
2034-2038	1,271,000	139,305	1,410,305
Total	<u>\$ 3,242,000</u>	<u>\$ 953,614</u>	<u>\$ 4,195,614</u>

Year	OPWC Loan Payable (Direct Borrowing)		
	Principal	Interest	Total
2024	\$ 21,429	\$ -	\$ 21,429
2025	21,429	-	21,429
2026	10,714	-	10,714
Total	<u>\$ 53,572</u>	<u>\$ -</u>	<u>\$ 53,572</u>

Year	ODSA/EPA Loan Payable (Direct Borrowing)		
	Principal	Interest	Total
2024	\$ 78,239	\$ -	\$ 78,239
2025	78,239	-	78,239
2026	78,240	-	78,240
2027	75,538	6,666	82,204
2028	77,056	5,147	82,203
2029-2031	199,483	6,154	205,637
Total	<u>\$ 586,795</u>	<u>\$ 17,967</u>	<u>\$ 604,762</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

Direct Financing Notes Payable			
Year	Principal	Interest	Total
2024	\$ 173,875	\$ 26,345	\$ 200,220
2025	180,117	20,103	200,220
2026	186,583	13,637	200,220
2027	193,281	6,939	200,220
Total	\$ 733,856	\$ 67,024	\$ 800,880

  

SBITA Payable			
Year	Principal	Interest	Total
2024	\$ 20,562	\$ 1,986	\$ 22,548
2025	21,531	1,016	22,547
Total	\$ 42,093	\$ 3,002	\$ 45,095

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

OWDA Loan Payable (Direct Borrowing)			
Year	Principal	Interest	Total
2024	\$ 3,437,192	\$ 1,028,223	\$ 4,465,416
2025	3,513,489	941,693	4,455,183
2026	3,397,426	852,995	4,250,422
2027	3,125,031	773,155	3,898,186
2028	3,184,883	698,996	3,883,879
2029-2033	15,828,708	2,346,180	18,174,888
2034-2038	11,867,348	919,795	12,787,143
2039-2040	3,479,587	61,090	3,540,677
Total	\$ 47,833,666	\$ 7,622,127	\$ 55,455,793

  

OPWC Loans Payable (Direct Borrowing)			
Year	Principal	Interest	Total
2024	\$ 248,450	\$ -	\$ 248,450
2025	248,450	-	248,450
2026	248,450	-	248,450
2027	201,229	-	201,229
2028	201,230	-	201,230
2029-2033	939,365	-	939,365
2034-2038	657,435	-	657,435
2039-2043	639,246	-	639,246
2044-2045	177,566	-	177,566
Total	\$ 3,561,421	\$ -	\$ 3,561,421

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

Year	Direct Financing Notes Payable		
	Principal	Interest	Total
2024	\$ 260,000	\$ 19,157	\$ 279,157
2025	266,000	12,917	278,917
2026	272,200	6,533	278,733
Total	\$ 798,200	\$ 38,607	\$ 836,807

Legal Debt Margin

As of December 31, 2023, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$49,207,749 and unvoted legal debt margin was \$20,101,113.

General Obligation Bonds

On November 16, 2015, the City issued \$4,817,000 in general obligation refunding bonds. The bond issue was used to currently refund the 2005 various purpose refunding bonds. The refunded debt is considered defeased (in-substance) and accordingly has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$72,231. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The bonds have a final maturity date of December 1, 2025 and bear an annual interest rate of 2.35%.

On September 2, 2016, the City issued \$8,090,000 in general obligation refunding bonds. The bond issue was used to currently refund the 2006 pension refunding bonds. The refunded debt is considered defeased (in-substance) and accordingly has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$541,340. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This current refunding was undertaken to reduce total debt service payments over the next 15 years by \$958,662 and resulted in an economic gain of \$814,450. The bonds have a final maturity date of December 1, 2031 and bear an annual interest rate of 2.57%.

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. The general obligation bonds are to be repaid from property tax revenues that are received in the debt service fund (a nonmajor governmental fund).

HUD Section 108 Loan

The HUD Section 108 loan will be paid from community development agency entitlements. The HUD Section 108 loan in the amount of \$4,000,000 was issued on December 14, 2018, to finance the construction of an amphitheater adjacent to the existing Covelli Centre.

The HUD loan is a direct borrowing that has terms negotiated directly between the City and HUD and are not offered for public sale. In the event of default, HUD may make an acceleration payment to the fiscal agent/ trustee equal to the unpaid aggregate principal amount of the note, together with accrued and unpaid interest. In the event of any acceleration payment is made from sources other than funds pledged by the City as security under the contract (or other City funds), the amounts paid on the behalf of the City shall be deemed to be immediately due and payable to the Secretary.

ODSA/USEPA Loan

The Ohio Development Services Agency (ODSA)/United States Environmental Protection Agency (USEPA) Brownfield Revolving Loan will be paid from the debt service fund (a nonmajor governmental fund). The loan was made for the cleanup or remediation of a brownfield site within the City, referred to as the Dempsey Steel Project. The loan was approved for an amount not to exceed \$2,000,000. A balance of \$586,795 is outstanding at December 31, 2023. The loan bears no interest until April 1, 2026, at which time an interest rate of 2.00% will go into effect for the remaining term of the loan. Sale or transfer of the project property to any entity will initiate an immediate payoff of the loan.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

The loan is a direct borrowing that has terms negotiated between the City and the ODSA/USEPA. In the event of default of any of the terms or conditions of the loan agreement beyond the lapse of any applicable notice or cure period, the entire outstanding principal balance amount of the loan shall become immediately due and payable, upon demand from the lender. The lender may take the following remedial steps on default: the interest rate may be increased to a rate not to exceed 10% annually, exercise rights in the collateral, obtain access to inspect, examine and make copies of the books and records accounts and financial data of the City, or secure the project property.

*State Infrastructure Bank (SIB) Loan*

In 2020, the City and the Eastgate Regional Council of Governments (EGRCG) entered into SIB loan agreement with the State of Ohio for \$5,000,000 for the SMART2 Network Project as co-signers. This amount represents the EGRCG's construction commitment of \$5,000,000. Repayment of the loan will come from the EGRCG's annual federal funding allocation which is administered by the State of Ohio Department of Transportation (ODOT). The City has agreed to pay the interest costs on the loan. This 8-year loan has a 3.00% interest rate. The City receives the proceeds of the loan from ODOT as expenditures are incurred. During 2023, the City received \$343,995, which is being reported as a liability. A final amortization schedule was not available at year-end.

The SIB loan is considered a direct borrowing. Direct borrowings have terms negotiated directly between the City and the lender and are not offered for public sale. In an event of default, ODOT may assess a late charge equal to 5% of such unpaid amount shall be assessed, in addition to all other sums due, for each month during which the default exists.

*Bond Anticipation Notes Payable*

The City reissued \$3,400,000 in long-term city hall annex bond anticipation notes on July 6, 2022 that bear an interest rate of 3.375% and matured on July 6, 2023. On July 6, 2023, the City issued \$2,900,000 in short-term city hall annex bond anticipation notes that mature July 3, 2024.

Notes that were refinanced prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported in the government-wide statements as a long-term liability. The portion of the 2023 note issue that will be retired on July 3, 2024, has been reported as short-term notes payable in Note 12. The notes are backed by the full faith and credit of the City.

*OWDA Loans*

The City has entered into debt financing arrangements through the OWDA to fund construction projects. The amounts due to the OWDA are payable solely from water and sewer revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2023, the City has outstanding borrowings of \$76,584,864 in the business-type activities. The WWTP secondary treatment improvements project, WWTP electrical upgrades contract B projects, interceptor sewer relocation project, amortization schedules (\$28,751,198) have not been completed at December 31, 2023 and are not included in the amortization schedule shown above. The loan agreements require semi-annual payments and are paid from the sewer and water funds.

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.

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 2040. Annual principal and interest payments on the water loans are expected to require 19.25 percent of net revenues and 2.96 percent of total operating revenue of the water fund. Water loan principal and interest paid for the current year was \$1,027,372. Annual principal and interest payments on the sewer loans are expected to require 56.26 percent of net revenues and 16.8 percent of total operating revenue of the sewer fund. Sewer loan principal and interest paid for the current year was \$5,105,879. The total principal and interest remaining to be paid on the water and sewer loans is \$84,206,991.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

OPWC Loans

An Ohio Public Works Commission Loan (OPWC) was issued to finance the Federal Street reconstruction project and is reported in the governmental activities. The loan was issued in the amount of \$428,576, is interest free and is paid from the debt service fund (a nonmajor governmental fund).

The City has also entered into debt financing arrangements through the OPWC to fund sewer and water construction projects. At December 31, 2023, the City has outstanding borrowings of \$3,998,471 in the business-type activities. The loan agreements require semi-annual payments and are paid from the sewer and water funds. The City entered into a new loan agreement for the pipe storage facility wastewater treatment plan during 2023. \$437,050 in loan proceeds was received. A debt service schedule will be disclosed once the loan is fully disbursed.

OPWC loans are direct borrowings that have terms negotiated directly between the County 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 County 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 County is located to pay the amount of the default from funds that would otherwise be appropriated to the County 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.

The City has pledged future water and sewer revenues to repay OPWC loans. The loans in the business-type activities are payable solely from water and sewer fund revenues and are payable through 2045. Annual principal payments on the water loans are expected to require 2.47 percent of net revenues and 0.38 percent of total operating revenue of the water fund. Water loan principal paid for the current year was \$131,745. Annual principal payments on the sewer loans are expected to require 1.29 percent of net revenues and 0.38 percent of total operating revenue of the sewer fund. Sewer loan principal paid for the current year was \$116,704. The total principal remaining to be paid on the water and sewer loans is \$3,998,471.

Direct Financing Notes Payable

In prior years, governmental activities entered into direct financing notes payable for equipment, snowplow and a fire truck. Capital assets consisting of equipment and vehicles have been capitalized in the statement of net position. Direct financing note payments have been reclassified and are reflected as debt service expenditures in the combined BFS for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. Principal payments made during 2023 totaled \$86,081 paid by the fire levy fund and \$167,848 paid by the police levy fund.

During 2016, business-type activities entered into direct financing notes for garbage trucks and garbage cart containers. Capital assets consisting of vehicles have been capitalized in the statement of net position. The value of assets related to the garbage cart containers was not capitalized because the value of each individual item is under the City's capitalization threshold. The direct financing note payable liability for the garbage trucks at December 31, 2023 is \$798,200 and the direct financing note payable liability for the garbage carts was paid in full. Principal payments made during 2023 totaled \$429,542 paid by the environmental sanitation enterprise fund.

Subscription-Based Information Technology Arrangement (SBITA) Payable:

During 2023, the City entered into agreements for the right to use subscription-based information technology software. The City has reported an intangible capital asset and corresponding liability for the future scheduled payments under the agreement. SBITA payments have been reclassified and are reflected as debt service expenditures for the general fund in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Payments are due on an annual/monthly basis and the SBITAs are scheduled to mature in 2025.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

Compensated Absences Payable

For compensated absences, additions and deletions of accrued vacation and sick leave are shown net since it is impractical for the City to determine these amounts separately. Compensated absences and the net pension liability will be paid from the fund from which the employees' salaries are paid.

Claims Payable

The claims payable liability will be paid from the workers' compensation internal service fund.

Net Pension/OPEB Liability

See Notes 15 and 16 for additional disclosure on net pension liability and net OPEB liability, respectively. The City pays obligations related to employee compensation from the fund benefitting from their service.

**NOTE 12 - NOTES PAYABLE**

Note activity during 2023 consisted of the following:

<u>Governmental activities:</u>	Issue Date	Interest Rate	Balance 12/31/22	Additions	Disposals	Balance 12/31/23
<i>Covelli Centre fund:</i>						
Convocation center	2022	4.125%	\$ 3,400,000	\$ -	\$ (3,400,000)	\$ -
<i>Capital Projects</i>						
<i>Public works fund:</i>						
City hall annex	2023	4.625%	-	500,000	-	500,000
City hall annex	2022	3.375%	500,000	-	(500,000)	-
Total notes payable			<u>\$ 3,900,000</u>	<u>\$ 500,000</u>	<u>\$ (3,900,000)</u>	<u>\$ 500,000</u>

Convocation center: On July 20, 2022, the City issued \$3,400,000 in bond anticipation notes, of which the entire amount was considered short-term. The 2022 note matured on January 19, 2023 and was paid in full. The notes were recorded as a liability in the Covelli Centre fund, which is the fund that originally received the proceeds.

City hall annex: On July 6, 2022, the City issued \$3,900,000 in bond anticipation notes, of which \$500,000 are considered short-term. The proceeds were used to retire the 2021 city hall annex notes that matured July 7, 2022. The 2022 note matured on July 6, 2023.

On July 6, 2023, the City issued \$3,400,000 in bond anticipation notes, of which \$500,000 are considered short-term. The proceeds were used to retire the 2022 city hall annex notes that matured July 6, 2023. The 2023 note matures on July 3, 2024.

The notes are recorded as a liability in the capital projects public works fund (a nonmajor governmental fund), which is the fund that originally received the proceeds. The short-term notes outstanding at December 31, 2023 represent the portion of the 2023 note issue that will be retired when the notes are refinanced on July 3, 2024.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 13 - RISK MANAGEMENT**

**A. Property and Liability**

For calendar year 2023, the City contracted for a package of municipal liability and property insurance through Jackson, Dieken and Associates at an annual premium of \$1,140,041. This package included coverage for deadly weapons, protection for civilians at nine City owned facilities and cyber risk insurance.

The insurance package consisted of a policy from U.S Specialty Insurance Company including: comprehensive general liability and automobile liability with limits of \$1 million per occurrence, aggregate \$3 million and deductibles of \$50,000 per occurrence; public officials liability with prior acts coverage and law enforcement liability coverage with limits of \$1 million per occurrence and deductibles of \$50,000. Two umbrella policies provided additional coverage in the amount of \$10 million. The policy also included JAC Management, LLC and Eric Ryan as additional insured for management of the Covelli Centre, at a premium cost of \$120,500. Coverage was provided for loss to buildings and personal property in the amount of \$321,012,354 with a \$10,000 deductible, coverage for inland marine for scheduled equipment in the amount of \$18,765,611 with a \$10,000 deductible, coverage for vehicles, contractor's equipment and EDP equipment in the amount of \$27,810,481 and auto physical damage catastrophic coverage at two locations with a limit of \$1 million per occurrence and \$25,000 deductible.

Personal faithful performance bonds were purchased for the Clerk of Court in the amount of \$25,000; for the Mayor, the Finance Director and the Law Director in the amount of \$100,000 and for the Bailiff in the amount of \$3,000 and deputy bailiffs in the amount of \$1,000.

In 2023, the City paid deductibles to Tokio Marine HCC in the amount of \$47,913.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

**B. Workers' Compensation**

The City has elected to take advantage of the workers' compensation plan being offered by the State of Ohio. This plan, called retrospective rating, allows the City to pay a fraction of the premium it would pay as an experience-rated risk.

In 2023, the City paid premiums to the State Fund for Workers' Compensation for calendar year 2023 in the amount of \$421,196. The City reimbursed the Bureau of Workers Compensation for actual medical costs and compensation paid to injured workers in the amount of \$202,171 under the Retrospective Rating Plan.

Retrospective rating constitutes a step closer to self-insurance. In the retrospective rating plan, the City agrees to assume a portion of the risk in return for a possible reduction in premiums. The greater the percentage of the risk the City assumes, the greater the potential reduction in the premium. If the City's loss experience is better than predicted by the experience-rating system, its premium obligation will be less than what it would have paid under experience rating. If its experience is worse than predicted, its premium obligation will be more than it would have been assessed under experience rating, limited to a maximum premium. The City has assumed the risk for individual claims up to a maximum of \$300,000.

The City has agreed to pay all claims up to a maximum of 200% of what the City would have paid had the City remained an experience-rated risk. Claims exceeding these limits will be paid by the State. Each year, the City pays the State a minimum premium for retaining the risk of having to pay claims which exceeds the City's maximum claim limits. Ten years after each year the City elected the retrospective plan for workers' compensation, the City settles up for the reserve on any claims that are still open. The City has established a workers' compensation internal service fund to account for and finance its uninsured risks of loss in this program.



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 13 - RISK MANAGEMENT - (Continued)**

The claims liability of \$4,726,372 reported at December 31, 2023, as estimated by the third party administrator, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Of the \$4,726,372 claims liability, \$742,204 of the liability is due within one year and is reported as a current liability in the statement of net position for the proprietary funds. The remaining portion is a noncurrent liability of \$3,984,168. The estimate was not affected by non-incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount in 2023 and 2022 were:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims/ Adjustments</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2023	\$ 3,942,477	\$ 986,066	\$ (202,171)	\$ 4,726,372
2022	2,101,542	2,424,618	(583,683)	3,942,477

**C. Medical, Prescription, Dental and Vision Insurance**

The City is self-insured for employee medical, prescription, dental and vision insurance. The medical and prescription program is administered by UnitedHealthcare, which provides claims review and processing services. The dental and vision programs are administered through Anthem Blue Cross Blue Shield. These self-insurance programs are reported in the self-insurance internal service fund.

The claims liability of \$664,302 reported at December 31, 2023, as estimated by the third party administrators, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Estimates were calculated based upon an independent actuarial evaluation of claims payable. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

A summary of the fund's claims liability during 2023 and 2022 were:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2023	\$ 508,532	\$ 10,147,617	\$ (9,991,847)	\$ 664,302
2022	890,563	8,529,824	(8,911,855)	508,532

**NOTE 14 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

City employees earn sick leave at a rate of one and one quarter days per month, not to exceed 15 days per year. Sick leave may be accumulated without limit. The City's policy is that 35 percent of accrued sick leave will be paid to an employee upon retirement or termination of service.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 14 - EMPLOYEE BENEFITS - (CONTINUED)**

City employees earn two to six weeks of vacation per year, depending upon length of service. Upon termination of service, an employee is entitled to receive payment for any unused vacation time plus accrued vacation time earned during the year.

For governmental funds, the current portion of unpaid compensated absences is recorded as a current liability in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the statement of activities. In proprietary funds, the entire amount of compensated absences is reported as a fund liability. As of December 31, 2023, the liability for unpaid compensated absences was \$8,509,861 for the entire City.

**B. Life Insurance**

During 2023, the City provided life insurance and accidental death and dismemberment insurance in equal amounts to its active employees with the exception of AFSCME employees through a plan with Standard Life. The benefit amounts remained the same: \$9,500 with the exception of Waste Water Treatment Plant union employees who had coverage in the amount of \$15,000 and Fire Department, 911, Police and Street department union employees who had coverage in the amount of \$20,000. In addition, eligible retirees were covered for death amount benefit amounts ranging from \$1,500 to \$4,750, depending on retirement date.

**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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 due to other governments and payroll withholding 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.

THIS SPACE IS INTENTIONALLY LEFT BLANK

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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):

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

THIS SPACE IS INTENTIONALLY LEFT BLANK

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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
<b>2023 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2023 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

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

\*\* 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 \$3,192,716 for 2023. Of this amount, \$494,096 is reported as due to other governments and payroll withholding payable.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***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](http://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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$4,182,850 for 2023. Of this amount, \$666,128 is reported as due to other governments and payroll withholding payable.

***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:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.147581%	0.079401%	0.719773%	
Proportion of the net pension liability/asset current measurement date	<u>0.135209%</u>	<u>0.068325%</u>	<u>0.681689%</u>	
Change in proportionate share	<u>-0.012372%</u>	<u>-0.011076%</u>	<u>-0.038084%</u>	
Proportionate share of the net pension liability	\$ 39,940,753	\$ -	\$ 64,753,847	\$ 104,694,600
Proportionate share of the net pension asset	-	(161,034)	-	(161,034)
Pension expense	4,818,890	20,647	6,861,561	11,701,098

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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	OP&F	Total
<b>Deferred outflows of resources</b>				
Differences between expected and actual experience	\$ 1,326,663	\$ 9,900	\$ 971,280	\$ 2,307,843
Net difference between projected and actual earnings on pension plan investments	11,384,366	58,690	9,427,367	20,870,423
Changes of assumptions	421,945	10,664	5,840,575	6,273,184
Changes in employer's proportionate percentage/ difference between employer contributions	186,069	-	790,134	976,203
Contributions subsequent to the measurement date	3,154,907	37,809	4,182,850	7,375,566
Total deferred outflows of resources	<u>\$ 16,473,950</u>	<u>\$ 117,063</u>	<u>\$ 21,212,206</u>	<u>\$ 37,803,219</u>

	OPERS - Traditional	OPERS - Combined	OP&F	Total
<b>Deferred inflows of resources</b>				
Differences between expected and actual experience	\$ -	\$ 23,015	\$ 1,475,284	\$ 1,498,299
Changes of assumptions	-	-	1,262,682	1,262,682
Changes in employer's proportionate percentage/ difference between employer contributions	1,326,428	-	3,411,165	4,737,593
Total deferred inflows of resources	<u>\$ 1,326,428</u>	<u>\$ 23,015</u>	<u>\$ 6,149,131</u>	<u>\$ 7,498,574</u>

\$7,375,566 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.



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 15 – DEFINED BENEFIT PENSION PLANS – (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OP&F	Total
2024	\$ 833,604	\$ 2,382	\$ 533,276	\$ 1,369,262
2025	2,231,182	10,797	2,592,605	4,834,584
2026	3,350,974	14,987	3,185,378	6,551,339
2027	5,576,855	25,265	5,044,383	10,646,503
2028	-	(66)	(475,417)	(475,483)
Thereafter	-	2,874	-	2,874
<b>Total</b>	<b>\$ 11,992,615</b>	<b>\$ 56,239</b>	<b>\$ 10,880,225</b>	<b>\$ 22,929,079</b>

***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 2023, 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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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	<u>100.00 %</u>	

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**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	\$ 59,829,917	\$ 39,940,753	\$ 23,396,540
Combined Plan	(84,039)	(161,034)	(222,055)

**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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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
<b>Total</b>	<b>125.00 %</b>	

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 earnings 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.

	Current		
	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 85,422,818	\$ 64,753,847	\$ 47,571,730

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$6,301 for 2023. Of this amount, \$975 is reported as due to other governments and payroll withholding 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](http://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.



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The City's contractually required contribution to OP&F was \$99,931 for 2023. Of this amount, \$15,914 is reported as due to other governments and payroll withholding 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:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.141811%	0.719773%	
Proportion of the net OPEB liability current measurement date	<u>0.130344%</u>	<u>0.681689%</u>	
Change in proportionate share	<u>-0.011467%</u>	<u>-0.038084%</u>	
Proportionate share of the net OPEB liability	\$ 821,840	\$ 4,853,429	\$ 5,675,269
OPEB expense	(1,784,025)	(11,208)	(1,795,233)

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 289,622	\$ 289,622
Net difference between projected and actual earnings on OPEB plan investments	1,632,205	416,278	2,048,483
Changes of assumptions	802,711	2,418,683	3,221,394
Changes in employer's proportionate percentage/difference between employer contributions	21,812	80,581	102,393
Contributions subsequent to the measurement date	<u>6,301</u>	<u>99,931</u>	<u>106,232</u>
Total deferred outflows of resources	<u>\$ 2,463,029</u>	<u>\$ 3,305,095</u>	<u>\$ 5,768,124</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 205,000	\$ 956,995	\$ 1,161,995
Changes of assumptions	66,049	3,969,706	4,035,755
Changes in employer's proportionate percentage/ difference between employer contributions	<u>31,367</u>	<u>1,178,138</u>	<u>1,209,505</u>
Total deferred inflows of resources	<u>\$ 302,416</u>	<u>\$ 6,104,839</u>	<u>\$ 6,407,255</u>

\$106,232 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:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2024	\$ 271,769	\$ (480,261)	\$ (208,492)
2025	585,081	(433,161)	151,920
2026	508,975	(299,317)	209,658
2027	788,487	(179,181)	609,306
2028	-	(457,307)	(457,307)
Thereafter	-	(1,050,448)	(1,050,448)
Total	<u>\$ 2,154,312</u>	<u>\$ (2,899,675)</u>	<u>\$ (745,363)</u>

***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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
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	<u>100.00 %</u>	

**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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 2,797,173	\$ 821,840	\$ (808,130)

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***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	\$ 770,331	\$ 821,840	\$ 879,819

***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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
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	<u>125.00 %</u>	

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%.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)**

*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	\$ 5,976,541	\$ 4,853,429	\$ 3,905,232

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. 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); are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP);
4. Investments are reported at fair value (GAAP) rather than cost (budget); and,
5. 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.



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

	<b>Net Change in Fund Balance</b>			
	<u>General</u>	<u>Fire Levy</u>	<u>Police Levy</u>	<u>American Rescue Plan</u>
Budget basis	\$ (513,263)	\$ (244,634)	\$ (332,572)	\$ (69,457,017)
Net adjustment for revenue accruals	1,086,236	966,995	1,169,840	11,160,891
Net adjustment for expenditure accruals	(54,236)	89,318	(361,887)	(685,190)
Net adjustment for other financing sources/uses	2,724,141	-	35,000	-
Funds budgeted elsewhere	35,121	-	-	-
Adjustment for encumbrances	<u>1,108,569</u>	<u>77,240</u>	<u>847,294</u>	<u>62,312,217</u>
GAAP basis	<u>\$ 4,386,568</u>	<u>\$ 888,919</u>	<u>\$ 1,357,675</u>	<u>\$ 3,330,901</u>

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 emergency 911 system fund, unclaimed monies fund, federal plaza ad hoc committee fund, business development lease payments fund, rental property registration fund, parking lot fund, contingency fund, fire demolition escrow fund, suspense fund, vacant property foreclosure fund and payroll 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 of Youngstown is currently party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

**C. Asset Retirement Obligations**

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio Environmental Protection Agency (Ohio EPA) for approval. Through this permitting process, the City would be responsible for addressing any public safety issues associated with their sewage treatment facilities and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. Due to the lack of specific legal requirements for retiring the sewage treatment plant, the City has determined that the asset retirement obligation cannot be reasonably estimated.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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 in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 1,025,474
Fire levy	73,253
Police levy	264,636
ARP	61,592,463
Other governmental	<u>30,772,872</u>
Total	<u>\$ 93,728,698</u>

THIS SPACE INTENTIONALLY LEFT BLANK

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 20 - 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 in the following table.

Fund Balances	General	Fire Levy	Police Levy	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental
<b><i>Nonspendable</i></b>						
Materials and supplies inventory	\$ -	\$ -	\$ 32,855	\$ -	\$ 359,577	\$ 392,432
Loans receivable	2,978,400	-	-	-	-	2,978,400
Unclaimed monies	38,550	-	-	-	-	38,550
<b><i>Total Nonspendable</i></b>	<b>3,016,950</b>	<b>-</b>	<b>32,855</b>	<b>-</b>	<b>359,577</b>	<b>3,409,382</b>
<b><i>Restricted For</i></b>						
Capital projects	-	-	-	-	3,876,225	3,876,225
Debt service	-	-	-	-	2,960,169	2,960,169
Community development	-	-	-	-	831,388	831,388
Street maintenance and repair	-	-	-	-	4,523,086	4,523,086
Public health and welfare	-	-	-	-	1,686	1,686
Law enforcement	-	-	2,915,574	-	2,282,193	5,197,767
Fire services	-	2,097,150	-	-	-	2,097,150
Leisure time activities	-	-	-	-	2,168,710	2,168,710
<b><i>Total Restricted</i></b>	<b>-</b>	<b>2,097,150</b>	<b>2,915,574</b>	<b>-</b>	<b>16,643,457</b>	<b>21,656,181</b>
<b><i>Committed To</i></b>						
Community development	-	-	-	-	11,516	11,516
American Rescue Plan	-	-	-	3,687,950	-	3,687,950
Capital projects	-	-	-	-	3,142,568	3,142,568
<b><i>Total Committed</i></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,687,950</b>	<b>3,154,084</b>	<b>6,842,034</b>
<b><i>Assigned To</i></b>						
Subsequent year appropriations	1,014,969	-	-	-	-	1,014,969
General government	24,288	-	-	-	-	24,288
Community development	304,990	-	-	-	-	304,990
Law enforcement	61,503	-	-	-	-	61,503
<b><i>Total Assigned</i></b>	<b>1,405,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,405,750</b>
<b><i>Unassigned (deficit)</i></b>	<b>12,714,537</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(968,935)</b>	<b>11,745,602</b>
<b><i>Total Fund Balances</i></b>	<b>\$ 17,137,237</b>	<b>\$ 2,097,150</b>	<b>\$ 2,948,429</b>	<b>\$ 3,687,950</b>	<b>\$ 19,188,183</b>	<b>\$ 45,058,949</b>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 21 - TAX ABATEMENTS**

As of December 31, 2023, the City provides tax abatements through the Community Reinvestment Area One (CRA) program, which was passed by Ordinance by City Council on May 18, 2011 and was amended on July 20, 2011. This program relates 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.

The City has entered into agreements to abate property taxes through this CRA program. During 2023, the City's property tax revenues were reduced by \$25,573 as a result of this program.

**NOTE 22 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**NOTE 23 - YOUNGSTOWN CITY HEALTH DISTRICT**

The constitution and laws of the State of Ohio establish the rights and privileges of the Youngstown City Health District (the "Health District") as a body corporate and politic. A five-member Board and a Health Commissioner govern the Health District. Consistent with the provisions of the Ohio Revised Code Section 3709.36, the Health District is a legally separate organization. The Health District's services include communicable disease investigations, immunization clinics, tuberculosis screenings, home visits, public health nursing services and issues, health-related licenses and permits, emergency preparedness activities as well as birth certificates and death certificates. The Mayor appoints a voting majority of the Health District Board. The rates charged by the City are subject to the approval of City Council. In addition, the City provides funding to the Health District, thus the City can impose will on the Health District, and the Health District imposes a financial burden to the City. Therefore, The Health District is considered a discretely presented component unit of the City of Youngstown.

The Health District's management believes these financial statements present all activities for which the Health District is financially accountable. The Health District has no component units.

**Summary of Significant Accounting Policies**

The financial statements of the Health District have been prepared in conformity with GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Health District's accounting policies are described as follows.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 23 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

***Basis of Presentation - Government-Wide Financial Statements*** - The statement of net position and the statement of activities display information about the Health District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The Health District has no fiduciary funds. The statements distinguish between those activities of the Health District that are governmental and those that are considered business-type activities. The Health District has no business-type activities.

The statement of net position presents the financial condition of the governmental activities and business-type activities for the Health District at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Health District's activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are 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 operation of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Health District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Health District.

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

***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.

***Revenues-Exchange and Nonexchange Transactions*** - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. Nonexchange transactions, in which the Health District receives value without directly giving equal value in return, include intergovernmental contractual allocations from participating local governments, grants, entitlements, and donations. Revenue from intergovernmental contractual allocations, grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Health District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Health District on a reimbursement basis.

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Health District, deferred inflows of resources are reported on the government-wide statement of net position for pension and OPEB.

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 23 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

**Capital Assets** - Capital assets are reported in the government-wide financial statements. In accordance with the City’s policy, all capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Health District maintains a capitalization threshold of \$10,000, in accordance with the City’s policy.

All reported capital assets are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Machinery and equipment	5 - 20
Vehicles	8

**Inventories of Materials and Supplies** - On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. Inventory consists of expendable supplies held for consumption.

**Compensated Absences** - Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Health District will compensate the employees for the benefits through paid time off or some other means. The Health District 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 for the Health District using the vesting method, which follows the City’s policy. A liability is accrued for thirty-five percent of accumulated unused sick leave for all employees since the employees are entitled to that amount if they leave the City's employment for any reason, which follow’s the City’s policy.

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

**Net Position** - Net position represents the difference between all other elements on the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Health District’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**Deposits and Investments**

The City of Youngstown Finance Director is custodian for the Health District’s deposits. The City’s deposit and investment pool holds the Health District’s assets, valued at the reported carrying amount.

**Receivables**

Receivables at December 31, 2023 consisted of intergovernmental receivables arising from grants. Receivables have been recorded to the extent that they are measurable at December 31, 2023. All receivables are expected to be collected in the subsequent year. At December 31, 2023, the Health District had \$98,639 in intergovernmental receivables.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 23 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

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

<u>Intergovernmental receivables:</u>	
Health improvement zone pilot project	\$ 81,268
Workforce development	<u>17,371</u>
Total	<u>\$ 98,639</u>

**Capital Assets**

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

	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/23</u>
<b><u>Governmental activities:</u></b>				
<i>Capital assets, being depreciated:</i>				
Machinery equipment	\$ 201,229	\$ -	\$ -	\$ 201,229
Vehicles	<u>313,371</u>	<u>62,004</u>	<u>(109,514)</u>	<u>265,861</u>
Total capital assets, being depreciated	<u>514,600</u>	<u>62,004</u>	<u>(109,514)</u>	<u>467,090</u>
<i>Less: accumulated depreciation:</i>				
Machinery and equipment	(182,000)	(4,709)	-	(186,709)
Vehicles	<u>(253,772)</u>	<u>(19,784)</u>	<u>109,514</u>	<u>(164,042)</u>
Total accumulated depreciation	<u>(435,772)</u>	<u>(24,493)</u>	<u>109,514</u>	<u>(350,751)</u>
Total capital assets being depreciated, net	<u>78,828</u>	<u>37,511</u>	<u>-</u>	<u>116,339</u>
Governmental activities capital assets, net	<u>\$ 78,828</u>	<u>\$ 37,511</u>	<u>\$ -</u>	<u>\$ 116,339</u>

Depreciation expense was charged to governmental activities as follows:

<b><u>Governmental activities:</u></b>	
Public health and welfare	<u>\$ 24,493</u>

**Long-Term Obligations**

Changes in the Health District's long-term obligations during the year consisted of the following.

	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/23</u>	Due Within <u>One Year</u>
Compensated absences	\$ 158,007	\$ 67,585	\$ (75,867)	\$ 149,725	\$ 25,935
Net pension liability	496,841	1,372,201	-	1,869,042	-
Net OPEB liability	<u>-</u>	<u>38,458</u>	<u>-</u>	<u>38,458</u>	<u>-</u>
Total governmental-type long-term obligations	<u>\$ 654,848</u>	<u>\$ 1,478,244</u>	<u>\$ (75,867)</u>	<u>\$ 2,057,225</u>	<u>\$ 25,935</u>

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 23 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

Compensated absences, net pension liability and net OPEB liability are paid from the fund from which the respective employees' salaries are paid.

**Risk Management**

The Health District is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The Health District is included under the City's programs for property and liability and workers' compensation, health, prescription, dental and vision insurance, see Note 13 for detail.

**Employee Benefits**

The Health District is included under the City's programs for compensated absences and life insurance benefits, see Note 14 for detail.

**Defined Benefit Pension Plans**

Plan descriptions and actuarial information for the Health District's defined benefit pension plans are the same as the City's (see Note 15 for detail).

The Health District's contractually required contribution for the Traditional Pension Plan and the Combined Plan was \$149,404 for 2023.

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. The Health District's proportion of the net pension liability or asset was based on the Health District'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	Total
Proportion of the net pension liability/asset prior measurement date	0.005711%	0.003072%	
Proportion of the net pension liability/asset current measurement date	<u>0.006327%</u>	<u>0.003197%</u>	
Change in proportionate share	<u>0.000616%</u>	<u>0.000125%</u>	
Proportionate share of the net pension liability	\$ 1,869,042	\$ -	\$ 1,869,042
Proportionate share of the net pension asset	-	(7,536)	(7,536)
Pension expense	306,583	966	307,549



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 23 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

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

	OPERS - Traditional	OPERS - Combined	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 62,082	\$ 463	\$ 62,545
Net difference between projected and actual earnings on pension plan investments	532,736	2,746	535,482
Changes of assumptions	19,745	499	20,244
Changes in employer's proportionate percentage/ difference between employer contributions	92,198	-	92,198
Contributions subsequent to the measurement date	147,635	1,769	149,404
Total deferred outflows of resources	<u>\$ 854,396</u>	<u>\$ 5,477</u>	<u>\$ 859,873</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	<u>\$ -</u>	<u>\$ 1,077</u>	<u>\$ 1,077</u>

\$149,404 reported as deferred outflows of resources related to pension resulting from Health District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2024.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 23 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	Total
2024	\$ 49,127	\$ 111	\$ 49,238
2025	131,490	505	131,995
2026	197,483	701	198,184
2027	328,661	1,182	329,843
2028	-	(3)	(3)
Thereafter	-	135	135
<b>Total</b>	<b>\$ 706,761</b>	<b>\$ 2,631</b>	<b>\$ 709,392</b>

***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
Health District's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 2,799,762	\$ 1,869,042	\$ 1,094,849
Combined Plan	(3,933)	(7,536)	(10,391)

**Defined Benefit OPEB Plan**

Plan descriptions and actuarial information for the Health District's defined benefit OPEB plan are the same as the City's (see Note 16 for detail).

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Health District's contractually required contribution was \$295 for 2023.

The net OPEB liability/asset 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. The Health District's proportion of the net OPEB asset was based on the Health District's share of contributions to the retirement plan relative to the contributions of all participating entities.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 23 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

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

	OPERS
Proportion of the net OPEB asset	
prior measurement date	0.005487%
Proportion of the net OPEB liability	
current measurement date	0.006099%
Change in proportionate share	0.000612%
Proportionate share of the net OPEB liability	\$ 38,458
OPEB expense	(97,864)

At December 31, 2023, the Health District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
<b>Deferred outflows of resources</b>	
Net difference between projected and actual earnings on OPEB plan investments	\$ 76,380
Changes of assumptions	37,563
Changes in employer's proportionate percentage/ difference between employer contributions	4,285
Contributions subsequent to the measurement date	295
Total deferred outflows of resources	\$ 118,523

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 23 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

	OPERS
<b>Deferred inflows of resources</b>	
Differences between expected and actual experience	\$ 9,593
Changes of assumptions	3,091
Changes in employer's proportionate percentage/difference between employer contributions	731
Total deferred inflows of resources	\$ 13,415

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
Year Ending December 31:	
2024	\$ 13,222
2025	28,466
2026	24,763
2027	38,362
Total	\$ 104,813

***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
Health District's proportionate share of the net OPEB liability	\$ 130,895	\$ 38,458	\$ (37,817)

***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.

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 23 - YOUNGSTOWN CITY HEALTH DISTRICT - (Continued)**

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Health District's proportionate share of the net OPEB liability	\$ 36,048	\$ 38,458	\$ 41,171

**Contingencies**

**Grants** - The Health District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Health District at December 31, 2023.

**Litigation** - The Health District is not party to any legal proceedings that, in the opinion of management, will have a material adverse effect on the financial condition of the Health District.

**COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the Health District received COVID-19 funding. The Health District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**NOTE 24 - SIGNIFICANT SUBSEQUENT EVENTS**

The \$3,400,000 city annex bond anticipation notes issued in 2023 will be retired on July 3, 2024, with \$2,900,000 in Series 2024 bond anticipation notes.

THIS PAGE IS INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.135209%	0.147581%	0.142341%	0.154286%
City's proportionate share of the net pension liability	\$ 39,940,753	\$ 12,840,183	\$ 21,077,539	\$ 30,495,671
City's covered payroll	\$ 20,666,543	\$ 21,715,264	\$ 19,054,707	\$ 20,676,121
City's proportionate share of the net pension liability as a percentage of its covered payroll	193.26%	59.13%	110.62%	147.49%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	92.62%	86.88%	82.17%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.068325%	0.079401%	0.068737%	0.072501%
City's proportionate share of the net pension asset	\$ 161,034	\$ 312,843	\$ 198,419	\$ 151,182
City's covered payroll	\$ 321,293	\$ 363,507	\$ 301,379	\$ 323,071
City's proportionate share of the net pension asset as a percentage of its covered payroll	50.12%	86.06%	65.84%	46.80%
Plan fiduciary net position as a percentage of the total pension asset	137.14%	169.88%	157.67%	145.28%

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



	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	0.160884%	0.172400%	0.173353%	0.177908%	0.177897%	0.177897%
\$	44,062,779	\$ 27,046,218	\$ 39,365,518	\$ 30,815,908	\$ 21,456,366	\$ 20,971,738
\$	21,435,150	\$ 22,684,269	\$ 22,805,742	\$ 22,931,033	\$ 21,738,708	\$ 20,677,369
	205.56%	119.23%	172.61%	134.39%	98.70%	101.42%
	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
	0.070680%	0.079377%	0.077737%	0.070410%	0.070825%	0.070825%
\$	79,078	\$ 108,058	\$ 43,266	\$ 34,263	\$ 27,269	\$ 7,432
\$	313,950	\$ 325,085	\$ 302,592	\$ 256,225	\$ 258,892	\$ 237,800
	25.19%	33.24%	14.30%	13.37%	10.53%	3.13%
	126.64%	137.28%	116.55%	116.90%	114.83%	104.56%

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability	0.681689%	0.719773%	0.702142%	0.733633%
City's proportionate share of the net pension liability	\$ 64,753,847	\$ 44,967,222	\$ 47,865,657	\$ 49,421,404
City's covered payroll	\$ 19,721,654	\$ 18,372,007	\$ 18,073,891	\$ 18,435,823
City's proportionate share of the net pension liability as a percentage of its covered payroll	328.34%	244.76%	264.83%	268.07%
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

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.758922%	0.794354%	0.803213%	0.856255%	0.872449%	0.872449%
\$ 61,948,089	\$ 48,753,106	\$ 50,874,690	\$ 55,083,495	\$ 45,196,507	\$ 42,491,013
\$ 18,094,058	\$ 17,495,355	\$ 17,490,726	\$ 18,068,047	\$ 17,266,849	\$ 17,294,527
342.37%	278.66%	290.87%	304.87%	261.75%	245.69%
63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 3,154,907	\$ 2,893,316	\$ 3,040,137	\$ 2,667,659
Contributions in relation to the contractually required contribution	<u>(3,154,907)</u>	<u>(2,893,316)</u>	<u>(3,040,137)</u>	<u>(2,667,659)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 22,535,050	\$ 20,666,543	\$ 21,715,264	\$ 19,054,707
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 37,809	\$ 44,981	\$ 50,891	\$ 42,193
Contributions in relation to the contractually required contribution	<u>(37,809)</u>	<u>(44,981)</u>	<u>(50,891)</u>	<u>(42,193)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 315,075	\$ 321,293	\$ 363,507	\$ 301,379
Contributions as a percentage of covered payroll	12.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,894,657	\$ 3,000,921	\$ 2,948,955	\$ 2,736,689	\$ 2,751,724	\$ 2,608,645
<u>(2,894,657)</u>	<u>(3,000,921)</u>	<u>(2,948,955)</u>	<u>(2,736,689)</u>	<u>(2,751,724)</u>	<u>(2,608,645)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 20,676,121	\$ 21,435,150	\$ 22,684,269	\$ 22,805,742	\$ 22,931,033	\$ 21,738,708
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$ 45,230	\$ 43,953	\$ 42,261	\$ 36,311	\$ 30,747	\$ 31,067
<u>(45,230)</u>	<u>(43,953)</u>	<u>(42,261)</u>	<u>(36,311)</u>	<u>(30,747)</u>	<u>(31,067)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 323,071	\$ 313,950	\$ 325,085	\$ 302,592	\$ 256,225	\$ 258,892
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Police:</i>				
Contractually required contribution	\$ 2,169,796	\$ 2,205,831	\$ 1,875,307	\$ 1,886,140
Contributions in relation to the contractually required contribution	<u>(2,169,796)</u>	<u>(2,205,831)</u>	<u>(1,875,307)</u>	<u>(1,886,140)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 11,419,979	\$ 11,609,637	\$ 9,870,037	\$ 9,927,053
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
 <i>Fire:</i>				
Contractually required contribution	\$ 2,013,054	\$ 1,906,324	\$ 1,997,963	\$ 1,914,507
Contributions in relation to the contractually required contribution	<u>(2,013,054)</u>	<u>(1,906,324)</u>	<u>(1,997,963)</u>	<u>(1,914,507)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 8,566,187	\$ 8,112,017	\$ 8,501,970	\$ 8,146,838
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,009,648	\$ 1,962,364	\$ 1,847,579	\$ 1,868,450	\$ 1,940,251	\$ 1,811,884
<u>(2,009,648)</u>	<u>(1,962,364)</u>	<u>(1,847,579)</u>	<u>(1,868,450)</u>	<u>(1,940,251)</u>	<u>(1,811,884)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,577,095	\$ 10,328,232	\$ 9,724,100	\$ 9,833,947	\$ 10,211,847	\$ 9,536,232
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
\$ 1,846,801	\$ 1,824,969	\$ 1,826,245	\$ 1,799,343	\$ 1,846,207	\$ 1,816,695
<u>(1,846,801)</u>	<u>(1,824,969)</u>	<u>(1,826,245)</u>	<u>(1,799,343)</u>	<u>(1,846,207)</u>	<u>(1,816,695)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,858,728	\$ 7,765,826	\$ 7,771,255	\$ 7,656,779	\$ 7,856,200	\$ 7,730,617
23.50%	23.50%	23.50%	23.50%	23.50%	23.50%

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability/asset	0.130344%	0.141811%	0.136741%	0.147816%	0.153860%	0.165290%	0.165889%
City's proportionate share of the net OPEB liability/(asset)	\$ 821,840	\$ (4,441,730)	\$ (2,436,146)	\$ 20,417,280	\$ 20,059,776	\$ 17,949,276	\$ 16,755,327
City's covered payroll	\$ 20,987,836	\$ 22,078,771	\$ 19,356,086	\$ 20,999,192	\$ 21,749,100	\$ 23,009,354	\$ 23,108,334
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	3.92%	20.12%	12.59%	97.23%	92.23%	78.01%	72.51%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

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



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.681689%	0.719773%	0.702142%	0.733633%	0.758922%	0.794354%	0.803213%
City's proportionate share of the net OPEB liability	\$ 4,853,429	\$ 7,889,326	\$ 7,439,310	\$ 7,246,624	\$ 6,911,149	\$ 45,006,996	\$ 38,126,715
City's covered payroll	\$ 19,721,654	\$ 18,372,007	\$ 18,073,891	\$ 18,435,823	\$ 18,094,058	\$ 17,495,355	\$ 17,490,726
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	24.61%	42.94%	41.16%	39.31%	38.20%	257.25%	217.98%
Plan fiduciary net position as a percentage of the total OPEB liability	52.59%	46.86%	45.42%	47.08%	46.57%	14.13%	15.96%

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

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually required contribution	\$ 6,301	\$ -	\$ -	\$ 13,100
Contributions in relation to the contractually required contribution	(6,301)	-	-	(13,100)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 22,850,125	\$ 20,987,836	\$ 22,078,771	\$ 19,356,086
Contributions as a percentage of covered payroll	0.03%	0.00%	0.00%	0.07%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 12,063	\$ 11,574	\$ 242,252	\$ 468,063	\$ 463,745	\$ 232,922
<u>(12,063)</u>	<u>(11,574)</u>	<u>(242,252)</u>	<u>(468,063)</u>	<u>(463,745)</u>	<u>(232,922)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 20,999,192	\$ 21,749,100	\$ 23,009,354	\$ 23,108,334	\$ 23,187,258	\$ 21,997,600
0.06%	0.05%	1.05%	2.03%	2.00%	1.06%

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Police:</i>				
Contractually required contribution	\$ 57,100	\$ 58,048	\$ 49,350	\$ 49,635
Contributions in relation to the contractually required contribution	<u>(57,100)</u>	<u>(58,048)</u>	<u>(49,350)</u>	<u>(49,635)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 11,419,979	\$ 11,609,637	\$ 9,870,037	\$ 9,927,053
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 42,831	\$ 40,560	\$ 42,510	\$ 40,734
Contributions in relation to the contractually required contribution	<u>(42,831)</u>	<u>(40,560)</u>	<u>(42,510)</u>	<u>(40,734)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 8,566,187	\$ 8,112,017	\$ 8,501,970	\$ 8,146,838
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 52,885	\$ 51,641	\$ 48,621	\$ 49,170	\$ 52,439	\$ 52,545
<u>(52,885)</u>	<u>(51,641)</u>	<u>(48,621)</u>	<u>(49,170)</u>	<u>(52,439)</u>	<u>(52,545)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,577,095	\$ 10,328,232	\$ 9,724,100	\$ 9,833,947	\$ 10,211,847	\$ 9,536,232
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
\$ 39,294	\$ 38,829	\$ 38,856	\$ 38,284	\$ 39,281	\$ 42,051
<u>(39,294)</u>	<u>(38,829)</u>	<u>(38,856)</u>	<u>(38,284)</u>	<u>(39,281)</u>	<u>(42,051)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,858,728	\$ 7,765,826	\$ 7,771,255	\$ 7,656,779	\$ 7,856,200	\$ 7,730,617
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023

---

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)

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

---

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)

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

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)



**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

---

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.

## **SUPPLEMENTARY INFORMATION**

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

Federal Grantor/ Pass Through Grantor Program/Cluster Title	Assistance Listing Number	Pass Through Entity Number/Grant Number	Passed Through to Subrecipients	Disbursements
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>Direct Programs</i>				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grant/Entitlement Grants - 42rd Year	14.218	B-16-MC-39-0023	\$ -	\$ 215,576
Community Development Block Grant/Entitlement Grants - 43rd Year	14.218	B-17-MC-39-0023	-	1,372
Community Development Block Grant/Entitlement Grants - 44th Year	14.218	B-18-MC-39-0023	38,331	38,332
Community Development Block Grant/Entitlement Grants - 45th Year	14.218	B-19-MC-39-0023	-	213,947
COVID-19 Community Development Block Grant/Entitlement Grants - 45th Year CARES Act	14.218	COVID-19, B-20-MW-39-0023	573,950	574,018
Community Development Block Grant/Entitlement Grants - 46th Year	14.218	B-20-MC-39-0023	209,047	209,048
Community Development Block Grant/Entitlement Grants - 47th Year	14.218	B-21-MC-39-0023	328,932	801,087
Community Development Block Grant/Entitlement Grants - 48th Year	14.218	B-22-MC-39-0023	809,129	820,901
Community Development Block Grant/Entitlement Grants - 49th Year	14.218	B-23-MC-39-0023	1,025,786	1,025,786
<i>Subtotal CDBG - Entitlement Grants Cluster</i>			<u>2,985,175</u>	<u>3,900,067</u>
Emergency Solutions Grants Program	14.231	E-20-MC-39-0023	-	10,617
COVID-19 Emergency Solutions Grants Program CARES Act	14.231	COVID-19, E-20-MW-39-0023	531,676	531,676
Emergency Solutions Grants Program	14.231	E-21-MC-39-0023	130,118	140,303
Emergency Solutions Grants Program	14.231	E-22-MC-39-0023	205,506	205,506
<i>Subtotal Emergency Solutions Grants Program</i>			<u>867,300</u>	<u>888,102</u>
HOME Investment Partnerships Program	14.239	MC-19-MC-39-0209	3,125	3,125
HOME Investment Partnerships Program	14.239	MC-20-MC-39-0209	7,430	7,430
HOME Investment Partnerships Program	14.239	MC-21-MC-39-0023	199,742	199,742
HOME Investment Partnerships Program	14.239	MC-21-MP-39-0209	10,000	11,145
HOME Investment Partnerships Program	14.239	MC-22-MP-39-0023	380,768	380,768
<i>Subtotal HOME Investment Partnerships Program</i>			<u>601,065</u>	<u>602,210</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>4,453,540</u></b>	<b><u>5,390,379</u></b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<i>Passed through the Ohio Office of Criminal Justice Services</i>				
Edward Byrne Memorial Justice Assistance Program	16.738	2020-DJ-BX-0463	-	16,366
Edward Byrne Memorial Justice Assistance Program	16.738	15PBJA-21-GG-01744-JAGX	-	9,941
<i>Subtotal Edward Byrne Memorial Justice Assistance Grant Program</i>			<u>-</u>	<u>26,307</u>
Bulletproof Vest Partnership Program	16.607	2021-BU-BX-20020818	-	12,776
Treatment Court Discretionary Grant Program	16.585	2019-DC-BX-0054	-	94,718
Public Safety Partnership and Community Policing Grants	16.710	2020-UM-WX-0322	-	339,011
<b>Total U.S. Department of Justice</b>			<b><u>-</u></b>	<b><u>472,812</u></b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
<i>Passed Through The Ohio Department of Transportation</i>				
Highway Planning and Construction	20.205	107228	-	3,618
Highway Planning and Construction	20.205	110187	-	1,669,247
Highway Planning and Construction	20.205	112622	-	73,398
Highway Planning and Construction	20.205	113776	-	38,683
<i>Subtotal Highway Planning and Construction</i>			<u>-</u>	<u>1,784,946</u>
				Continued

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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

Federal Grantor/ Pass Through Grantor Program/Cluster Title	Assistance Listing Number	Pass Through Entity Number/Grant Number	Passed Through to Subrecipients	Disbursements
<i>Passed Through The Ohio Department of Public Safety</i>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP-2022-00075-2A	-	1,875
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600	STEP-2022-00075-2B	-	10,944
State and Community Highway Safety	20.600	STEP-2023-00075-2B	-	1,298
<i>Subtotal Highway Safety Cluster</i>			-	12,242
<i>Passed Through The Ohio Department of Transportation</i>				
National Infrastructure Investments	20.933	110187	-	3,538,227
<b><i>Total U.S. Department of Transportation</i></b>			-	<b>5,337,290</b>
<b><u>U.S. APPALACHIAN REGIONAL COMMISSION</u></b>				
<i>Passed Through The Ohio Department of Transportation</i>				
Appalachian Area Development	23.002	110187	-	207,540
<b><i>Total U.S. Appalachian Regional Commission</i></b>			-	<b>207,540</b>
<b><u>U.S. DEPARTMENT OF THE TREASURY</u></b>				
<i>Direct</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, SLFRP1064	-	10,178,555
<i>Passed through the Ohio Department of Safety</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, 22-AR-LEP-1044	-	70,000
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, 22-AR-LEP-1044S	-	340,588
<b><i>Total Coronavirus State and Local Fiscal Recovery Funds and U.S. Department of the Treasury</i></b>			-	<b>10,589,143</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 4,453,540</b>	<b>\$ 21,997,164</b>

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

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 Youngstown (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 not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - SUBRECIPIENTS**

The City passes certain federal awards received from Community Development Block Grant - Entitlement Grants (CDBG) Cluster, CDBG - Emergency Solutions Cash Program, and HOME Investments Partnership Program to other governments or not-for-profit agencies (subrecipients). As Note B describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**NOTE E - MATCHING REQUIREMENTS**

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

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

City of Youngstown  
Mahoning County  
26 South Phelps Street  
Youngstown, Ohio 44503

To the Members of the City Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Youngstown, Mahoning County, Ohio, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Youngstown’s basic financial statements, and have issued our report thereon dated September 16, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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



Julian & Grube, Inc.  
September 16, 2024

**Independent Auditor’s Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

City of Youngstown  
Mahoning County  
26 South Phelps Street  
Youngstown, Ohio 44503

To the Members of the City Council and Mayor:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Youngstown’s 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 Youngstown’s major federal programs for the year ended December 31, 2023. The City of Youngstown’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 Youngstown 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 of Youngstown 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 of Youngstown’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Youngstown’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 of Youngstown'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 of Youngstown'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 of Youngstown'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 of Youngstown'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 of Youngstown's internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the "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.

City of Youngstown  
Mahoning County  
Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance

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

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a period at the end.

Julian & Grube, Inc.  
September 16, 2024

**CITY OF YOUNGSTOWN  
MAHONING COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2023**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	None reported
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None reported
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program(s) (listed):</i>	National Infrastructure Investments (ALN 20.933), and COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

<b>2. FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

None

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
--

None

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF YOUNGSTOWN**

**MAHONING 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 11/12/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)