



**CITY OF DEFIANCE
DEFIANCE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024

CITY OF DEFIANCE
DEFIANCE COUNTY
DECEMBER 31, 2024

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CITY OF DEFIANCE
DEFIANCE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Department of Development</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	A-F-22-2BD-1	\$ 75,178
Total U.S. Department of Housing and Urban Development			75,178
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Assistance</i>			
Bulletproof Vest Partnership Program	16.607	2024	5,362
Total U.S. Department of Justice			5,362
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction:			
Defiance State Route 15 Ottawa Avenue (4HJ7 - Safety)	20.205	PID #117101	137,000
Defiance Clinton Street Improvements (4HJ7 - Safety)	20.205	PID #118943	109,321
Total U.S. Department of Transportation			246,321
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Development</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	DEV-2021-181476	250,000
<i>Passed Through Ohio Emergency Management Agency</i>			
<u>Fire Department</u>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	AFRR-150-HIR	477,356
<u>Police</u>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	AFRR-189-RET	7,099
Total U.S. Department of Treasury			734,455
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Direct Assistance</i>			
Assistance to Firefighters Grant	97.044	EMW-2022-FG-00419	952,381
<i>Passed Through Ohio Emergency Management Agency</i>			
Hazard Mitigation Grant	97.039	FEMA-DR-4507.34R-OH	55,874
Total U.S. Department of Homeland Security			1,008,255
Total Expenditures of Federal Awards			\$ 2,069,571

The accompanying notes are an integral part of this schedule.

**CITY OF DEFIANCE
DEFIANCE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Defiance, Defiance County, Ohio (the City) under programs of the federal government for the year ended December 31, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent / 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

The current cash balance on the City's local program income account as of December 31, 2024 is \$523,766.

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.

NOTE F – BULLETPROOF VEST PARTNERSHIP PROGRAM

For the year ended December 31, 2023, the City expended \$3,908 for the Bulletproof Vest Partnership Program, AL #16.607 that was inadvertently not included on the Schedule of Expenditures of Federal Awards for the year ended December 31, 2023.



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Columbus, Ohio 43215
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Defiance
Defiance County
631 Perry Street
Defiance, Ohio 43512-2779

To the City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Defiance, Defiance County, Ohio (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2025, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2024-001.

City's Response to Finding

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

June 27, 2025



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

City of Defiance
Defiance County
631 Perry Street
Defiance, Ohio 43512-2779

To the City Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Defiance, Defiance County, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City of Defiance's major federal program for the year ended December 31, 2024. City of Defiance's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Defiance complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Defiance, Defiance County, Ohio (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 27, 2025. Our opinion noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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.



Keith Faber
Auditor of State
Columbus, Ohio

June 27, 2025

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**CITY OF DEFIANCE
DEFIANCE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Assistance to Firefighters Grant – AL #97.044
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

FINDING NUMBER 2024-001

Noncompliance

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

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the City's Capital Improvement Fund had expenditures in excess of appropriations in the amount of \$665,297 as of December 31, 2024.

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

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

Officials' Response:

See Corrective Action Plan

3. FINDINGS FOR FEDERAL AWARDS

None

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2024**

Finding Number	Finding Summary	Status	Additional Information
2023-001	This finding was first reported in 2023. Ohio Rev. Code § 5705.39 for appropriations exceeding the amount certified as available by the budget commission in the Capital Improvement Fund.	Partially corrected and reissued in the Management Letter.	The Finance Director has a better understanding of monitoring estimated resources and appropriations.

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2024**

Finding Number:	2024-001
Planned Corrective Action:	The Finance Director has a better understanding of monitoring expenditures and appropriations.
Anticipated Completion Date:	December 31, 2025
Responsible Contact Person:	Kimberly Sprague, Finance Director

City of Defiance, Ohio



DEFIANCE
a great place to live

Annual Comprehensive Financial Report

for the year ended December 31, 2024

CITY OF DEFIANCE, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

KIMBERLY SPRAGUE
FINANCE DIRECTOR

PREPARED BY THE CITY FINANCE DEPARTMENT

INTRODUCTORY SECTION

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CITY OF DEFIANCE, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

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City of Defiance | Finance Department

Kimberly Sprague, Finance Director | ksprague@cityofdefiance.com

June 27, 2025

Honorable Mayor Mike McCann
Members of City Council
Citizens of Defiance, Ohio

Transmittal Letter

I am pleased to submit the Annual Comprehensive Financial Report for the City of Defiance, Ohio (the “City”) for the year ended December 31, 2024. The Annual Comprehensive Financial Report is the official report of the City’s operations and financial position for the year and has been developed for the benefit of Defiance residents and elected officials, investment banks, underwriters and all other interested parties. The financial statements are presented in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

The annual comprehensive financial report consists of management’s representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for these representations, the management of the City has established comprehensive internal controls that are designed both to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City is required by State law to have an annual audit performed by the Auditor of State’s Office or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State’s Office performed the audit for the year ended December 31, 2024, and they have issued an unmodified (“clean”) opinion. The Independent Auditor’s Report on the City’s financial statements is included in the Financial Section of this report.

In addition to the financial audit, a single audit was performed as required by the Single Audit Act Amendment of 1996 and the provisions of Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. The single audit report is not included in this Annual Comprehensive Financial Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

Profile of the Government

The City of Defiance is located in the northwest corner of Ohio and serves as the county seat of Defiance County. It was named for Fort Defiance, built at the confluence of the Auglaize and Maumee Rivers as a frontier outpost in 1794 and utilized as a staging area for attacks against the British in the War of 1812. The City was founded in 1823.



Today, the City of approximately 17,000 residents serves as a significant commercial center for a five-county, predominantly agricultural area, and is home to numerous industrial operations, including those of General Motors (automotive) and Johns Manville (construction materials/insulation). It is also home to Defiance College, an independent liberal arts college founded in 1850.

The City of Defiance is a home-rule municipal corporation operating under the laws of the State of Ohio. The City's charter was adopted in its original form on November 8, 1983, and provides for a "Mayor-Council" form of government. The laws of the State of Ohio prevail when conflicts exist between the charter and the State Constitution and in matters where the charter is silent. The charter can only be amended by a majority vote of the City's registered voters.

The Mayor is elected to a four-year term that begins on the first day of January following the election. According to the charter, the Mayor is the chief executive officer of the City and is responsible to the electors for enforcement of all laws and ordinances, and for control and proper operation of all departments and divisions. The Mayor appoints a City Administrator, Law Director, and Finance Director with the advice and consent of a majority of City Council. The City Administrator serves as the principal managerial aide to the Mayor.

Legislative authority is vested in a seven-member City Council, three of whom are elected at-large and four from existing wards. City Council members are elected to staggered four-year terms in the odd numbered years, and terms begin on the first day of January following the election. The City Council enacts legislation in the form of ordinances and resolutions relative to City services, appropriating and borrowing monies, and other municipal purposes. The President of City Council is elected at-large to a four-year term. The President presides over all City Council meetings, renders a vote only in case of a tie, and serves as the acting Mayor when the Mayor is absent or for any reason unable to perform the duties of the office.

The City Council is required to adopt an annual appropriation measure, which serves as the foundation for the City's financial planning and control. The legal level of budgetary control as established in the appropriation ordinance is at the fund, department, and object level ("personnel", "operating", etc.). Budgetary modifications at the legal level of control may only be made by a subsequent ordinance of City Council.

The City provides a full range of municipal services including police, fire, and emergency medical services; water and sewer utilities; street maintenance; parks and recreation; planning and zoning; a municipal court; and general administrative services.

Local Economy

The City of Defiance is a commercial hub for the surrounding five-county area, offering abundant shopping and dining opportunities. The economy is also fueled by several significant manufacturing facilities, two hospitals, Defiance College, and many other small businesses. In addition, two regional banks make their headquarters in Defiance.

In keeping with momentum of the last several years, multiple new retail enterprises were opened during 2024. Unemployment rates in Defiance County averaged 3.1% in 2024. Comparable numbers for the State of Ohio and the United States were 4.0% and 4.5%, respectively.

The City maintains a AA- bond rating from Standard & Poor's Ratings Services. The City's current income tax rate of 1.8%, established in 2013, continues to be a source of projected long-term stability in the City's general fund.

Long-Term Financial Planning

The City will continue to aggressively invest in its parks, trails and other public lands, in an ongoing effort to bolster its abundant natural resource assets. These efforts are deemed important to the City's economic development strategy.

The City continues to work with the Ohio EPA through a multi-year process to evaluate strategies for addressing combined sewer overflows into the Maumee and Auglaize Rivers, and whether a cost-effective strategy can be developed that would also help with deteriorating warm-weather water conditions in Lake Erie. The Maumee River watershed is the largest watershed of any of the rivers feeding the Great Lakes. Costs associated with the City's initial plan, as proscribed by the original consent order, became prohibitive after an investment of over \$30 million in the first eight years of a twenty-year plan. Results of the evaluation effort are promising, offering projected costs over 40 percent less than the initial plan costs of \$118 million.

The City issued a modest amount of new debt in 2024 to complete the aforementioned capital infrastructure related to ongoing economic development efforts.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Defiance, Ohio for its annual comprehensive financial report for the year ended December 31, 2023. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standard of preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. The City has received it for each of the last ten years. We believe that our current annual comprehensive financial report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

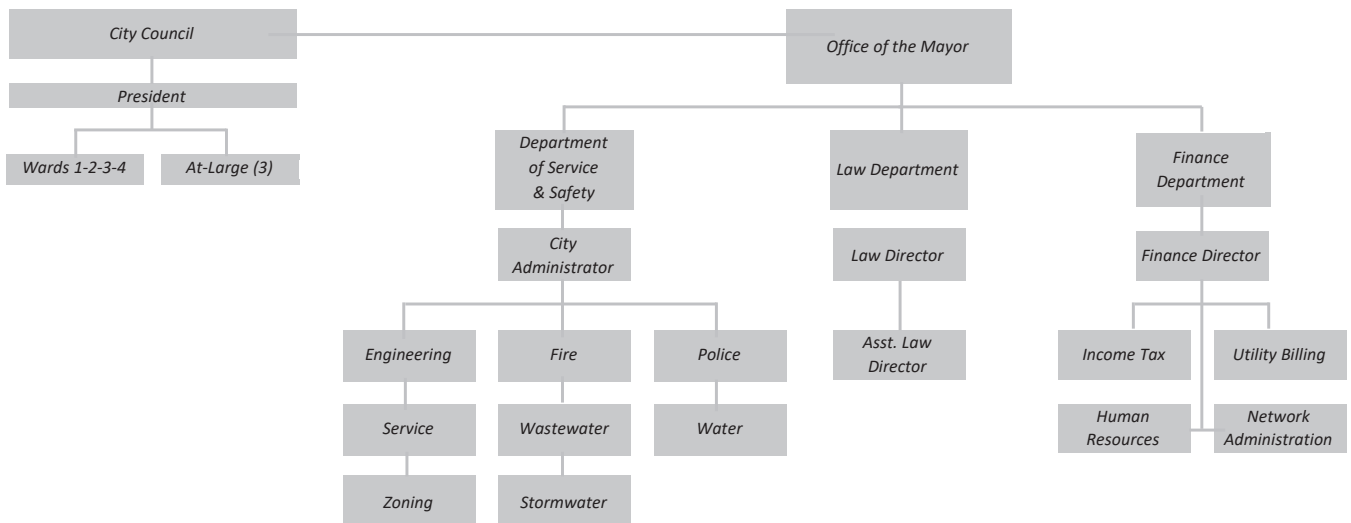
I would like to express my appreciation to the employees of the Defiance Finance Department for their hard work and professionalism. The successful preparation of this document would not be possible without their efforts. I would also like to thank the Mayor and Members of City Council for their ongoing support of excellence in financial reporting and disclosure, and to Julian & Grube, Inc. for their assistance with the preparation of this annual comprehensive financial report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kimberly Sprague".

Kimberly D. Sprague
Finance Director

CITY OF DEFIANCE, OHIO
ORGANIZATIONAL CHART



CITY OF DEFIANCE, OHIO
LIST OF ELECTED AND APPOINTED OFFICIALS
AS OF DECEMBER 31, 2024

Elected Officials

Mayor	Mike McCann
City Council:	
President	David McMaster
At-Large	Joe Eureste
At-Large	Steve Waxler
At-Large	Jill Krutsch
1 st Ward	Steve Corbitt
2 nd Ward	John Hancock
3 rd Ward	John Mast
4 th Ward	Chris Engel
Municipal Court Judge	Troy Essex

Appointed Officials

City Administrator	Ryan Mack
Law Director	Sean O'Donnell
Finance Director	Kimberly Sprague
Council Clerk	Lisa Elders
Municipal Court Clerk	Casey Linebrink



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Defiance
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

City of Defiance
Defiance County
631 Perry Street
Defiance, Ohio 43512-2779

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Defiance, Defiance County, Ohio (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Defiance, Defiance County, Ohio as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2024 the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial section's combining statements, individual fund statements and schedules are presented for purposes of additional analysis and are 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 financial section's combining statements, individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 27, 2025

CITY OF DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The management's discussion and analysis of the City of Defiance's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the notes to the basic financial statements, and the basic financial statements.

Financial Highlights

Key financial highlights for 2024 are as follows:

- The City's total net position increased \$7,014,811. Net position of governmental activities increased \$2,315,574 from 2023's restated net position, and net position of business-type activities increased \$4,699,237 from 2023's restated net position.
- General revenues accounted for \$16,665,400, or 70.73% of total governmental activities revenue. Program specific revenues accounted for \$6,895,974 or 29.27% of total governmental activities revenue.
- The City had \$21,261,289 in expenses related to governmental activities; \$6,895,974 of these expenses were offset by program specific charges for services, grants, or contributions. The remaining expenses of the governmental activities were offset by general revenues (primarily property taxes, income taxes, and unrestricted grants and entitlements) of \$16,665,400.
- The City has three major governmental funds, the general fund, the police and fire fund, and the capital improvement fund. The general fund had revenues of \$12,991,017 in 2024, while the expenditures and other financing uses totaled \$12,136,743. The net increase in fund balance for the general fund was \$854,274.
- The police and fire fund had revenues and other financing sources in the amount of \$7,822,158 in 2024, and expenditures totaling \$7,812,136. The net increase in fund balance for the police and fire fund was \$10,022.
- The capital improvement fund had revenues and other financing sources of \$5,882,639 and expenditures of \$5,670,265 in 2024. The net increase in fund balance for the capital improvement fund was \$212,374.
- Net position for the business-type activities, which is made up of the sewer, water, refuse, and utility deposit enterprise funds, increased in 2024 by \$4,699,237. The increase in business-type activities net position is a result of revenues from charges for services and sales continuing to outpace the operating expenses of the City's enterprise funds.
- In the general fund, the actual revenues and other financing sources came in \$642,450 more than the amounts reported in the final budget and other financing sources, and actual expenditures and other financing uses were \$583,189 less than the amounts reported in the final budget and other financing uses, as a result of closely monitored spending practices. Original and final budgeted revenues and other financing sources remained the same. Budgeted expenditures and other financing uses increased \$314,570 from the original to the final budget.

Using this Annual Comprehensive Financial Report (ACFR)

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 DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Reporting the City as a Whole

Statement of Net Position and 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 the City do financially during 2024?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Governmental activities - Most of the City's programs and services are reported here including police, fire and rescue, street maintenance, capital improvements, 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, refuse, and utility deposits operations are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the 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 DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

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 fund, the police and fire fund, and the capital improvement fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

Proprietary Funds

The City maintains one type of proprietary fund. 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, refuse, and utility deposits management functions. The City's major enterprise funds are the sewer fund and the water fund.

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

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund and any major special revenue funds budgetary schedule(s), net pension liability/asset, and net OPEB liability/asset.

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CITY OF DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Government-Wide Financial Analysis

The table below provides a summary of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of December 31, 2024 and 2023. For the table below, amounts for 2024 have been presented in accordance with the provisions of GASB Statement No. 101 (see Note 3) while amounts for 2023 have been presented in accordance with previous guidance.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<u>Assets</u>						
Current and other assets	\$19,135,048	\$18,050,091	\$9,358,452	\$7,978,702	\$ 28,493,500	\$ 26,028,793
Capital assets, net	41,017,975	38,567,101	94,458,477	91,471,476	135,476,452	130,038,577
Total assets	60,153,023	56,617,192	103,816,929	99,450,178	163,969,952	156,067,370
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	11,494	13,155	13,920	17,400	25,414	30,555
Pension	6,330,627	8,047,443	1,385,772	2,211,742	7,716,399	10,259,185
OPEB	850,156	1,333,548	123,242	286,816	973,398	1,620,364
Total deferred outflows of resources	7,192,277	9,394,146	1,522,934	2,515,958	8,715,211	11,910,104
<u>Liabilities</u>						
Current liabilities	1,080,588	1,064,860	1,040,254	740,743	2,120,842	1,805,603
Long-term liabilities:						
Due within one year	1,770,323	1,377,872	3,972,448	3,694,596	5,742,771	5,072,468
Net pension liability	21,293,064	21,749,083	3,729,567	4,136,783	25,022,631	25,885,866
Net OPEB liability	1,176,079	1,289,208	-	92,867	1,176,079	1,382,075
Other amounts	9,097,373	7,776,303	35,137,318	35,926,926	44,234,691	43,703,229
Total liabilities	34,417,427	33,257,326	43,879,587	44,591,915	78,297,014	77,849,241
<u>Deferred inflows of resources</u>						
Property taxes	1,031,600	1,031,600	-	-	1,031,600	1,031,600
Payments in lieu of taxes	37,579	37,597	55,230	-	92,809	37,597
Pension	796,478	1,260,989	158,136	479,967	954,614	1,740,956
OPEB	1,162,673	1,307,504	75,294	32,519	1,237,967	1,340,023
Total deferred inflows of resources	3,028,330	3,637,690	288,660	512,486	3,316,990	4,150,176
<u>Net position</u>						
Net investment in capital assets	33,707,808	31,571,924	55,839,450	52,040,995	89,547,258	83,612,919
Restricted	5,125,246	4,734,493	183,589	43,978	5,308,835	4,778,471
Unrestricted (deficit)	(8,933,511)	(7,190,095)	5,148,577	4,776,762	(3,784,934)	(2,413,333)
Total net position	\$ 29,899,543	\$ 29,116,322	\$ 61,171,616	\$ 56,861,735	\$ 91,071,159	\$ 85,978,057

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 DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

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

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

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

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

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

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

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability, 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, 2024, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$91,071,159. At December 31, 2024, net position was \$29,899,543 and \$61,171,616 for the governmental activities and the business-type activities, respectively.

CITY OF DEFIANCE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At December 31, 2024, capital assets represented 82.62% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, improvements other than buildings, equipment, vehicles, leased equipment, leased vehicles, and infrastructure. Capital assets of the governmental activities equaled 68.19% of total assets, while capital assets of the business-type activities represented 90.99% of total assets. The net investment in capital assets at December 31, 2024 was \$33,707,808 and \$55,839,450 in governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$5,308,835, represents resources that are subject to external restriction on how they may be used.

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CITY OF DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

During 2024, the City implemented GASB Statement No. 101 (see Note 3). For the table below, the implementation has been reported as a change in accounting principle. The table below shows the changes in net position for 2024 and 2023.

Change in Net Position

	Governmental Activities 2024	Business-type Activities 2024	Governmental Activities 2023	Business-type Activities 2023	Total 2024	Total 2023
Revenues:						
Program revenues:						
Charges for services and sales	\$ 2,439,913	\$ 17,229,916	\$ 1,926,472	\$ 15,105,176	\$ 19,669,829	\$ 17,031,648
Operating grants and contributions	2,392,133	-	1,887,490	-	2,392,133	1,887,490
Capital grants and contributions	2,063,928	1,420,551	2,725,910	238,437	3,484,479	2,964,347
Total program revenues	6,895,974	18,650,467	6,539,872	15,343,613	25,546,441	21,883,485
General revenues:						
Property taxes	1,508,010	-	1,238,419	-	1,508,010	1,238,419
Income taxes	13,415,922	-	13,791,604	-	13,415,922	13,791,604
Unrestricted grants and entitlements	567,538	-	576,273	-	567,538	576,273
Investment earnings	362,244	234,821	298,543	203,820	597,065	502,363
Permissive motor vehicle license tax	81,616	-	82,760	-	81,616	82,760
Change in fair value of investments	237,062	-	293,018	-	237,062	293,018
Miscellaneous	493,008	145,088	497,008	140,630	638,096	637,638
Total general revenues	16,665,400	379,909	16,777,625	344,450	17,045,309	17,122,075
Total revenues	23,561,374	19,030,376	23,317,497	15,688,063	42,591,750	39,005,560
Expenses:						
General government	4,578,602	-	4,664,353	-	4,578,602	4,664,353
Security of persons and property	10,164,978	-	9,902,022	-	10,164,978	9,902,022
Public health and welfare	756,156	-	730,256	-	756,156	730,256
Transportation	2,668,201	-	2,735,624	-	2,668,201	2,735,624
Community environment	1,027,945	-	1,108,381	-	1,027,945	1,108,381
Leisure time activity	1,463,461	-	1,542,682	-	1,463,461	1,542,682
Economic development	345,063	-	177,702	-	345,063	177,702
Interest	256,883	-	204,583	-	256,883	204,583
Water	-	6,504,684	-	6,113,560	6,504,684	6,113,560
Sewer	-	6,737,789	-	7,036,202	6,737,789	7,036,202
Other business-type activities	-	1,073,177	-	1,074,419	1,073,177	1,074,419
Total expenses	21,261,289	14,315,650	21,065,603	14,224,181	35,576,939	35,289,784
Change in net position before transfers	2,300,085	4,714,726	2,251,894	1,463,882	7,014,811	3,715,776
Transfers	15,489	(15,489)	(539,838)	539,838	-	-
Change in net position	2,315,574	4,699,237	1,712,056	2,003,720	7,014,811	3,715,776
Net position as previously reported	29,116,322	56,861,735	27,404,266	54,858,015	85,978,057	82,262,281
Restatement - change in accounting principle	(1,532,353)	(389,356)	-	-	(1,921,709)	-
Net position, beginning of year (restated)	27,583,969	56,472,379	27,404,266	54,858,015	84,056,348	82,262,281
Net position, end of year	\$ 29,899,543	\$ 61,171,616	\$ 29,116,322	\$ 56,861,735	\$ 91,071,159	\$ 85,978,057

CITY OF DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Governmental Activities

Governmental activities net position increased \$2,315,574.

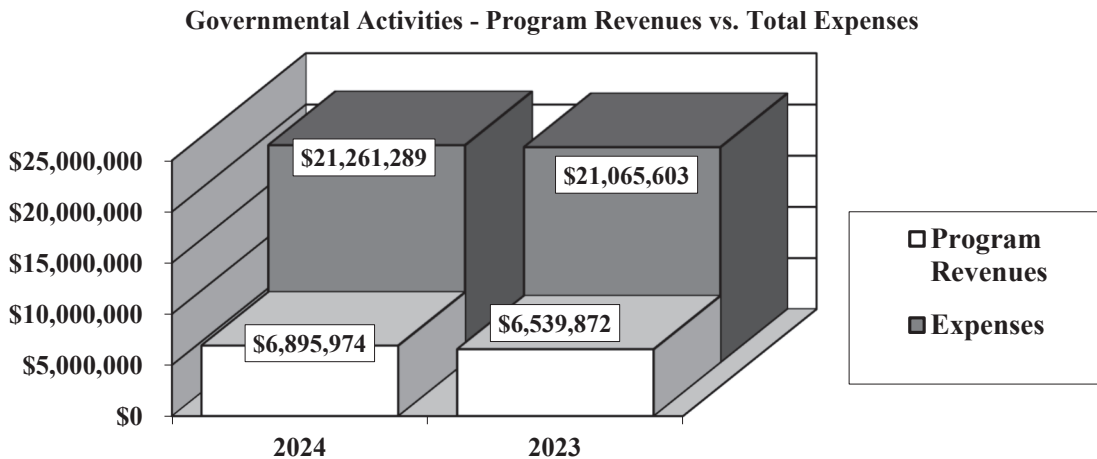
Expenses of the governmental activities increased \$195,686. This increase is primarily the result of the increase in pension & other post-employment benefit expenses.

Security of persons and property, which primarily supports the operations of the police and fire departments, accounted for \$10,164,978 of the total expenses of the City. These expenses were partially funded by \$1,394,434 in direct charges to users of the services, \$1,061,702 in capital grants and contributions and \$1,019,357 in operating grants and contributions. Transportation expenses totaled \$2,668,201 in 2024. Transportation expenses were partially funded by \$1,317,740 in operating grants and contributions and \$397,913 in capital grants and contributions.

The State and federal government contributed to the City a total of \$2,392,133 in operating grants and contributions and \$2,063,928 in capital grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$16,665,400 and amounted to 70.73% of total governmental activities revenue. These revenues primarily consist of property and income tax revenue totaling \$14,923,932. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government revenue and property tax reimbursements, making up \$567,538.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following shows, for governmental activities, the total cost of services and the net cost of services for 2024 and 2023. That is, it identifies the cost of these services supported by general revenues (such as tax revenue and unrestricted State grants and entitlements). The graph and table that follow illustrate the City's dependence upon general revenues, as program revenues are not sufficient to cover total governmental expenses.



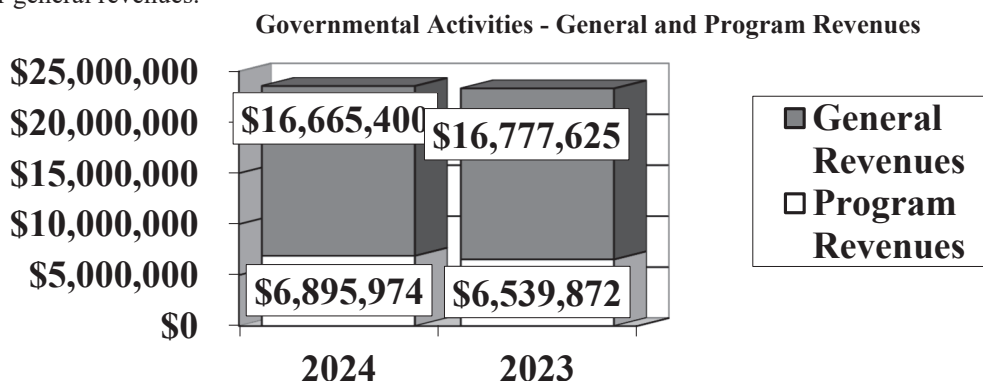
CITY OF DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Governmental Activities

	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
Program Expenses:				
General government	\$ 4,578,602	\$ 3,928,270	\$ 4,664,353	\$ 3,387,660
Security of persons and property	10,164,978	6,689,485	9,902,022	8,071,564
Public health and welfare	756,156	439,164	730,256	585,381
Transportation	2,668,201	952,548	2,735,624	(374,426)
Community environment	1,027,945	907,877	1,108,381	991,532
Leisure time activity	1,463,461	880,892	1,542,682	1,517,104
Economic development	345,063	310,196	177,702	142,333
Interest	256,883	256,883	204,583	204,583
Total	\$ 21,261,289	\$ 14,365,315	\$ 21,065,603	\$ 14,525,731

The dependence upon general revenues for governmental activities is apparent, with 67.57% of expenses supported through taxes and other general revenues.



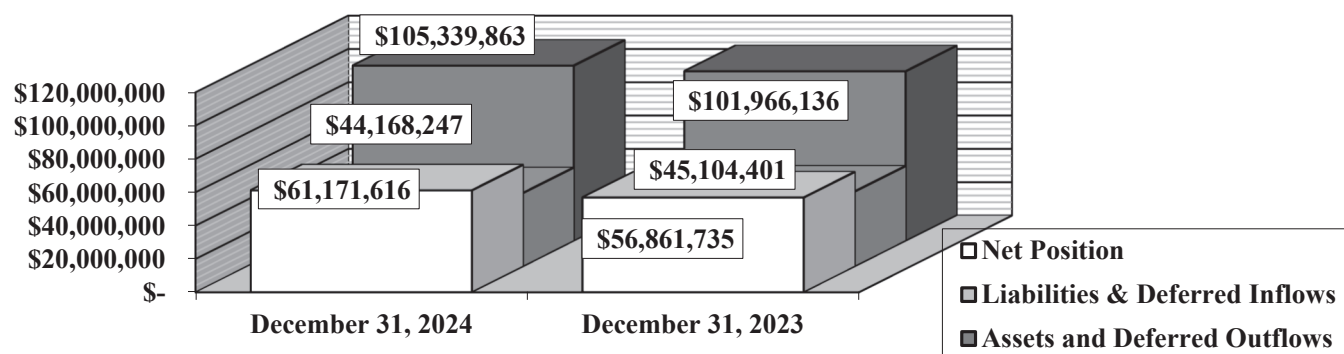
Business-type Activities

Business-type activities include the sewer, water, refuse, and utility deposit enterprise funds. These programs had program revenues of \$18,650,467, general revenues of \$379,909, expenses of \$14,315,650, and \$15,489 in transfers out during 2024. Business-type activities net position increased \$4,699,237, primarily due to program revenues in the sewer and water fund continuing to outpace their expenditures and changes made to the pension and OPEB liability calculations on a statewide level in 2023. The graph on the following page shows the business-type activities assets and deferred outflows of resources, liabilities, deferred inflows of resources, and net position at December 31, 2024 and December 31, 2023, respectively.

CITY OF DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Net Position of Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

The City's governmental funds reported a combined fund balance of \$15,592,240, which is a \$1,210,837 increase from last year's fund balance total of \$14,381,403. The table below indicates the fund balances and the total change in fund balances as of December 31, 2024 and December 31, 2023 for all major and nonmajor governmental funds.

	Fund Balances December 31, 2024	Fund Balances December 31, 2023	Increase (Decrease)
Major funds:			
General	\$ 8,145,319	\$ 7,291,045	\$ 854,274
Police and fire	193,785	183,763	10,022
Capital improvement	2,185,254	1,972,880	212,374
Nonmajor governmental funds	5,067,882	4,933,715	134,167
Total	<u>\$ 15,592,240</u>	<u>\$ 14,381,403</u>	<u>\$ 1,210,837</u>

CITY OF DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

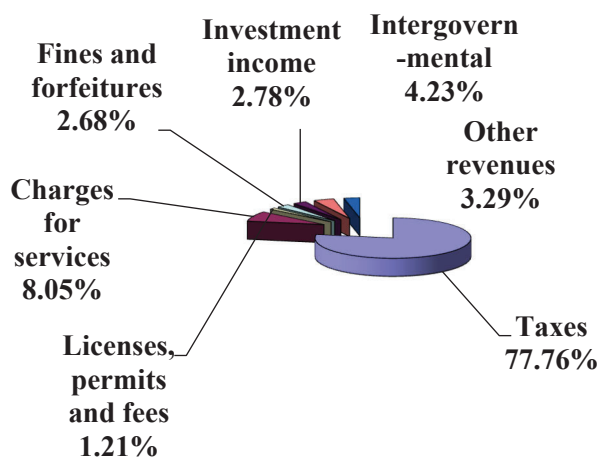
General Fund

The City's general fund balance increased \$854,274. The table that follows assists in illustrating the revenues of the general fund for 2024 and 2023.

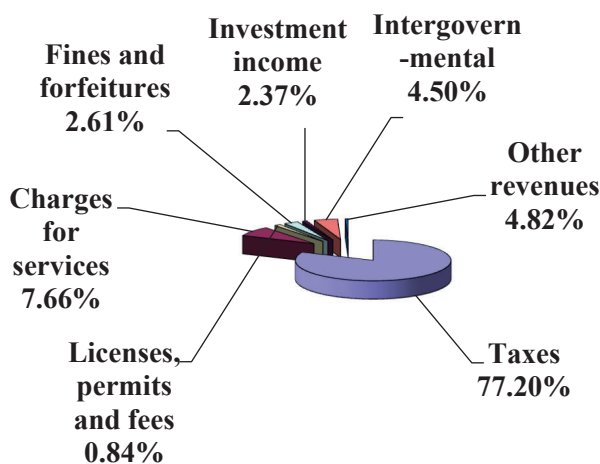
	2024 <u>Amount</u>	2023 <u>Amount</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<u>Revenues</u>				
Taxes	\$10,103,033	\$9,504,089	\$ 598,944	6.30 %
Charges for services	1,045,972	943,178	102,794	10.90 %
Licenses, permits and fees	156,792	103,822	52,970	51.02 %
Fines and forfeitures	347,805	321,724	26,081	8.11 %
Investment income	360,729	291,504	69,225	23.75 %
Intergovernmental	549,906	553,435	(3,529)	(0.64) %
Other	<u>426,780</u>	<u>593,873</u>	<u>(167,093)</u>	28.14 %
Total	<u>\$ 12,991,017</u>	<u>\$ 12,311,625</u>	<u>\$ 679,392</u>	5.52 %

Overall revenues of the general fund increased \$679,392 or 5.52%. Tax revenue increased \$598,944 or 6.30% primarily due to increases in income tax collected in 2024. Charges for services increased \$102,794 or 10.90% due to greater revenue from EMS runs. Licenses, permits, and fees increased 51.02% due to increased City permit requests during 2024. Fines and forfeitures increased \$26,081, primarily due to increased criminal and civil fines during 2024. Investment income increased \$69,225 or 23.75% primarily due to higher interest rates on City investments during 2024. Other revenue decreased \$167,093 or 28.14% due primarily to an decrease in the fair value of investments during 2024.

Revenues - 2024



Revenues - 2023



CITY OF DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The table that follows assists in illustrating the expenditures of the general fund for 2024 and 2023.

	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
General government	\$ 3,529,400	\$ 3,503,369	\$ 26,031	0.74 %
Public health and welfare	622,392	542,591	79,801	14.71 %
Community environment	832,214	774,797	57,417	7.41 %
Leisure time activity	1,139,559	1,091,202	48,357	4.43 %
Economic development	178,165	142,307	35,858	25.20 %
Capital outlay	-	71,544	(71,544)	(100.00) %
Debt service	48,513	37,111	11,402	30.72 %
Total	<u>\$ 6,350,243</u>	<u>\$ 6,162,921</u>	<u>\$ 187,322</u>	3.04 %

Overall expenditures of the general fund increased \$187,322 or 3.04%. General government expenditures increased \$26,031 or 0.74%, primarily due to increases in expenses in the finance and income tax departments. Leisure time activities increased by \$48,357, primarily due to increases in the Parks and Recreation department. Debt service expenditures of \$48,513 were for lease activity.

Police and Fire Fund

The police and fire fund had revenues and other financing sources in the amount of \$7,822,158 in 2024, and expenditures totaling \$7,812,136. The net increase in fund balance for the police and fire fund was \$10,022.

Capital Improvement Fund

The capital improvement fund had revenues and other financing sources of \$5,882,639 and expenditures of \$5,670,265 in 2024. The net increase in fund balance for the capital improvement fund was \$212,374. This increase in fund balance is primarily due to an increase in federal grant revenues in 2024. These grants were largely related to improving the City's fire department capabilities through a Sutphen aerial grant.

CITY OF DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly. Budgetary information is presented for the general fund and the police and fire fund. In the general fund, the actual revenues and other financing sources came in \$642,450 more than the amounts reported in the final budget and other financing sources, and actual expenditures and other financing uses were \$583,189 less than the amounts reported in the final budget and other financing uses, as a result of closely monitored spending practices. Original and final budgeted revenues and other financing sources remained the same. Budgeted expenditures and other financing uses increased \$314,570 from the original to the final budget.

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 interfund activity reported in the government-wide statements are those between business-type activities and governmental activities (reported as transfers), whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2024, the City had \$135,476,452 (net of accumulated depreciation/amortization) invested in land, construction in progress, land improvements, buildings and improvements, improvements other than buildings, equipment, vehicles, infrastructure, and intangible right to use vehicles and equipment. Of this total, \$41,017,975 was reported in governmental activities and \$94,458,477 was reported in business-type activities. The following table shows December 31, 2024 balances compared to December 31, 2023.

Capital Assets at December 31 (Net of Accumulated Depreciation/Amortization)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 2,097,122	\$ 2,042,449	\$ 673,252	\$ 662,207	\$ 2,770,374	\$ 2,704,656
Construction in progress	1,393,744	4,625,160	18,013,101	15,417,436	19,406,845	20,042,596
Land improvements	-	-	168,277	186,090	168,277	186,090
Buildings and improvements	5,614,946	5,968,277	11,770,778	11,438,564	17,385,724	17,406,841
IOTB	3,351,720	3,008,364	-	-	3,351,720	3,008,364
Equipment	1,608,303	1,559,984	2,898,250	3,084,291	4,506,553	4,644,275
Vehicles	3,114,074	1,237,404	349,793	513,188	3,463,867	1,750,592
Infrastructure	23,173,337	19,309,074	60,343,773	60,007,354	83,517,110	79,316,428
Intangible right to use assets:						
Leased equipment	158,827	258,730	-	-	158,827	258,730
Leased vehicles	505,902	557,659	241,253	162,346	747,155	720,005
Totals	<u>\$ 41,017,975</u>	<u>\$ 38,567,101</u>	<u>\$ 94,458,477</u>	<u>\$ 91,471,476</u>	<u>\$ 135,476,452</u>	<u>\$ 130,038,577</u>

The infrastructure capital asset category includes roads, bridges, culverts, sidewalks, and curbs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 56.50% of the City's total governmental activities capital assets at December 31, 2024.

CITY OF DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The City's largest business-type activities capital asset category is infrastructure, which primarily includes sewer lines and water lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 63.88% of the City's total business-type activities capital assets at December 31, 2024.

See Note 9 for additional detail on the City's capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2024 and December 31, 2023. For the table below, amounts for 2024 have been presented in accordance with the provisions of GASB Statement No. 101 (see Note 3) while amounts for 2023 have been presented in accordance with previous guidance.

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
General obligation bonds	\$ 4,400,000	\$ 4,800,000
Land acquisition bonds	1,296,023	1,421,452
OWDA loans	1,049,031	1,165,590
Financed purchase agreement obligations	1,540,639	418,181
Leases payable	231,239	359,558
Net pension liability	21,293,064	21,749,083
Net OPEB liability	1,176,079	1,289,208
Compensated absences	<u>2,268,698</u>	<u>897,968</u>
Total long-term obligations	<u>\$ 33,254,773</u>	<u>\$ 32,101,040</u>

	<u>Business-type Activities</u>	
	<u>2024</u>	<u>2023</u>
General obligation bonds	\$ 5,266,000	\$ 6,028,000
Leases payable	125,369	132,261
OWDA loans	31,267,101	31,326,416
OPWC loans	1,665,947	1,789,351
Net pension liability	3,729,567	4,136,783
Net OPEB liability	-	92,867
Compensated absences	<u>704,046</u>	<u>252,341</u>
Total long-term obligations	<u>\$ 42,758,030</u>	<u>\$ 43,758,019</u>

See Note 11 for additional detail on the City's debt administration.

Economic Factors and Next Year's Budget

The following economic factors currently affect the City of Defiance, and were considered in developing the City's 2024 budget:

- Income tax cash revenues were 4.00% higher than in 2023. Employee withholding increased 4.00%; corporate filings were up slightly 1.50% and individual filings were up 4.00%.
- The local unemployment rate in 2023 averaged 3.10% This was up from the prior year (3.90%) and was lower than the State of Ohio (3.70%) and the comparable national rate (3.70%).
- City employee health insurance rates increased 8.50% for 2024. For the 3-year period 2022-2024, the City's health insurance premium increases have averaged 5.93%. As for most employers, the rising cost of health insurance continues to be a constraint on operating budgets and will continue to be scrutinized in future budget years.
- Wage increases for the Police and Fire bargaining unit employees, as well as for non-bargaining unit employees, were budgeted at 3.50% for 2024; wage increases for the ASFCME bargaining unit employees were budgeted at 2.00%.

CITY OF DEFIANCE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

In 2024, the local economy continued to recover from the pandemic, with higher employment and taxable earnings. Tax revenues have largely recovered, and the local retail sector is expanding. There are promising industrial development projects underway, as well. The City, including Council and the current Administration, continues to hold economic development as one of its highest priorities. Expanding the employment base, especially in manufacturing and professional service industries, is a key to the City's future prosperity. As resources allow, efforts to address infrastructure maintenance needs, including streets, parks beautification, and expansion of park lands and recreational opportunities along the City's river front will continue. Attention to such "quality of life" issues is believed to be an important aspect of the City's economic development efforts.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Defiance, 631 Perry Street, Defiance, Ohio 43512-2779.

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CITY OF DEFIANCE, OHIO

**STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 12,823,967	\$ 7,834,965	\$ 20,658,932
Cash in segregated accounts.	758,315	-	758,315
Receivables (net of allowance for uncollectibles):			
Income taxes	1,738,913	-	1,738,913
Property and other local taxes	1,145,332	-	1,145,332
Accounts	357,373	615,466	972,839
Loans receivable	926,424	-	926,424
Special assessments	140,853	-	140,853
Accrued interest	35,199	32,575	67,774
Payments in lieu of taxes	37,579	55,230	92,809
Due from other governments	825,072	-	825,072
Materials and supplies inventory	58,473	139,592	198,065
Prepaid bond insurance	5,453	4,769	10,222
Net pension asset	81,821	53,250	135,071
Net OPEB asset.	200,274	130,339	330,613
Restricted assets:			
Equity in pooled cash and cash equivalents . . .	-	410,682	410,682
Cash in segregated accounts	-	81,584	81,584
Capital assets:			
Land and construction in progress	3,490,866	18,686,353	22,177,219
Depreciable capital assets, net	37,527,109	75,772,124	113,299,233
Total capital assets, net	41,017,975	94,458,477	135,476,452
Total assets	60,153,023	103,816,929	163,969,952
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding . .	11,494	13,920	25,414
Pension.	6,330,627	1,385,772	7,716,399
OPEB	850,156	123,242	973,398
Total deferred outflows of resources	7,192,277	1,522,934	8,715,211
Liabilities:			
Accounts payable	471,037	225,175	696,212
Contracts payable.	18,686	227,227	245,913
Accrued wages and benefits payable	407,832	144,362	552,194
Due to other governments	134,944	23,728	158,672
Accrued interest payable	48,089	9,080	57,169
Payable from restricted assets - refundable deposits.	-	410,682	410,682
Long-term liabilities:			
Due within one year	1,770,323	3,972,448	5,742,771
Due in more than one year:			
Due in more than one year - net pension liability.	21,293,064	3,729,567	25,022,631
Due in more than one year - net OPEB liability. .	1,176,079	-	1,176,079
Other amounts due in more than one year. . . .	9,097,373	35,137,318	44,234,691
Total liabilities	34,417,427	43,879,587	78,297,014
Deferred inflows of resources:			
Property taxes levied for the next year	1,031,600	-	1,031,600
Payments in lieu of taxes levied for the next year . .	37,579	55,230	92,809
Pension	796,478	158,136	954,614
OPEB	1,162,673	75,294	1,237,967
Total deferred inflows of resources	3,028,330	288,660	3,316,990
Net position:			
Net investment in capital assets	33,707,808	55,839,450	89,547,258
Restricted for:			
Capital projects	10,156	-	10,156
Debt service	785,411	-	785,411
Transportation projects	365,591	-	365,591
Safety projects	177,186	-	177,186
Special projects	545,425	-	545,425
Economic development projects.	1,693,923	-	1,693,923
Health projects.	171,481	-	171,481
Museum trust.	778,162	-	778,162
Other purposes.	597,911	183,589	781,500
Unrestricted (deficit)	(8,933,511)	5,148,577	(3,784,934)
Total net position	\$ 29,899,543	\$ 61,171,616	\$ 91,071,159

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DEFIANCE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,578,602	\$ 631,317	\$ 19,015	\$ -
Security of persons and property.	10,164,978	1,394,434	1,019,357	1,061,702
Public health and welfare.	756,156	258,364	1,154	57,474
Transportation	2,668,201	-	1,317,740	397,913
Community environment	1,027,945	120,068	-	-
Leisure time activity	1,463,461	35,730	-	546,839
Economic development.	345,063	-	34,867	-
Interest	256,883	-	-	-
Total governmental activities.	<u>21,261,289</u>	<u>2,439,913</u>	<u>2,392,133</u>	<u>2,063,928</u>
Business-type activities:				
Sewer	6,737,789	7,334,379	-	1,182,543
Water	6,504,684	8,801,669	-	238,008
Other business-type activities:				
Refuse	1,073,177	1,093,868	-	-
Total business-type activities	<u>14,315,650</u>	<u>17,229,916</u>	<u>-</u>	<u>1,420,551</u>
Total primary government	<u>\$ 35,576,939</u>	<u>\$ 19,669,829</u>	<u>\$ 2,392,133</u>	<u>\$ 3,484,479</u>

General revenues:

Income taxes levied for:

General purposes.

Special purposes

Capital purposes

Property taxes levied for:

General purposes.

Special purposes

Grants and entitlements not restricted

to specific programs

Permissive motor vehicle license tax

Investment earnings

Change in fair value of investments.

Miscellaneous

Total general revenues.

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year, as previously reported .**Restatement - change in accounting principle.****Net position at beginning of year, restated****Net position at end of year**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (3,928,270)	\$ -	\$ (3,928,270)
(6,689,485)	-	(6,689,485)
(439,164)	-	(439,164)
(952,548)	-	(952,548)
(907,877)	-	(907,877)
(880,892)	-	(880,892)
(310,196)	-	(310,196)
(256,883)	-	(256,883)
(14,365,315)	-	(14,365,315)
-	1,779,133	1,779,133
-	2,534,993	2,534,993
-	20,691	20,691
-	4,334,817	4,334,817
(14,365,315)	4,334,817	(10,030,498)
8,860,092	-	8,860,092
2,296,887	-	2,296,887
2,258,943	-	2,258,943
882,691	-	882,691
625,319	-	625,319
567,538	-	567,538
81,616	-	81,616
362,244	234,821	597,065
237,062	-	237,062
493,008	145,088	638,096
16,665,400	379,909	17,045,309
15,489	(15,489)	-
16,680,889	364,420	17,045,309
2,315,574	4,699,237	7,014,811
29,116,322	56,861,735	85,978,057
(1,532,353)	(389,356)	(1,921,709)
27,583,969	56,472,379	84,056,348
\$ 29,899,543	\$ 61,171,616	\$ 91,071,159

CITY OF DEFIANCE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Police and Fire	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents. . . .	\$ 7,365,210	\$ 321,078	\$ 2,059,195	\$ 3,078,484	\$ 12,823,967
Cash in segregated accounts.	-	4,009	-	754,306	758,315
Receivables (net of allowance for uncollectibles):					
Income taxes	1,154,290	289,877	289,877	4,869	1,738,913
Property and other local taxes	830,576	-	-	314,756	1,145,332
Accounts	170,412	-	-	186,961	357,373
Payments in lieu of taxes (PILOTs).	37,579	-	-	-	37,579
Loans receivable	-	-	-	926,424	926,424
Special assessments	-	-	-	140,853	140,853
Accrued interest	31,357	-	-	3,842	35,199
Due from other governments.	256,066	-	-	569,006	825,072
Materials and supplies inventory.	-	-	-	58,473	58,473
Total assets.	<u>\$ 9,845,490</u>	<u>\$ 614,964</u>	<u>\$ 2,349,072</u>	<u>\$ 6,037,974</u>	<u>\$ 18,847,500</u>
Liabilities:					
Accounts payable	\$ 368,145	\$ 36,881	\$ 47,108	\$ 18,903	\$ 471,037
Contracts payable	-	-	18,686	-	18,686
Accrued wages and benefits payable.	150,929	231,623	-	25,280	407,832
Compensated absences payable	-	8,715	-	-	8,715
Due to other governments	23,623	53,936	8,000	49,385	134,944
Total liabilities.	<u>542,697</u>	<u>331,155</u>	<u>73,794</u>	<u>93,568</u>	<u>1,041,214</u>
Deferred inflows of resources:					
Property taxes levied for the next year.	806,800	-	-	224,800	1,031,600
Delinquent property tax revenue not available. . .	23,776	-	-	-	23,776
Accrued interest not available	15,221	-	-	1,881	17,102
Special assessments revenue not available.	-	-	-	140,853	140,853
Settlements not available.	-	-	-	122,672	122,672
PILOTs levied for the next year.	37,579	-	-	-	37,579
Income tax revenue not available	131,497	90,024	90,024	1,512	313,057
Intergovernmental revenue not available	142,601	-	-	384,806	527,407
Total deferred inflows of resources	<u>1,157,474</u>	<u>90,024</u>	<u>90,024</u>	<u>876,524</u>	<u>2,214,046</u>
Fund balances:					
Nonspendable	34,995	-	-	58,473	93,468
Restricted	-	193,785	-	4,949,299	5,143,084
Committed.	-	-	2,185,254	60,109	2,245,363
Assigned.	205,120	-	-	1	205,121
Unassigned	7,905,204	-	-	-	7,905,204
Total fund balances.	<u>8,145,319</u>	<u>193,785</u>	<u>2,185,254</u>	<u>5,067,882</u>	<u>15,592,240</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,845,490</u>	<u>\$ 614,964</u>	<u>\$ 2,349,072</u>	<u>\$ 6,037,974</u>	<u>\$ 18,847,500</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DEFIANCE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024

Total governmental fund balances		\$ 15,592,240
<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.		41,017,975
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		
Income taxes receivable	\$ 313,057	
Property and other local taxes receivable	23,776	
Settlements receivable	122,672	
Special assessments receivable	140,853	
Intergovernmental receivable	527,407	
Accrued interest receivable	17,102	
Total		1,144,867
Prepaid bond insurance is not recorded as an asset in the funds, however, on the statement of net position it is report as an asset and amortized over the life of the bonds.		5,453
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(48,089)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		11,494
Unamortized premiums on bond issuances are not recognized in the funds.		(82,066)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds		
Net pension asset	81,821	
Deferred outflows of resources	6,330,627	
Deferred inflows of resources	(796,478)	
Net pension liability	(21,293,064)	
Total		(15,677,094)
The net OPEB asset and net OPEB liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds		
Net OPEB asset	200,274	
Deferred outflows of resources	850,156	
Deferred inflows of resources	(1,162,673)	
Net OPEB liability	(1,176,079)	
Total		(1,288,322)
Long-term liabilities, including bonds payable, loans payable, and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable	(4,400,000)	
Land acquisition bonds payable	(1,296,023)	
OWDA loans payable	(1,049,031)	
Leases payable	(231,239)	
Financed purchase agreement obligations payable	(1,540,639)	
Compensated absences payable	(2,259,983)	
Total		(10,776,915)
Net position of governmental activities		<u>\$ 29,899,543</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DEFIANCE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Police and Fire	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Income taxes.	\$ 9,234,078	\$ 2,323,790	\$ 2,323,789	\$ 39,032	\$ 13,920,689
Property and other local taxes.	868,955	-	-	706,935	1,575,890
Charges for services.	1,045,972	-	-	-	1,045,972
Licenses, permits and fees.	156,792	-	-	223,175	379,967
Fines, forfeitures and settlements	347,805	-	-	346,458	694,263
Intergovernmental	549,906	689,555	2,063,928	1,533,953	4,837,342
Special assessments	-	-	-	102,461	102,461
Investment income.	360,729	-	-	46,593	407,322
Donations	-	-	10,000	78,814	88,814
Change in fair value of investments.	137,985	-	-	99,077	237,062
Other.	288,795	916	199,869	120,159	609,739
Total revenues	<u>12,991,017</u>	<u>3,014,261</u>	<u>4,597,586</u>	<u>3,296,657</u>	<u>23,899,521</u>
Expenditures:					
Current:					
General government	3,529,400	-	-	638,765	4,168,165
Security of persons and property.	-	7,747,273	-	1,447,410	9,194,683
Public health and welfare	622,392	-	-	-	622,392
Transportation	-	-	-	1,392,279	1,392,279
Community environment.	832,214	-	-	-	832,214
Leisure time activity	1,139,559	-	-	13,759	1,153,318
Economic development	178,165	-	-	166,898	345,063
Capital outlay	-	40,897	5,058,495	-	5,099,392
Debt service:					
Principal retirement	43,659	21,139	446,999	462,002	973,799
Interest	4,854	2,827	164,771	76,366	248,818
Total expenditures.	<u>6,350,243</u>	<u>7,812,136</u>	<u>5,670,265</u>	<u>4,197,479</u>	<u>24,030,123</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,640,774</u>	<u>(4,797,875)</u>	<u>(1,072,679)</u>	<u>(900,822)</u>	<u>(130,602)</u>
Other financing sources (uses):					
Lease transaction	-	40,897	1,285,053	-	1,325,950
Transfers in	-	4,767,000	-	1,034,989	5,801,989
Transfers (out).	(5,786,500)	-	-	-	(5,786,500)
Total other financing sources (uses).	<u>(5,786,500)</u>	<u>4,807,897</u>	<u>1,285,053</u>	<u>1,034,989</u>	<u>1,341,439</u>
Net change in fund balances.	854,274	10,022	212,374	134,167	1,210,837
Fund balances at beginning of year	<u>7,291,045</u>	<u>183,763</u>	<u>1,972,880</u>	<u>4,933,715</u>	<u>14,381,403</u>
Fund balances at end of year.	<u>\$ 8,145,319</u>	<u>\$ 193,785</u>	<u>\$ 2,185,254</u>	<u>\$ 5,067,882</u>	<u>\$ 15,592,240</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DEFIANCE, 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, 2024**

Net change in fund balances - total governmental funds \$ 1,210,837

*Amounts reported for governmental activities in the
statement of activities are different because:*

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.

Capital asset additions	\$ 5,043,270	
Current year depreciation	(2,583,646)	
Total		2,459,624

The net effect of various transactions involving capital assets is to decrease net position. (8,750)

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

Income tax revenue	(504,767)	
Property and other local tax revenue	13,736	
Fines, forfeitures, and settlements	122,672	
Special assessments revenue	26,777	
Intergovernmental revenue	2,942	
Investment income	493	
Total		(338,147)

Debt transactions are reported as other financing sources in the governmental funds; however, in the statement of activities they are not reported as revenues as they increase the liabilities on the statement of net position. (1,325,950)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. 973,799

In the statement of activities, interest is accrued on outstanding bonds, whereas, in the governmental funds, an interest expenditure is reported when due. The following items resulted in a change in interest being reported in the statement of activities.

Change in accrued interest payable	(14,940)	
Amortization of prepaid bond insurance	(824)	
Amortization of deferred amounts on refunding	(1,661)	
Amortization of bond premium	9,360	
Total		(8,065)

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	1,611,159	
OPEB	35,311	
Total		1,646,470

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	(2,394,656)	
OPEB	(60,469)	
Total		(2,455,125)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

	<u>160,881</u>	
Change in net position of governmental activities	<u>\$ 2,315,574</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DEFIANCE, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents . . .	\$ 3,239,300	\$ 4,423,473	\$ 172,192	\$ 7,834,965
Receivables (net of allowance for uncollectibles):				
Accounts	277,109	294,592	43,765	615,466
Accrued interest	13,763	18,812	-	32,575
Payments in lieu of taxes - current	55,230	-	-	55,230
Materials and supplies inventory.	47,700	91,892	-	139,592
Prepayments.	1,735	3,034	-	4,769
Total current assets.	3,634,837	4,831,803	215,957	8,682,597
Noncurrent assets:				
Restricted equity in pooled cash and cash equivalents	-	-	410,682	410,682
Restricted cash in segregated accounts	-	-	81,584	81,584
Net pension asset	24,237	29,013	-	53,250
Net OPEB asset.	59,324	71,015	-	130,339
Capital assets:				
Land and construction in progress.	2,787,675	15,898,678	-	18,686,353
Depreciable/amortized capital assets, net.	49,909,424	25,862,700	-	75,772,124
Total capital assets, net	52,697,099	41,761,378	-	94,458,477
Total noncurrent assets	52,780,660	41,861,406	492,266	95,134,332
Total assets	56,415,497	46,693,209	708,223	103,816,929
Deferred outflows of resources:				
Unamortized deferred charges on refunding. . . .	6,544	7,376	-	13,920
Pension.	713,165	672,607	-	1,385,772
OPEB.	56,937	66,305	-	123,242
Total deferred outflows of resources	776,646	746,288	-	1,522,934

CITY OF DEFIANCE, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Liabilities:				
Current liabilities:				
Accounts payable	\$ 93,264	\$ 131,911	\$ -	\$ 225,175
Contracts payable	29,096	198,131	-	227,227
Accrued wages and benefits payable	70,399	73,963	-	144,362
Due to other governments	11,819	11,909	-	23,728
Accrued interest payable.	4,225	4,855	-	9,080
Payable from restricted assets:				
Refundable deposits	-	-	410,682	410,682
Compensated absences payable - current	113,448	150,469	-	263,917
General obligation bonds payable - current.	474,500	307,500	-	782,000
OWDA loans payable - current	1,910,365	836,094	-	2,746,459
OPWC loans payable - current.	-	123,403	-	123,403
Capital lease obligations payable - current.	10,480	46,189	-	56,669
Total current liabilities.	<u>2,717,596</u>	<u>1,884,424</u>	<u>410,682</u>	<u>5,012,702</u>
Long-term liabilities:				
Compensated absences payable	186,327	253,802	-	440,129
General obligation bonds payable	1,686,307	2,878,996	-	4,565,303
OWDA loans payable	14,244,671	14,275,971	-	28,520,642
OPWC loans payable.	-	1,542,544	-	1,542,544
Capital lease obligations payable	30,246	38,454	-	68,700
Net pension liability	1,697,513	2,032,054	-	3,729,567
Total noncurrent liabilities	<u>17,845,064</u>	<u>21,021,821</u>	<u>-</u>	<u>38,866,885</u>
Total liabilities	<u>20,562,660</u>	<u>22,906,245</u>	<u>410,682</u>	<u>43,879,587</u>
Deferred inflows of resources:				
Pension.	2,310	155,826	-	158,136
OPEB.	33,945	41,349	-	75,294
PILOTs levied for next year.	55,230	-	-	55,230
Total deferred inflows of resources	<u>91,485</u>	<u>197,175</u>	<u>-</u>	<u>288,660</u>
Net position:				
Net investment in capital assets	34,317,978	21,521,472	-	55,839,450
Restricted for other purposes.	83,561	100,028	-	183,589
Unrestricted	<u>2,136,459</u>	<u>2,714,577</u>	<u>297,541</u>	<u>5,148,577</u>
Total net position	<u>\$ 36,537,998</u>	<u>\$ 24,336,077</u>	<u>\$ 297,541</u>	<u>\$ 61,171,616</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DEFIANCE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Operating revenues:				
Charges for services	\$ 7,334,379	\$ 8,707,430	\$ 1,093,868	\$ 17,135,677
Tap-in fees	-	94,239	-	94,239
Other	49,262	40,570	-	89,832
Total operating revenues	<u>7,383,641</u>	<u>8,842,239</u>	<u>1,093,868</u>	<u>17,319,748</u>
Operating expenses:				
Personal services	2,927,720	2,510,123	-	5,437,843
Contract services	712,951	101,435	-	814,386
Materials and supplies	403,033	2,112,408	-	2,515,441
Administrative costs	38,360	11,195	-	49,555
Utilities	400,879	348,817	1,073,177	1,822,873
Depreciation/amortization.	1,808,026	1,095,018	-	2,903,044
Other.	-	14,446	-	14,446
Total operating expenses	<u>6,290,969</u>	<u>6,193,442</u>	<u>1,073,177</u>	<u>13,557,588</u>
Operating income	<u>1,092,672</u>	<u>2,648,797</u>	<u>20,691</u>	<u>3,762,160</u>
Nonoperating revenues (expenses):				
Interest revenue	112,809	122,012	-	234,821
Loss on disposal of capital assets	(29,090)	(17,620)	-	(46,710)
Interest expense	(417,730)	(293,622)	-	(711,352)
Payments in lieu of taxes.	55,256	-	-	55,256
Total nonoperating revenues (expenses)	<u>(278,755)</u>	<u>(189,230)</u>	<u>-</u>	<u>(467,985)</u>
Income before transfers and contributions.	813,917	2,459,567	20,691	3,294,175
Transfers (out).	(15,489)	-	-	(15,489)
Capital contributions	<u>1,182,543</u>	<u>238,008</u>	<u>-</u>	<u>1,420,551</u>
Change in net position.	1,980,971	2,697,575	20,691	4,699,237
Net position at beginning of year, as previously reported .	34,737,141	21,847,744	276,850	56,861,735
Restatement - change in accounting principle.	<u>(180,114)</u>	<u>(209,242)</u>	<u>-</u>	<u>(389,356)</u>
Net position at beginning of year, restated.	<u>34,557,027</u>	<u>21,638,502</u>	<u>276,850</u>	<u>56,472,379</u>
Net position at end of year.	<u>\$ 36,537,998</u>	<u>\$ 24,336,077</u>	<u>\$ 297,541</u>	<u>\$ 61,171,616</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DEFIANCE, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Cash flows from operating activities:				
Cash received from charges for services.	\$ 7,335,409	\$ 8,605,541	\$ 1,105,364	\$ 17,046,314
Cash received from tap-in fees.	-	94,239	-	94,239
Cash received from other operations.	49,262	40,570	-	89,832
Cash payments for personal services.	(2,550,134)	(2,762,662)	-	(5,312,796)
Cash payments for contractual services.	(656,782)	(142,300)	-	(799,082)
Cash payments for administrative costs.	(81,761)	(24,961)	-	(106,722)
Cash payments for materials and supplies.	(380,484)	(1,902,244)	-	(2,282,728)
Cash payments for utilities.	(399,169)	(381,905)	(1,073,177)	(1,854,251)
Cash payments for other operations.	-	(13,712)	-	(13,712)
Net cash provided by operating activities.	3,316,341	3,512,566	32,187	6,861,094
Cash flows from noncapital financing activities:				
Cash payments for transfers out.	(15,489)	-	-	(15,489)
Net cash used in noncapital financing activities.	(15,489)	-	-	(15,489)
Cash flows from capital and related financing activities:				
Cash received from payments in lieu of taxes.	55,256	-	-	55,256
Cash payments for the acquisition of capital assets.	(2,270,102)	(3,475,308)	-	(5,745,410)
Cash received from issuance of loans.	-	2,584,954	-	2,584,954
Cash payments for principal retirement.	(2,330,860)	(1,248,520)	-	(3,579,380)
Cash payments for interest and fiscal charges.	(420,556)	(299,092)	-	(719,648)
Cash received from capital contributions.	1,182,543	238,008	-	1,420,551
Net cash used in capital and related financing activities.	(3,783,719)	(2,199,958)	-	(5,983,677)
Cash flows from investing activities:				
Cash received from interest earned.	113,366	115,063	-	228,429
Net cash provided by investing activities.	113,366	115,063	-	228,429
Net increase (decrease) in cash and cash equivalents.	(369,501)	1,427,671	32,187	1,090,357
Cash and cash equivalents at beginning of year.	3,608,801	2,995,802	632,271	7,236,874
Cash and cash equivalents at end of year.	\$ 3,239,300	\$ 4,423,473	\$ 664,458	\$ 8,327,231

CITY OF DEFIANCE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Nonmajor	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 1,092,672	\$ 2,648,797	\$ 20,691	\$ 3,762,160
Adjustments:				
Depreciation/amortization.	1,808,026	1,095,018	-	2,903,044
Changes in assets and liabilities:				
Change in accounts receivable.	1,030	(101,889)	(15,970)	(116,829)
Change in materials and supplies inventory.	7,583	20,166	-	27,749
Change in net pension asset.	(4,217)	(5,055)	-	(9,272)
Change in net OPEB asset.	(59,324)	(71,015)	-	(130,339)
Change in deferred outflows - pension	548,087	277,883	-	825,970
Change in deferred outflows - OPEB.	75,781	87,793	-	163,574
Change in accounts payable	28,503	106,071	-	134,574
Change in accrued wages and benefits	15,508	3,705	-	19,213
Change in compensated absences payable.	21,842	40,507	-	62,349
Change in due to other governments	(10,833)	(18,593)	-	(29,426)
Change in utility deposits payable.	-	-	27,466	27,466
Change in net pension liability.	(185,641)	(221,575)	-	(407,216)
Change in net OPEB liability.	(42,275)	(50,592)	-	(92,867)
Change in deferred inflows - pension.	(403)	(321,428)	-	(321,831)
Change in deferred inflows - OPEB.	20,002	22,773	-	42,775
Net cash provided by operating activities	<u>\$ 3,316,341</u>	<u>\$ 3,512,566</u>	<u>\$ 32,187</u>	<u>\$ 6,861,094</u>

Non-cash transactions:

At December 31, 2024, the sewer fund purchased \$29,096 in capital assets on account.
 At December 31, 2023, the sewer fund purchased \$8,180 in capital assets on account.
 During 2024, the sewer fund acquired \$28,475 in capital assets through lease transactions.
 At December 31, 2024, the water fund purchased \$198,131 in capital assets on account.
 At December 31, 2023, the water fund purchased \$70,520 in capital assets on account.
 During 2024, the water fund acquired \$14,343 in capital assets through lease transactions.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DEFIANCE, OHIO

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2024**

	<u>Custodial</u>
Assets:	
Cash in segregated accounts	<u>\$ 13,846</u>
Total assets.	<u><u>\$ 13,846</u></u>
Liabilities:	
Due to other governments	<u>\$ 13,846</u>
Total liabilities.	<u><u>\$ 13,846</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF DEFIANCE, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Custodial</u>
Additions:	
Fines and forfeitures collected for other governments .	\$ 1,089,450
Total additions	<u>1,089,450</u>
Deductions:	
Fines and forfeitures distributed to other governments .	<u>1,089,450</u>
Total deductions.	<u>1,089,450</u>
Change in net position	-
Net position at beginning of year	<u>-</u>
Net position at end of year	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - DESCRIPTION OF THE CITY

The City of Defiance, Ohio (the “City”), located in Defiance County, is a politic and corporate body established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio and its charter. The City operates under a Council/Mayor form of government and provides the following services to its residents: public safety, highways and streets, water, sewer, refuse, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

For financial reporting purposes, the City’s BFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization’s Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Governing Board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s basic financial statements to be misleading or incomplete. Based upon the foregoing criteria, the City has no component units.

The primary government consists of all funds, agencies, departments, and offices that are not legally separate from the City. The primary government includes the City departments and agencies that provide the following services: police protection, fire fighting and prevention, emergency medical services, street maintenance and repair, parks and recreation, water, sanitary sewer, refuse, public service, and planning and zoning.

The following organizations are described due to their relationship with the City:

JOINTLY GOVERNED ORGANIZATIONS

Maumee Valley Planning Organization (MVPO) - The City is a member of the MVPO, which is a jointly governed organization between Defiance, Fulton, Henry, Paulding, and Williams Counties and the respective townships and municipalities in each of those counties. The purpose of the MVPO is to act as a joint regional planning commission to write and administer Community Development Block Grants (CDBG) and help with housing rehabilitation in the area.

The MVPO is governed by a Board consisting of fifteen members. The Board is made up of one County Commissioner from each member county, as well as one township representative and one municipal representative for each of the five member counties. The main source of revenue is fees charged by the MVPO to administer CDBG grants, and a per capita amount from each participating city.

The City provides resources to the Executive Council based on a membership fee and services provided to the City. The MVPO exercises total control over the operation of the MVPO including budgeting, contracting, and designating management. The City has no ongoing financial interest or responsibility for the MVPO. In 2024, the City contributed \$22,193 for the MVPO’s operations. Information can be obtained from Brett J. Kolb, Fulton County Auditor, 152 South Fulton Avenue, Suite 165, Wauseon, Ohio 43567.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

JOINT VENTURES WITHOUT EQUITY INTEREST

Multi-Area Narcotics Task Force (MANTF) - The City is a member of the MANTF, which is a joint venture between Defiance, Paulding, and Putnam Counties, and the Cities of Defiance and Bryan. The purpose of the drug task force is to act as a joint task force in the fight against narcotics. The MANTF is jointly controlled by the Chief Law Enforcement Officer of each respective entity.

The main source of revenue for the MANTF is from federal grants and local matching shares from the entities. The City has no ongoing financial responsibility to the MANTF. The City has indirect access to the net resources of the MANTF since the City is able to influence the MANTF to use its surplus resources to undertake projects of interest to the City's residents. This access to the net resources of the Governing Board has not been explicitly defined, nor is it currently measurable. In 2024, the City contributed \$25,000 for the MANTF's operations. Financial statements for the MANTF can be obtained through the Defiance County Sheriff's Office located at 113 Biede Street, Defiance, Ohio 43512.

Community Improvement Corporation of Defiance County (Corporation) - The Corporation shall be exercised, conducted, and controlled by the Board of Trustees and the Board of Trustees shall name a minimum of nine and a maximum of fifteen trustees with forty percent of the trustees to be elected officials. Further, each shall be a member of the Corporation and all of whom shall be citizens of the United States. Defiance County, the City of Defiance, and the villages and townships of Defiance County participate in the operation of the Corporation. The Corporation duties are to advance, encourage, and promote the industrial, economic, commercial, and civic development.

The Defiance County Economic Development Employment Agreement between the Board of Trustees of the Corporation and the Defiance County Director of Economic Development states that the County's Director of Economic Development may serve as Executive Director of the Corporation, as such the Corporation has agreed to furnish Defiance County with the funds needed to pay her salary. The City of Defiance partially funds the Corporation to pay the salary of the Director of the Defiance County Economic Development. The City's degree of control over the Board of Trustees is limited to its representation on the Board of Trustees. In 2024, the City contributed \$250 for the Corporation's operations. Information can be obtained from Erika Willitzer, Executive Director, 1300 East Second Street, Suite 201, Defiance, Ohio 43512.

RELATED ORGANIZATION

Defiance Public Library (Library) - The Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by City Council. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the City for operational subsidies. Although the City does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Defiance Public Library, Nancy Roehrig, Chief Fiscal Officer, 320 Fort Street, Defiance, Ohio 43512.

B. Basis of Presentation - Fund Accounting

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

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

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

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. The City does not eliminate interfund services provided and used when consolidating activities.

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. Fiduciary funds are reported by type.

C. Fund Accounting

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

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

General fund - The general fund 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.

Police and fire fund - The police and fire fund accounts for and reports financial resources resulting from the City's additional 0.3% income tax levy that are restricted for use in the operations of the police and fire departments.

Capital improvement fund - The capital improvements fund accounts for financial resources that are committed to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

Other governmental funds of the City are used to account for:

Nonmajor special revenue funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Nonmajor capital projects funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Nonmajor debt service funds - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary fund reporting focuses on changes in net position, financial position, and cash flows. Enterprise funds are the City's only type of proprietary fund.

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 provision of sanitary sewer service to the residents and commercial users located within the City.

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

Other enterprise funds of the City are used to account for refuse collection and utility deposits. These funds are nonmajor funds whose activity has been aggregated and presented in a single column in the basic financial statements.

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 report fiduciary activities not required to be reported in a trust fund. The City's only fiduciary fund is a custodial fund that accounts for municipal court fines and fees collected for and distributed to other governments.

D. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, 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. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows of resources, current liabilities, and current 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.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, 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.

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 from the enterprise funds include personnel and other expenses related to sewer, water, refuse, and utility deposits. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds. Custodial funds use the economic resources measurement focus.

E. Basis of Accounting

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

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. On the 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, grants and entitlements, and donations. On the accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants and entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

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 13 and 14 for deferred outflows of resources related to net pension liability/asset and net OPEB liability, 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.

See Notes 13 and 14 for deferred inflows of resources related to net pension liability/asset and net OPEB liability, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

F. Budgetary Data

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations resolution is City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of budgetary control as established in the appropriations ordinance is at the fund, department, and object level ("personnel," "operating," etc.). Budgetary modifications at the legal level of control may only be made by a subsequent resolution of City Council.

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

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

G. Health Care

The Comprehensive Omnibus Budget Reconciliation Act (COBRA) of 1986 required the City to offer and provide terminated or retired employees continued participation in the City's employee health care benefits program, provided that the employees pay the rate established by the plan administrator. The City incurred no expenditures or revenues in providing these services. The participating former employees make premium payments directly to the City's insurance provider and the insurance provider is responsible for all claims.

H. Cash and Investments

To improve cash management, cash received by the City, other than cash in segregated accounts, is pooled. Monies for all 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 basic financial statements.

During 2024, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposit, municipal bonds, commercial paper, a U.S. Government money market mutual fund, U.S. Treasury notes, and federal agency securities. Except for investments in STAR Ohio, investments are reported at fair value.

During 2024, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Following Ohio statutes, City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue earned and credited to the general fund during 2024 amounted to \$360,729, which included \$141,592 assigned from other funds of the City.

The City has segregated bank accounts for monies held separate from the City's central bank account. These monies are held for a museum trust, an environmental trust, police property, and municipal court operations. These interest bearing depository accounts are presented on the basic 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 basic financial statements, 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 an initial maturity of more than three months are reported as investments. An analysis of the City's investment account at year end is provided in Note 4.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

I. Restricted Assets

Customer deposits and environmental trust resources in the nonmajor enterprise funds are classified as restricted assets because these funds are being held for specified purposes.

J. Inventories of Materials and Supplies

Inventory is stated at cost (first-in, first-out) in the governmental funds, and at the lower of cost (first-in, first-out) or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and expenses in the proprietary funds when used.

On the governmental fund financial statements, reported materials and supplies inventory is equally offset by nonspendable fund balance, 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.

K. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$2,500. The City's infrastructure consists primarily of roads, bridges, culverts, and sanitary sewers. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets is also capitalized for the business-type activities. In addition, assets having an estimated useful life of more than one year that are below the \$2,500 threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

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 replacements. 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>
Improvements other than buildings	15 - 30 years	N/A
Land improvements	N/A	15 - 20 years
Buildings and improvements	15 - 45 years	15 - 50 years
Equipment	10 - 20 years	10 - 30 years
Infrastructure	30 years	30 - 50 years
Vehicles	6 - 15 years	6 - 15 years
Intangible right to use - leased equipment	5 - 10 years	5 - 10 years
Intangible right to use - leased vehicles	5 - 6 years	5 - 6 years

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

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

L. Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - vacation, sick leave and comp time. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The City's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the City and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

Comp Time

The City's policy permits employees to accumulate earned but unused comp time, which are eligible for payment at the employee's current pay rate upon separation from employment.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on 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, compensated absences, and claims and judgements that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans, and capital lease obligations are recognized as liabilities on the governmental fund financial statements when due. 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.

On the government-wide financial statements and proprietary fund financial statements, bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums.

N. Interfund Activity

Transfers between governmental activities and business-type activities on the government-wide financial statements are reported in the same manner as general revenues. The net residual amounts due between governmental activities and business-type activities are presented as internal balances.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

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.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed. City Council has, by ordinance, authorized the Finance Director to assign fund balance. The City may also assign fund balance in the general fund when appropriating fund balance to cover a gap between estimated receipts 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. Contributions of Capital

Contributions of capital in governmental activities and proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, from grants or outside contributions of resources restricted to capital acquisition and construction, or from other funds within the City.

During 2024, the sewer and water funds received \$1,182,543 and \$238,008, respectively, in capital contributions in the form of grants restricted to capital acquisition and construction.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

Q. Estimates

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

R. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing or liabilities used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Net position restricted for other purposes consists of resources restricted to transportation, cable television franchise fees, pensions, and peace officer training.

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

S. 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 management and are either unusual in nature or infrequent in occurrence. The City reported neither type of transaction during 2024.

T. Bond Issuance Costs/Bond Premiums and Discounts/Deferred Charges on Refunding/Prepaid Bond Insurance

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

On the government-wide financial statements, bond premiums and discounts are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds.

On the governmental fund financial statements, bond premiums and discounts are recognized in the period in which these items are incurred. The reconciliation between the face value of bonds and the amount reported on the statement of net position is presented in Note 11.

Prepaid bond insurance is amortized over the term of the bonds using the straight-line method.

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

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

U. Pensions/Other Postemployment Benefits (OPEB)

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

V. 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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2024, the City has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*", GASB Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*", Implementation Guide No. 2023-1 and GASB Statement No. 101, "*Compensated Absences*".

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 balances previously report by 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.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the City.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

B. Restatement of Net Position

During 2024, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "*Compensated Absences*". The effect of changing the accounting principle is shown in the table on the following page.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

	12/31/2023 As Previously Reported	Change in Accounting Principle	12/31/2023 As Restated
Net Position			
Governmental Activities	\$ 29,116,322	\$ (1,532,353)	\$ 27,583,969
Business-Type Activities	56,861,735	(389,356)	56,472,379
Total Net Position	<u>\$ 85,978,057</u>	<u>\$ (1,921,709)</u>	<u>\$ 84,056,348</u>
Proprietary Funds			
Major Funds:			
Sewer	\$ 34,737,141	\$ (180,114)	\$ 34,557,027
Water	21,847,744	(209,242)	21,638,502
Nonmajor Enterprise Fund	276,850	-	276,850
Total Proprietary Funds	<u>\$ 56,861,735</u>	<u>\$ (389,356)</u>	<u>\$ 56,472,379</u>

C. Compliance

Contrary to Ohio Law, expenditures exceeded appropriations in the capital improvement fund in the amount of \$665,297.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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 and 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;

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
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;
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 City, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At December 31, 2024, the City had \$2,250 in undeposited cash on hand, which is included on the basic financial statements of the City as part of "equity in pooled cash and cash equivalents".

B. Cash in Segregated Accounts

At December 31, 2024, the City had \$853,745 in cash in segregated accounts held for a museum trust, an environmental trust, police property, and municipal court operations. This amount is not included in "Deposits with Financial Institutions" below.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Deposits with Financial Institutions

At December 31, 2024, the carrying amount of all City deposits was \$9,766,615, and the bank balance was \$10,084,620. Of the bank balance, \$5,394,501 was covered by FDIC, and \$4,690,119 was covered by pooled collateral through the Ohio Pooled Collateral System (OPCS).

D. Investments

At December 31, 2024, the City had the following investments and maturities:

Measurement\ Investment Type	Measurement Value	Investment Maturities				
		6 Months or Less	7 to 12 Months	13 to 18 Months	19 to 24 Months	Greater than 24 Months
<i>Amortized cost:</i>						
STAR Ohio	\$ 111,254	\$ 111,254	\$ -	\$ -	\$ -	\$ -
<i>Fair value:</i>						
FAMC	245,001	-	-	-	94,527	150,474
FHLMC	578,841	-	485,010	-	93,831	-
FNMA	193,146	-	193,146	-	-	-
FFCB	2,804,770	246,848	239,355	405,654	165,034	1,747,879
FHLB	1,079,103	159,498	460,434	120,618	-	338,553
Negotiable CDs	1,018,268	-	-	-	-	1,018,268
Commercial paper	742,866	742,866	-	-	-	-
Municipal bonds	172,636	-	-	-	-	172,636
U.S. Treasury notes	4,329,196	-	-	246,606	790,146	3,292,444
U.S. Government money market	25,668	25,668	-	-	-	-
Total	<u>\$ 11,300,749</u>	<u>\$ 1,286,134</u>	<u>\$ 1,377,945</u>	<u>\$ 772,878</u>	<u>\$ 1,143,538</u>	<u>\$ 6,720,254</u>

The weighted average maturity of investments is 2.50 years.

The City's investment in a U.S. Government money market and U.S. Treasury notes are valued using quoted prices in active markets (Level 1 inputs). The City's investments in federal agency securities, municipal bonds, commercial paper and negotiable certificates of deposit are valued using quoted market 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: Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. 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 addresses interest rate risk by requiring the City's investment portfolio be structured so that securities meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities in the open market prior to maturity, and by investing operating funds primarily in short-term investments. State statute limits investments in commercial paper to a maximum of 270 days from the date of purchase.

Credit Risk: STAR Ohio and the money market mutual fund both carry an AAAM rating by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of the purchase by at least one nationally recognized standard rating service. The City's investments in federal agency securities, municipal bonds, and U.S. Treasury Notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investments in commercial paper were rated A-1 or A-1+ by Standard & Poor's. The City's investments in negotiable certificates of deposit are fully insured by the FDIC. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 investment or collateral securities that are in the possession of an outside party. The negotiable certificates of deposit are covered by FDIC. The federal agency securities, U.S. Treasury notes, and commercial paper were 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 credit risk, beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, governing board, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The percentage of each investment type held by the City at December 31, 2024 follows:

Measurement\ Investment Type	Measurement Value	% of Total
<i>Amortized cost:</i>		
STAR Ohio	\$ 111,254	0.98%
<i>Fair value:</i>		
FAMC	245,001	2.17%
FHLMC	578,841	5.12%
FNMA	193,146	1.71%
FFCB	2,804,770	24.82%
FHLB	1,079,103	9.55%
Negotiable CDs	1,018,268	9.01%
Commercial paper	742,866	6.57%
Municipal bonds	172,636	1.53%
U.S. Treasury notes	4,329,196	38.31%
U.S. Government money market	25,668	0.23%
Total	\$ 11,300,749	100.00%

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

The following is a reconciliation of cash and investments as reported in the note above to cash and cash equivalents as reported on the statement of net position at December 31, 2024:

Cash and investments per note

Carrying amount of deposits	\$ 9,766,615
Investments	11,300,749
Cash in segregated accounts	853,745
Cash on hand	2,250
Total	<u>\$ 21,923,359</u>

Cash and cash equivalents per statement of net position

Governmental activities	\$ 13,582,282
Business-type activities	8,327,231
Custodial fund	13,846
Total	<u>\$ 21,923,359</u>

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 5 - INTERFUND TRANSACTIONS

During 2024, interfund transfers consisted of the following, as reported in the fund financial statements:

Transfers from the general fund to:

Police and fire fund	\$ 4,767,000
Nonmajor governmental funds	1,019,500

Transfer from the sewer fund to:

Nonmajor governmental fund	15,489
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Total transfers	<u>\$ 5,801,989</u>
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Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the funds making debt service payments as the payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers between governmental funds are eliminated for reporting on the government-wide financial statements. Transfers between enterprise funds are eliminated for reporting on the government-wide financial statements. Transfers between governmental activities and business-type activities are reported as transfers in the statement of activities.

All transfers made were in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16.

NOTE 6 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2024 public utility property taxes became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Defiance. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2024 and for which there is an enforceable legal claim. In the governmental funds, property and other local taxes receivable has been offset by a deferred inflow of resources for the current portion, since the current taxes were not levied to finance 2024 operations, and the delinquent portion, since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue is unavailable.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6 - PROPERTY TAXES – (Continued)

The full tax rate for all City operations for the year ended December 31, 2024, was \$3.00 per \$1,000 of assessed value. The assessed values of real property and public utility personal property upon which 2024 property tax receipts were based are as follows:

Real property

Residential/agricultural	\$ 293,841,400
Commercial/industrial/mineral	100,366,430

Public utility

Real	117,630
Personal	30,336,210
Total assessed value	<u>\$ 424,661,670</u>

NOTE 7 - LOCAL INCOME TAX

The locally levied income tax rate of 1.5 percent was increased to 1.8 percent effective January 1, 2014, and is applied to gross salaries, wages, and other personal service compensation earned by residents both within and outside of the City, and to earnings of nonresidents (except certain transients) earned within the City. It also applies to net income of for-profit organizations conducting business within the City. Income tax revenues are reported to the extent that they are measurable and available to finance current operations at December 31, 2024. Income tax revenue for 2024 was \$13,920,689 on the modified accrual basis of accounting.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2024 consisted of income taxes, property and other local taxes, payments in lieu of taxes, accounts (billings for user charged services), loans receivable, special assessments, accrued interest, and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as “due from other governments” on the basic financial statements. Receivables have been recorded to the extent that they are measurable at December 31, 2024.

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

Governmental activities:

Income taxes	\$ 1,738,913
Property and other local taxes	1,145,332
Accounts	357,373
Loans receivable	926,424
Special assessments	140,853
Accrued interest	35,199
Due from other governments	825,072
Payments in lieu of taxes	37,579

Business-type activities:

Accounts	615,466
Accrued interest	32,575
Payments in lieu of taxes	55,230

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year with the exception of the opioid settlement receivable which will be collected over the course of the settlement agreements. Receivables in the amount of \$108,376 will not be received within one year.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 9 - CAPITAL ASSETS

The following activity occurred in the City's governmental activities capital assets during 2024:

	Balance 1/1/2024	Additions	Disposals	Balance 12/31/2024
<u>Governmental activities:</u>				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 2,042,449	\$ 54,673	\$ -	\$ 2,097,122
Construction in progress	4,625,160	1,476,994	(4,708,410)	1,393,744
<i>Total capital assets, not being depreciated/amortized</i>	<u>6,667,609</u>	<u>1,531,667</u>	<u>(4,708,410)</u>	<u>3,490,866</u>
<i>Capital assets, being depreciated/amortized:</i>				
Buildings and improvements	12,538,780	-	-	12,538,780
Improvements other than buildings	5,261,145	570,004	(121,511)	5,709,638
Equipment	4,309,144	343,677	(41,653)	4,611,168
Vehicles	3,895,680	2,285,019	(677,077)	5,503,622
Infrastructure	36,643,547	4,969,093	-	41,612,640
Intangible right to use:				
Leased equipment	564,729	-	-	564,729
Leased vehicles	710,183	52,220	-	762,403
<i>Total capital assets, being depreciated/amortized</i>	<u>63,923,208</u>	<u>8,220,013</u>	<u>(840,241)</u>	<u>71,302,980</u>
<i>Less: accumulated depreciation/amortization:</i>				
Buildings and improvements	(6,570,503)	(353,331)	-	(6,923,834)
Improvements other than buildings	(2,252,781)	(226,648)	121,511	(2,357,918)
Equipment	(2,749,160)	(286,608)	32,903	(3,002,865)
Vehicles	(2,658,276)	(408,349)	677,077	(2,389,548)
Infrastructure	(17,334,473)	(1,104,830)	-	(18,439,303)
Intangible right to use:				
Leased equipment	(305,999)	(99,903)	-	(405,902)
Leased vehicles	(152,524)	(103,977)	-	(256,501)
<i>Total accumulated depreciation/amortization</i>	<u>(32,023,716)</u>	<u>(2,583,646)</u>	<u>831,491</u>	<u>(33,775,871)</u>
Total capital assets, net	<u>\$ 38,567,101</u>	<u>\$ 7,168,034</u>	<u>\$ (4,717,160)</u>	<u>\$ 41,017,975</u>

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

<u>Governmental activities:</u>	
General government	\$ 331,971
Security of persons and property	452,519
Public health and welfare	121,733
Transportation	1,234,069
Community environment	163,726
Leisure time activity	279,628
Total depreciation/amortization expense - governmental activities	<u>\$ 2,583,646</u>

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 9 - CAPITAL ASSETS - (Continued)

The following activity occurred in the City's business-type activities capital assets during 2024:

	Balance 1/1/2024	Additions	Disposals	Balance 12/31/2024
<u>Business-type activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 662,207	\$ 11,045	\$ -	\$ 673,252
Construction in progress	15,417,436	4,521,751	(1,926,086)	18,013,101
<i>Total capital assets, not being depreciated</i>	<u>16,079,643</u>	<u>4,532,796</u>	<u>(1,926,086)</u>	<u>18,686,353</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,157,499	-	(4,200)	1,153,299
Buildings and improvements	30,701,147	1,018,962	-	31,720,109
Equipment	7,363,612	245,785	(47,209)	7,562,188
Vehicles	1,272,409	-	(104,183)	1,168,226
Infrastructure	86,478,570	1,926,086	-	88,404,656
Intangible right to use:				
Leased vehicles	258,488	139,212	-	397,700
<i>Total capital assets, being depreciated</i>	<u>127,231,725</u>	<u>3,330,045</u>	<u>(155,592)</u>	<u>130,406,178</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(971,409)	(17,813)	4,200	(985,022)
Buildings and improvements	(19,262,583)	(686,748)	-	(19,949,331)
Equipment	(4,279,321)	(424,468)	39,851	(4,663,938)
Vehicles	(759,221)	(124,043)	64,831	(818,433)
Infrastructure	(26,471,216)	(1,589,667)	-	(28,060,883)
Intangible right to use:				
Leased vehicles	(96,142)	(60,305)	-	(156,447)
<i>Total accumulated depreciation</i>	<u>(51,839,892)</u>	<u>(2,903,044)</u>	<u>108,882</u>	<u>(54,634,054)</u>
Total capital assets, net	<u>\$ 91,471,476</u>	<u>\$ 4,959,797</u>	<u>\$ (1,972,796)</u>	<u>\$ 94,458,477</u>

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

<u>Business-type activities:</u>	
Sewer	\$ 1,808,026
Water	<u>1,095,018</u>
Total depreciation expense - business-type activities	<u>\$ 2,903,044</u>

NOTE 10 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation and Comp Time Leave

City employees earn vacation and comp time leave at varying rates based upon length of service. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation and comp time leave. The total obligation for vacation and comp time leave for the City as a whole amounted to \$644,124 at December 31, 2024. Amounts are recorded as a fund liability and/or on the government-wide financial statements, as applicable.

CITY OF DEFIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10 - OTHER EMPLOYEE BENEFITS - (Continued)

Accumulated Unpaid Sick Leave

City employees earn sick leave at varying rates based upon length of service. Employees may use sick leave as paid time off due to illness. In addition, upon retirement, an employee is paid a percentage of their accumulated unused sick leave within various limits. The total obligation for sick leave for the City as a whole amounted to \$2,328,620 at December 31, 2024. Amounts are recorded as a fund liability and/or on the government-wide financial statements, as applicable.

NOTE 11 - LONG-TERM OBLIGATIONS

A. Governmental Activities Long-Term Obligations

Due to the implementation of GASB Statement No. 101 (see Note 3 for detail), the City has restated compensated absences as of December 31, 2023 which is reflected in the schedule below. During 2024, the following changes occurred in governmental activities long-term obligations.

	Restated Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024	Amount Due in One Year
<u>Governmental activities:</u>					
General obligation bonds:					
Series 2020 Bonds - Various Purpose - 1.00-2.00%	\$ 725,000	\$ -	\$ (100,000)	\$ 625,000	\$ 100,000
Series 2020 Bonds - Refunding - 1.00-2.00%	1,905,000	-	(225,000)	1,680,000	235,000
Series 2022 Bonds - Commerce Drive - 3.00-7.00%	1,280,000	-	(45,000)	1,235,000	45,000
Series 2022 Bonds - Ottawa Corridor - 3.00-7.00%	890,000	-	(30,000)	860,000	35,000
Total general obligation bonds	<u>4,800,000</u>	<u>-</u>	<u>(400,000)</u>	<u>4,400,000</u>	<u>415,000</u>
Land acquisition bonds - 2.75% - direct borrowing	1,421,452	-	(125,429)	1,296,023	128,878
OWDA loan - 0% - direct borrowing	1,165,590	-	(116,559)	1,049,031	116,559
Financing purchase agreement obligations payable	418,181	1,285,053	(162,595)	1,540,639	237,544
Leases payable	359,558	40,897	(169,216)	231,239	88,052
Net pension liability	21,749,083	306,753	(762,772)	21,293,064	-
Net OPEB liability	1,289,208	32,643	(145,772)	1,176,079	-
Compensated absences* (restated)	<u>2,420,864</u>	<u>-</u>	<u>(152,166)</u>	<u>2,268,698</u>	<u>784,290</u>
Total	<u>\$ 33,623,936</u>	<u>\$ 1,665,346</u>	<u>\$ (2,034,509)</u>	<u>\$ 33,254,773</u>	<u>\$ 1,770,323</u>
Add: unamortized bond premium				<u>82,066</u>	
Total on statement of net position				<u>\$ 33,336,839</u>	

*The change in compensated absences liability is presented as a net change.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

General Obligation Bonds:

Series 2020 various purpose general obligation bonds - On October 22, 2020, the City issued various purpose general obligation bonds, par value \$1,005,000 (series 2020 various purpose bonds). These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds were issued to provide resources for improving the intersection of Ottawa Avenue and Cleveland Avenue. The bonds have an annual interest rate ranging from 1.00% to 2.00% and are scheduled to mature on December 1, 2030. Principal and interest payments on the general obligation bonds will be made from the capital improvement fund.

Series 2020 refunding general obligation bonds - On October 22, 2020, the City issued general obligation bonds (series 2020 refunding bonds) to currently refund the series 2011 general obligation bonds. The issuance proceeds of \$2,616,487 were used to pay for the cost of the issuance and to retire the outstanding series 2011 general obligation bonds.

The 2020 refunding issue is comprised of current interest bonds, par value \$2,560,000. The interest rate on the current interest bonds ranges from 1.00-2.00% and mature on December 1, 2031. The bonds will be retired through the capital improvement fund and the special projects fund (a nonmajor governmental fund).

The reacquisition price exceeded the net carrying amount of the old debt by \$18,137. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. This refunding was undertaken to reduce total debt service payments by \$340,531 and resulted in an economic gain of \$341,577.

Series 2022 general obligation bonds - On December 15, 2022, the City issued various purpose general obligation bonds, par value \$2,180,000 (series 2022 bonds). These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds were issued to provide resources for the Commerce Drive Extension and improvements at the Ottawa Corridor. The bonds have interest rates ranging from 3.00% to 7.00% and are scheduled to mature on December 1, 2042. Principal and interest payments on the general obligation bonds will be made from the capital improvement fund.

Land Acquisition Bonds

During 2018, the City issued \$2,000,000 in land acquisition bonds, which were purchased by ProMedica, in order to provide funds to the Community Improvement Corporation of Defiance County to purchase land for the development of a business park. The City did not purchase any capital assets with the proceeds of these bonds. The bonds bear an interest rate of 2.75% and are scheduled to mature on August 1, 2033. Payment of principal and interest on the bonds will be made from the commerce drive fund (a nonmajor governmental fund).

The land acquisition bonds are direct borrowings that have terms negotiated directly between the City and the lender and are not offered for public sale. In the event of default, the lender may declare the full amount of the then unpaid bonds 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.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

OWDA Loan

In 2012, the City entered into an interest free debt financing arrangement to fund Richland Township sanitary sewer improvements through the Ohio Water Development Authority (OWDA). The City's total borrowing on this loan was \$2,331,180. Loan repayments began in 2014 and are scheduled to continue through 2033. The debt service payments are reported in the bond retirement fund (a nonmajor governmental fund).

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.

Leases Payable

The City has entered into lease agreements for the use for the right to use vehicles and equipment. The City has reported intangible right to use capital assets and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid out of the general fund, the police and fire fund, and the street construction, maintenance, and repair, nonmajor special revenue fund. Lease payments are reflected as debt service expenditures in the financial statements and as functional expenditures in the budgetary statements. Payments are due monthly and the leases mature in 2029.

Financed Purchase Agreement Obligations

The City has entered into financed purchase agreement obligations for the purchase of equipment, a street sweeper, an aerial fire truck, and an ambulance. The obligations will be paid out of the capital improvements fund. Payments are reflected as debt service expenditures in the financial statements for the governmental funds and as functional expenditures in the budgetary schedules.

Net Pension Liability and Net OPEB Liability

The net pension liability and net OPEB liability is described in Notes 13 and 14. These liabilities will be primarily paid out of the general fund, police pension fund, and the fire pension fund.

Future Debt Service Requirements

The following is a summary of the City's future annual debt service requirements for the governmental activities long-term obligations:

Year Ending	General Obligation Bonds			Direct Borrowing
	Principal	Interest	Total	OWDA Loan Principal
2025	\$ 415,000	\$ 110,087	\$ 525,087	\$ 116,559
2026	425,000	98,587	523,587	116,559
2027	430,000	90,087	520,087	116,559
2028	440,000	81,287	521,287	116,559
2029	445,000	74,987	519,987	116,559
2030 - 2034	1,145,000	284,275	1,429,275	466,236
2035 - 2039	645,000	169,076	814,076	-
2040 - 2042	455,000	37,002	492,002	-
Total	<u>\$ 4,400,000</u>	<u>\$ 945,388</u>	<u>\$ 5,345,388</u>	<u>\$ 1,049,031</u>

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending	Direct Borrowing		
	Land Acquisition Bonds		
	Principal	Interest	Total
2025	\$ 128,878	\$ 35,640	\$ 164,518
2026	132,422	32,096	164,518
2027	136,064	28,455	164,519
2028	139,805	24,714	164,519
2029	143,650	20,868	164,518
2030 - 2033	615,204	42,868	658,072
Total	<u>\$ 1,296,023</u>	<u>\$ 184,641</u>	<u>\$ 1,480,664</u>

Year Ending	Leases Payable		
	Principal	Interest	Total
2025	\$ 88,052	\$ 7,015	\$ 95,067
2026	69,090	3,848	72,938
2027	49,253	1,841	51,094
2028	19,453	644	20,097
2029	5,391	90	5,481
Total	<u>\$ 231,239</u>	<u>\$ 13,438</u>	<u>\$ 244,677</u>

Year Ending	Financed Purchase Agreement Obligations		
	Principal	Interest	Total
2025	\$ 237,544	\$ 87,258	\$ 324,802
2026	200,362	76,516	276,878
2027	161,617	66,942	228,559
2028	113,447	58,539	171,986
2029	120,647	51,339	171,986
2030-2034	345,508	178,276	523,784
2035-2038	361,514	57,510	419,024
Total	<u>\$ 1,540,639</u>	<u>\$ 576,380</u>	<u>\$ 2,117,019</u>

Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2024, the City's voted debt margin was \$39,538,010 and the unvoted debt margin was \$23,356,392.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Activities Long-Term Obligations

Due to the implementation of GASB Statement No. 101 (see Note 3 for detail), the City has restated compensated absences as of December 31, 2023 which is reflected in the schedule below. During 2024, the following changes occurred in business-type activities long-term obligations:

<u>Business-type activities:</u>	Interest Rate	Restated Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024	Amount Due in One Year
<u>General obligation bonds:</u>						
Sewer - Series 2018 CSO	2.86%	\$ 1,718,000	\$ -	\$ (322,000)	\$ 1,396,000	\$ 332,000
Sewer - Water Meter Sewer Portion 2020 Refunding	1.00-2.00%	595,000	-	(95,000)	500,000	97,500
Water - Maumee River Waterline 2022	3.00-7.00%	1,895,000	-	(65,000)	1,830,000	70,000
Water - Water Meter Water Portion 2020 Refunding	1.00-2.00%	595,000	-	(95,000)	500,000	97,500
Water - Water Utility 2020 Refunding	1.00-2.00%	400,000	-	(65,000)	335,000	65,000
Sewer - Sewer Utility 2020 Refunding	1.00-2.00%	290,000	-	(45,000)	245,000	45,000
Water - Various Purpose 2020	1.00-2.00%	535,000	-	(75,000)	460,000	75,000
Total general obligation bonds		6,028,000	-	(762,000)	5,266,000	782,000
<u>Other long-term obligations:</u>						
OWDA loans	0.00-4.14%	31,326,416	2,584,954	(2,644,269)	31,267,101	2,746,459
OPWC loan	0.00%	1,789,351	-	(123,404)	1,665,947	123,403
Leases payable		132,261	42,818	(49,710)	125,369	56,669
Net pension liability		4,136,783	-	(407,216)	3,729,567	-
Net OPEB liability		92,867	-	(92,867)	-	-
Compensated absences* (restated)		641,697	62,349	-	704,046	263,917
Total other long-term obligations		38,119,375	2,690,121	(3,317,466)	37,492,030	3,190,448
Total		\$ 44,147,375	\$ 2,690,121	\$ (4,079,466)	42,758,030	\$ 3,972,448
Add: unamortized bond premium					81,303	
Total on statement of net position					<u>\$ 42,839,333</u>	

*The change in compensated absences liability is presented as a net change.

General Obligation Bonds:

General obligation bonds are expected to be retired with revenues of the enterprise funds. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax within limitations of Ohio law.

Series 2018 CSO bonds - On September 5, 2018, the City issued Series 2018 CSO Bonds, par value \$3,157,000. These bonds were used to retire the 2017 bond anticipation note and to provide additional funds for construction. The interest rate on the Series 2018 Bonds is 2.86%. Interest payments are due on June 1 and December 1 of each year. The final maturity stated in this issue is December 1, 2028.

Series 2020 refunding general obligation bonds - On October 22, 2020, the City issued general obligation bonds (series 2020 refunding bonds) to currently refund the series 2019 general obligation bonds. The issuance proceeds of \$2,812,279, along with a \$302,832 contribution from the City, were used to pay for the cost of the issuance and to retire the outstanding series 2019 general obligation bonds.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The 2020 refunding issue is comprised of current interest bonds, par value \$2,735,000. The interest rate on the current interest bonds ranges from 1.00-2.00% and mature on December 1, 2029. The bonds will be retired through the water and sewer funds.

The reacquisition price exceeded the net carrying amount of the old debt by \$28,411. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. This refunding was undertaken to reduce total debt service payments by \$427,312 and resulted in an economic gain of \$137,813.

Series 2020 various purpose general obligation bonds - On October 22, 2020, the City issued various purpose general obligation bonds, par value \$745,000 (series 2020 various purpose bonds). These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds were issued to provide resources for constructing improvements to stabilize an embankment abutting the City's water treatment plant. The bonds have an annual interest rate ranging from 1.00% to 2.00% and are scheduled to mature on December 1, 2030. Principal and interest payments on the general obligation bonds will be made from the water fund.

Series 2022 general obligation bonds - On December 15, 2022, the City issued various purpose general obligation bonds, par value \$1,900,000 (series 2022 bonds). These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds were issued to provide resources for the Maumee River Waterline. The bonds have interest rates ranging from 3.00% to 7.00% and are scheduled to mature on December 1, 2042. Principal and interest payments on the general obligation bonds will be made from the water fund.

Net Pension Liability and Net OPEB Liability

The net pension liability and net OPEB liability is described in Notes 13 and 14. These liabilities will be paid out of the sewer fund and the water fund.

Leases Payable

The City has entered into lease agreements for the use for the right to use vehicles. The City has reported intangible right to use capital assets and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid out of the sewer and water funds. Lease payments are reflected as debt service expenditures in the financial statements and as functional expenditures in the budgetary statements. Payments are due monthly and the leases mature in 2029.

Year Ending	Leases Payable		
	Principal	Interest	Total
2025	\$ 56,669	\$ 4,743	\$ 61,412
2026	34,600	2,269	36,869
2027	19,799	1,092	20,891
2028	9,239	505	9,744
2029	5,062	79	5,141
Total	<u>\$ 125,369</u>	<u>\$ 8,688</u>	<u>\$ 134,057</u>

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Future Debt Service Requirements

The following is a summary of the City's future annual debt service requirements for the business-type activities bonds:

Year Ending	General Obligation Bonds		
	Current Interest Bonds		
	Principal	Interest	Total
2025	\$ 782,000	\$ 136,612	\$ 918,612
2026	808,000	115,316	923,316
2027	825,000	97,106	922,106
2028	846,000	78,254	924,254
2029	490,000	61,286	551,286
2030 - 2034	555,000	239,975	794,975
2035 - 2039	570,000	147,188	717,188
2040 - 2042	390,000	31,600	421,600
Total	<u>\$ 5,266,000</u>	<u>\$ 907,337</u>	<u>\$ 6,173,337</u>

OWDA Loans

The City constructed a wastewater treatment facility in 1990. The project was financed through expenditure by the Ohio Water Development Authority (OWDA). In 1999, the City began making major improvements to its wastewater treatment facility, which was also partially financed by OWDA. Beginning in 2008, the City borrowed money through the OWDA to finance water reservoir construction and sewer improvement construction.

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.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

At December 31, 2024, the City had the following OWDA loans outstanding:

Purpose	Interest Rate	Maturity Date	Balance Outstanding 12/31/2024
<u>Sewer Fund:</u>			
Group 6 sewer planning	3.25%	7/1/2029	\$ 142,561
Group 4 sewer design	3.25%	1/1/2029	216,548
Group 1/3 combined sewer separation	3.36%	1/1/2030	1,355,367
Group 2 express sewer	3.36%	1/1/2030	770,190
Group 5 sewer planning/SSSES	3.25%	1/1/2031	169,393
Group 6 sewer design	3.25%	1/1/2030	129,569
Group 4 sewer separation	3.53%	1/1/2031	2,439,222
Group 5 design	4.14%	1/1/2031	72,134
Group 31A river intrusion elimination project	4.14%	1/1/2031	194,398
Group 6 sewer separation	3.70%	1/1/2031	801,041
Group 5 sewer separation	3.25%	1/1/2031	1,257,636
Group 12/14 sewer planning	2.62%	7/1/2031	209,473
LTCP planning	3.28%	1/1/2034	254,089
Group 14/15 sewer separation	2.45%	1/1/2034	1,120,533
2012 CSO long-term control planning	2.69%	1/1/2034	219,855
CSO LTCP planning pace - year 2013	2.38%	7/1/2035	296,429
Group 13 inflow reduction	3.40%	7/1/2034	192,318
CSO LTCP planning - year 2015	2.03%	1/1/2036	225,258
Auglaize interceptor sewer rehab	1.83%	1/1/2037	369,683
College Place inflow reduction CSO	0.00%	1/1/2039	839,532
East High Street inflow reduction CSO	0.00%	1/1/2039	1,998,862
Group 9.1 & 9.3 inflow reduction CSO	0.00%	1/1/2041	1,137,490
UV Disinfection Improvements	1.22%	7/1/2040	1,743,455
			<u>16,155,036</u>
<u>Water Fund:</u>			
Reservoir construction	4.09%	7/1/2037	4,258,049
Carpenter Water Tower Improvements - "Open"	4.10%	7/1/2034	912,382
Webster Avenue Waterline Replacement - "Open"	2.48%	7/1/2045	582,431
Jefferson Avenue Waterline Replacement	2.60%	1/1/2046	1,051,181
WTP GAC Facility HAB	0.00%	1/1/2042	8,308,022
			<u>15,112,065</u>
Total OWDA loans			<u>\$ 31,267,101</u>

The City has pledged future sewer revenues and water revenues to repay OWDA loans. The loans are payable solely from sewer fund revenues and water fund revenues, and are payable through 2042. Annual principal and interest payments on the loans are expected to require 46.20 percent of net revenues and 19.59 percent of total revenues. The total principal and interest remaining to be paid on the loans is \$32,126,673. Principal and interest paid for the current year was \$3,178,150, total net revenues were \$6,879,334 and total revenues were \$16,225,880.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Future Debt Service Requirements

The following is a summary of the City's future annual debt service requirements for the business-type activities OWDA loans (the schedule below will not agree to the balance of OWDA loans outstanding in the schedule of long-term obligations due to various loans still being "open" at December 31, 2024):

<u>Year Ending</u>	<u>Direct Borrowing</u>		
	<u>OWDA Loans Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,746,459	\$ 496,243	\$ 3,242,702
2026	2,812,707	436,274	3,248,981
2027	2,881,259	374,190	3,255,449
2028	2,952,206	309,913	3,262,119
2029	2,949,832	243,837	3,193,669
2030 - 2034	8,838,053	567,884	9,405,937
2035 - 2039	5,342,940	64,843	5,407,783
2040 - 2041	<u>1,110,033</u>	<u>-</u>	<u>1,110,033</u>
Total	<u>\$ 29,633,489</u>	<u>\$ 2,493,184</u>	<u>\$ 32,126,673</u>

OPWC Loan

Improvements to the City's water treatment facilities were financed through expenditures by the Ohio Public Works Commission (OPWC). At December 31, 2024, the City has the following loan outstanding with OPWC:

	<u>Interest</u>	<u>Maturity</u>	<u>Balance</u>
	<u>Rate</u>	<u>Date</u>	<u>Outstanding</u>
			<u>12/31/2024</u>
<u>Water Fund:</u>			
OPWC loan	0.00%	1/1/2038	<u>\$ 1,665,947</u>
Total OPWC loan			<u>\$ 1,665,947</u>

The OPWC loan is payable in semi-annual installments of principal and interest (if applicable).

The OPWC loan is a direct borrowing that has terms negotiated directly between the City and the OPWC and are not offered for public sale. In the event of default, the OPWC 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.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Future Debt Service Requirements

The following is a summary of the City's future annual debt service requirements for the business-type activities OPWC loan:

Year Ending	Direct Borrowing		
	OPWC Loan Payable		
	Principal	Interest	Total
2025	\$ 123,403	\$ -	\$ 123,403
2026	123,404	-	123,404
2027	123,404	-	123,404
2028	123,403	-	123,403
2029	123,403	-	123,403
2030 - 2034	617,018	-	617,018
2035 - 2038	431,912	-	431,912
Total	<u>\$ 1,665,947</u>	<u>\$ -</u>	<u>\$ 1,665,947</u>

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters, and injuries to employees. To manage these risks, the City participates in various jointly funded pools, both risk sharing and group rated, to provide separate and distinct coverage for each type of risk, as described below.

A. BORMA Property and Casualty Pool

During 2024, the City participated in the Buckeye Ohio Risk Management Agency (BORMA), Inc. and Public Entity Risk Consortium (PERC) joint risk sharing pools for property, liability, and crime insurance. Member contributions to the pools are calculated annually to produce a sufficient sum of money within the pools to fund loss payment obligations for claims and administrative expenses. The City's contributions in 2024 totaled \$264,472.

For the plan year, which includes December 31, 2024, BORMA, Inc. is subject to a \$25,000 per occurrence retention for any property or liability loss. The loss amount in excess of BORMA, Inc.'s \$25,000 retention is covered through PERC and various excess insurance companies up to the following amounts:

Property	\$500,000,000
Boiler & Machinery	100,000,000
General Liability	10,000,000
Auto Liability	10,000,000
Law Enforcement Liability	10,000,000
Public Officials Liability	10,000,000
Employee Dishonesty	500,000
Depositors Forgery	500,000
Money & Securities	500,000

The City's individual liability is \$1,000 per occurrence for property and crime losses. The limits are inclusive of the above noted retentions.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 12 - RISK MANAGEMENT - (Continued)

Settled claims have not exceeded this coverage in any of the past three years, and there has not been a significant reduction in coverage from the prior year.

B. BORMA Benefits Pool

The BORMA Benefits Pool (the “Pool”) is for employee benefits and includes life insurance, accidental death and dismemberment insurance, health insurance, and prescription drug insurance. Plan options and levels of coverage are established independently by each Pool member for its employees. Premiums paid into the Pool by each member are based on the level of coverage within each respective plan. The Pool includes twelve public entities in the State of Ohio. Member contributions are calculated annually to produce a sufficient sum of money within the Pool to fund administrative expenses and to create reserves for claims.

As of December 31, 2024, the Pool had total reported assets of \$3,751,080. The 2024 monthly premiums paid by the City per covered employee were \$2,974 for family coverage, \$1,982 for two-party coverage with spouse, \$1,787 for two-party coverage with child, and \$991 for single coverage. The monthly life insurance premium was \$1.60. The cost of coverage for premiums is paid out of each respective fund and division that pays the salary of the individuals covered under the plan. Employees contribute a portion of each monthly premium through payroll withholding. During 2024, the City paid \$4,403,969 into the Pool for all covered benefits.

BORMA, Inc., PERC and the BORMA Benefits Pool each have the ability to require member entities to make supplemental payments in the event reserves are not adequate to cover claims. The probability of this occurring is considered remote due to the adequacy of the reserves and premium levels. Therefore, no additional amounts have been disclosed in the basic financial statements. Audited financial statements are maintained separately by each pool.

C. Workers’ Compensation

The City participates in the State of Ohio Bureau of Workers’ Compensation Group Rating Program through its membership in the Ohio Municipal League. The City pays the State Workers’ Compensation System an annual premium that is a computed percentage of the previous year’s payroll, plus administrative costs. Annual premiums are based on the previous five years’ loss history.

D. State Unemployment Benefits

Political subdivisions in Ohio are not required to pay the State’s unemployment tax. Instead, the City pays unemployment benefits claims directly to the Ohio Department of Job and Family Services, as they occur. During 2024, the City made \$11,000 payments to the Ohio Department of Job and Family Services for unemployment benefits claims.

NOTE 13 - 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 (Asset)

The net pension liability (asset) and the net OPEB liability (asset) 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 transaction—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The net pension/OPEB liability (asset) represents 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 calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/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 on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 14 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. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) 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.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - 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):

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

Traditional plan state and local 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 at retirement.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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.

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 member's original 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%.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - 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	Combined
2024 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2024 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

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

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

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and 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 \$944,621 for 2024. Of this amount, \$44,054 is reported as due to other governments.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - 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 that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	Police	Firefighters
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2024 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,038,940 for 2024. Of this amount, \$48,892 is reported as due to other governments.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.03598600%	0.04546900%	0.07473100%	0.16060150%	
Proportion of the net pension liability/asset current measurement date	0.03613500%	0.04234400%	0.04404800%	0.16107780%	
Change in proportionate share	0.00014900%	-0.00312500%	-0.03068300%	0.00047630%	
Proportionate share of the net pension liability	\$ 9,460,292	\$ -	\$ -	\$ 15,562,339	\$ 25,022,631
Proportionate share of the net pension asset	-	(130,158)	(4,913)	-	(135,071)
Pension expense	1,205,421	9,560	(466)	1,640,194	2,854,709

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 154,621	\$ 5,275	\$ 10,543	\$ 499,596	\$ 670,035
Net difference between projected and actual earnings on pension plan investments	1,909,488	21,171	873	1,763,535	3,695,067
Changes of assumptions	-	4,837	168	983,522	988,527
Changes in employer's proportionate percentage/ difference between employer contributions	202,500	-	-	176,709	379,209
Contributions subsequent to the measurement date	886,543	23,428	34,650	1,038,940	1,983,561
Total deferred outflows of resources	<u>\$ 3,153,152</u>	<u>\$ 54,711</u>	<u>\$ 46,234</u>	<u>\$ 4,462,302</u>	<u>\$ 7,716,399</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ -	\$ 12,876	\$ -	\$ 174,046	\$ 186,922
Changes of assumptions	-	-	-	236,333	236,333
Changes in employer's proportionate percentage/ difference between employer contributions	158,002	-	-	373,357	531,359
Total deferred inflows of resources	<u>\$ 158,002</u>	<u>\$ 12,876</u>	<u>\$ -</u>	<u>\$ 783,736</u>	<u>\$ 954,614</u>

\$1,983,561 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, 2025.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - 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	OPERS - Member- Directed	OP&F	Total
2025	\$ 513,672	\$ 3,232	\$ 1,814	\$ 638,257	\$ 1,156,975
2026	648,312	5,824	1,851	716,127	1,372,114
2027	1,218,529	12,199	2,086	1,246,478	2,479,292
2028	(271,906)	(3,503)	1,217	(35,530)	(309,722)
2029	-	358	1,178	72,176	73,712
Thereafter	-	297	3,438	2,118	5,853
Total	<u>\$ 2,108,607</u>	<u>\$ 18,407</u>	<u>\$ 11,584</u>	<u>\$ 2,639,626</u>	<u>\$ 4,778,224</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 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, 2023, 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, 2023, compared to the December 31, 2022 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: 2.30%, simple through 2024, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, 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 DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - 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 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care 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 gain of 11.20% for 2023.

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, 2023, 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	24.00 %	2.85 %
Domestic equities	21.00	4.27
Real estate	13.00	4.46
Private equity	15.00	7.52
International equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00 %	

Discount Rate - The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	\$ 14,893,040	\$ 9,460,292	\$ 4,941,823
Combined Plan	(78,760)	(130,158)	(170,646)
Member-Directed Plan	(3,524)	(4,913)	(6,167)

Actuarial Assumptions - OP&F

OP&F's 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. A comprehensive experience study was performed during 2022 by OP&F's actuary and completed as of December 31, 2021. 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 life of the participants which was 6.03 years at December 31, 2023.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2023, compared to December 31, 2022, are presented below.

Valuation date	1/1/23 with actuarial liabilities rolled forward to 12/31/23
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

Healthy Mortality

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

Disabled Mortality

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

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

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

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	18.60 %	4.10 %
Non-US equity	12.40	4.90
Private markets	10.00	7.30
Core fixed income *	25.00	2.40
High yield fixed income	7.00	4.10
Private credit	5.00	6.80
U.S. inflation linked bonds *	15.00	2.10
Midstream energy infrastructure	5.00	5.80
Real assets	8.00	6.00
Gold	5.00	3.50
Private real estate	12.00	5.40
Commodities	2.00	3.50
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

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.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 20,613,477	\$ 15,562,339	\$ 11,361,826

NOTE 14 - POSTEMPLOYMENT BENEFITS

Net OPEB Liability (Asset)

See Note 13 for a description of the net OPEB liability (asset).

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. 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. 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 and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

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 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.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit;

Group C 32 years of total service credit with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52;

Group C 32 years of qualified health care service credit and at least age 55.

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

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

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
Age and Service Requirements <i>January 1, 2015 through December 31, 2021</i>	Age and Service Requirements <i>January 1, 2015 through December 31, 2021</i>	Age and Service Requirements <i>January 1, 2015 through December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

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.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51.00% and 90.00% of the base allowance for both non-Medicare and Medicare retirees.

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.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10.00% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20.00% per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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 2024, state and local employers contributed at a rate of 14.00% of earnable salary. 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 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.00%. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$17,765 for 2024. Of this amount, \$828 is reported as due to other governments.

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.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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.

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

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

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50% 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 2024, 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 City's contractually required contribution to OP&F was \$24,550 for 2024. Of this amount, \$1,155 is reported as due to other governments.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. 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.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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

	OPERS	OP&F	Total
Proportion of the net OPEB liability			
prior measurement date	0.03784800%	0.16060150%	
Proportion of the net OPEB liability/asset			
current measurement date	<u>0.03663200%</u>	<u>0.16107780%</u>	
Change in proportionate share	<u>-0.00121600%</u>	<u>0.00047630%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 1,176,079	\$ 1,176,079
Proportionate share of the net OPEB asset	(330,613)	-	(330,613)
OPEB expense	(17,776)	68,392	50,616

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 56,555	\$ 56,555
Net difference between projected and actual earnings on OPEB plan investments	198,551	86,844	285,395
Changes of assumptions	85,116	404,697	489,813
Changes in employer's proportionate percentage/ difference between employer contributions	13,311	86,009	99,320
Contributions subsequent to the measurement date	17,765	24,550	42,315
Total deferred outflows of resources	<u>\$ 314,743</u>	<u>\$ 658,655</u>	<u>\$ 973,398</u>
	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 47,057	\$ 216,129	\$ 263,186
Changes of assumptions	142,120	757,366	899,486
Changes in employer's proportionate percentage/ difference between employer contributions	714	74,581	75,295
Total deferred inflows of resources	<u>\$ 189,891</u>	<u>\$ 1,048,076</u>	<u>\$ 1,237,967</u>

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

\$42,315 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, 2025.

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

	OPERS	OP&F	Total
Year Ending December 31:			
2025	\$ 508	\$ 4,019	\$ 4,527
2026	19,069	(47,101)	(28,032)
2027	154,554	(34,542)	120,012
2028	(67,044)	(111,604)	(178,648)
2029	-	(103,948)	(103,948)
Thereafter	-	(120,795)	(120,795)
Total	<u>\$ 107,087</u>	<u>\$ (413,971)</u>	<u>\$ (306,884)</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, 2022, rolled forward to the measurement date of December 31, 2023.

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CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (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	5.70%
Prior Measurement date	5.22%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	3.77%
Prior Measurement date	4.05%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2038
Prior Measurement date	5.50% initial, 3.50% ultimate in 2036
Actuarial Cost Method	Individual Entry Age

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

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care 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 gain of 14.00% for 2023.

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (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, 2023, 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	37.00 %	2.82 %
Domestic equities	25.00	4.27
Real Estate Investment Trusts (REITs)	5.00	4.68
International equities	25.00	5.16
Risk parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00 %	

Discount Rate - A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. 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 3.77%. 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 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, 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 (Asset) to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70%, as well as what the proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70%) or one-percentage-point higher (6.70%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	\$ 181,695	\$ (330,613)	\$ (754,986)

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

- Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset 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 2024 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 asset	\$ 344,341	\$ 330,613	\$ 315,035

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, 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 retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

Key methods and assumptions used in the December 31, 2023, compared to the December 31, 2022 actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
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	
Current measurement date	3.50% to 10.50%
Prior measurement date	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.07%
Prior measurement date	4.27%
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 DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (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, 2023, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	18.60 %	4.10 %
Non-US equity	12.40	4.90
Private markets	10.00	7.30
Core fixed income *	25.00	2.40
High yield fixed income	7.00	4.10
Private credit	5.00	6.80
U.S. inflation linked bonds *	15.00	2.10
Midstream energy infrastructure	5.00	5.80
Real assets	8.00	6.00
Gold	5.00	3.50
Private real estate	12.00	5.40
Commodities	2.00	3.50
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

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 - Total OPEB liability was calculated using the discount rate of 4.07%. 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, 2037, and the Municipal Bond Index Rate of 3.38% was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07%.

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 4.07%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07%), or one percentage point higher (5.07%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,448,603	\$ 1,176,079	\$ 946,560

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 15 - LOANS RECEIVABLE

Loans receivable represent low interest loans made by the City for development projects and businesses under the Community Development Block Grant (CDBG) Program. A summary of the loans receivable activity is as follows:

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
CDBG loans	\$ 642,365	\$ 400,000	\$ (115,941)	\$ 926,424

The loans receivable are reported in the nonmajor governmental funds. Fund balance has been restricted for the outstanding balance due at year end.

NOTE 16 - CONTINGENCIES

A. Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2024.

B. Litigation

At December 31, 2024, the City is party to legal proceedings. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of the City's management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2024.

NOTE 17 - CONTRACTUAL COMMITMENTS

At December 31, 2024, the City had the following outstanding contractual commitments:

Vendor	Contract Amount	Amount Paid	Amount Outstanding
Mannik & Smith Group	\$ 587,814	\$ 255,642	\$ 332,172
Hillabrand & Sons Construction	1,850,000	1,826,122	23,878
Richard Hohenbrink	1,494,669	1,392,156	102,513
Miller Contracting Group	1,831,239	1,015,140	816,099
Stantec Consulting Services, Inc.	73,647	2,912	70,735
Total contractual commitments	\$ 5,837,369	\$ 4,491,972	\$ 1,345,397

CITY OF DEFIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 18 - 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	\$ 142,237
Police and fire	34,342
Capital improvement	1,108,994
Nonmajor governmental funds	<u>64,916</u>
Total	<u>\$ 1,350,489</u>

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CITY OF DEFIANCE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 19 - 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 nonmajor governmental funds are presented below:

Fund Balance	General	Police and Fire	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ -	\$ -	\$ -	\$ 58,473	\$ 58,473
Unclaimed monies	34,995	-	-	-	34,995
Total nonspendable	34,995	-	-	58,473	93,468
Restricted:					
Debt service	-	-	-	644,557	644,557
Capital projects	-	-	-	10,156	10,156
Street construction, maintenance & repair	-	-	-	361,579	361,579
Police and fire pension	-	-	-	98,355	98,355
Court programs	-	-	-	207,236	207,236
Probation programs	-	-	-	86,166	86,166
Police and fire programs	-	193,785	-	100,660	294,445
Revolving loan program	-	-	-	1,475,396	1,475,396
Museum trust	-	-	-	778,162	778,162
Other purposes	-	-	-	1,187,032	1,187,032
Total restricted	-	193,785	-	4,949,299	5,143,084
Committed:					
Capital projects	-	-	2,185,254	-	2,185,254
Other purposes	-	-	-	60,109	60,109
Total committed	-	-	2,185,254	60,109	2,245,363
Assigned:					
Debt service	-	-	-	1	1
Health care trust	62,884	-	-	-	62,884
Other purposes	142,236	-	-	-	142,236
Total assigned	205,120	-	-	1	205,121
Unassigned	7,905,204	-	-	-	7,905,204
Total fund balances	\$ 8,145,319	\$ 193,785	\$ 2,185,254	\$ 5,067,882	\$ 15,592,240

CITY OF DEFIANCE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 20 - TAX ABATEMENTS

The City was part of multiple Enterprise Zone (EZ) tax abatement agreements with local businesses. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. Taxes can be abated up to 100% for up to 12 years. A majority of the City's abatements are for 10 years or less and are 70-75% abated. The total assessed value of real property subject to exemption for 2024 was \$2,485,340. The total value of taxes abated for 2024 was \$7,456.

NOTE 21 - 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Income taxes	\$ 9,008,200	\$ 9,008,200	\$ 9,243,324	\$ 235,124
Property and other local taxes	652,600	652,600	868,955	216,355
Charges for services	888,350	888,350	1,013,500	125,150
Licenses, permits and fees	112,450	112,450	156,792	44,342
Fines, forfeitures, and settlements	331,100	331,100	345,019	13,919
Intergovernmental	666,396	666,396	540,871	(125,525)
Investment income	225,000	225,000	323,582	98,582
Rental income	6,000	6,000	5,050	(950)
Other.	169,710	169,710	258,412	88,702
Total budgetary revenues	<u>12,059,806</u>	<u>12,059,806</u>	<u>12,755,505</u>	<u>695,699</u>
Budgetary expenditures:				
Current:				
General government.	4,441,732	4,543,882	4,427,625	(116,257)
Public health and welfare.	644,938	659,770	632,047	(27,723)
Community environment	1,176,491	1,203,548	1,166,332	(37,216)
Leisure time activity	1,298,802	1,328,672	1,199,432	(129,240)
Economic development	212,532	217,420	197,686	(19,734)
Total budgetary expenditures	<u>7,774,495</u>	<u>7,953,292</u>	<u>7,623,122</u>	<u>(330,170)</u>
Budgetary excess of revenues over expenditures	<u>4,285,311</u>	<u>4,106,514</u>	<u>5,132,383</u>	<u>1,025,869</u>
Budgetary other financing sources (uses):				
Sale of capital assets.	72,000	72,000	18,763	(53,237)
Transfers in	1,063,800	1,063,800	1,063,788	(12)
Transfers (out)	<u>(5,903,746)</u>	<u>(6,039,519)</u>	<u>(5,786,500)</u>	<u>253,019</u>
Total budgetary other financing sources (uses)	<u>(4,767,946)</u>	<u>(4,903,719)</u>	<u>(4,703,949)</u>	<u>199,770</u>
Net change in fund balance.	(482,635)	(797,205)	428,434	1,225,639
Budgetary fund balance at beginning of year	6,431,795	6,431,795	6,431,795	-
Prior year encumbrances appropriated. . .	205,983	205,983	205,983	-
Budgetary fund balance at beginning of year	<u>\$ 6,155,143</u>	<u>\$ 5,840,573</u>	<u>\$ 7,066,212</u>	<u>\$ 1,225,639</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
POLICE AND FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget -</u>
			<u>Basis</u>	<u>Over (Under)</u>
				<u>Actual Amounts</u>
Budgetary revenues:				
Income taxes	\$ 1,983,164	\$ 2,193,500	\$ 2,321,275	\$ 127,775
Intergovernmental.	1,122,317	1,241,351	785,251	(456,100)
Other	-	-	1,103	1,103
Total budgetary revenues	<u>3,105,481</u>	<u>3,434,851</u>	<u>3,107,629</u>	<u>(327,222)</u>
Budgetary expenditures:				
Current:				
Security of persons and property	<u>7,721,756</u>	<u>7,982,256</u>	<u>7,838,227</u>	<u>(144,029)</u>
Total budgetary expenditures	<u>7,721,756</u>	<u>7,982,256</u>	<u>7,838,227</u>	<u>(144,029)</u>
Budgetary excess of expenditures over revenues	<u>(4,616,275)</u>	<u>(4,547,405)</u>	<u>(4,730,598)</u>	<u>(183,193)</u>
Budgetary other financing sources (uses):				
Transfers in	<u>4,309,889</u>	<u>4,767,000</u>	<u>4,767,000</u>	<u>-</u>
Total budgetary other financing sources (uses)	<u>4,309,889</u>	<u>4,767,000</u>	<u>4,767,000</u>	<u>-</u>
Net change in fund balance.	(306,386)	219,595	36,402	(183,193)
Budgetary fund balance at beginning of year	186,134	186,134	186,134	-
Prior year encumbrances appropriated. . .	<u>42,543</u>	<u>42,543</u>	<u>42,543</u>	<u>-</u>
Budgetary fund balance at beginning of year	<u>\$ (77,709)</u>	<u>\$ 448,272</u>	<u>\$ 265,079</u>	<u>\$ (183,193)</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEFIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY AND
CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) - TRADITIONAL PLAN

LAST TEN YEARS

Calendar Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.036135000%	\$ 9,460,292	\$ 5,943,464	159.17%	79.01%
2023	0.035986000%	10,630,280	5,394,071	197.07%	75.74%
2022	0.035229000%	3,065,066	5,133,186	59.71%	96.62%
2021	0.033881000%	5,017,038	4,773,636	105.10%	86.88%
2020	0.034490000%	6,817,182	4,918,264	138.61%	82.17%
2019	0.035258000%	9,656,450	4,746,564	203.44%	74.70%
2018	0.034730000%	5,448,464	4,650,831	117.15%	84.66%
2017	0.033093000%	7,514,858	4,316,075	174.11%	77.25%
2016	0.032196000%	5,576,753	4,056,008	137.49%	81.08%
2015	0.032678000%	3,941,332	3,871,183	101.81%	86.45%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 886,543	\$ (886,543)	\$ -	\$ 6,332,450	14.00%
2023	832,085	(832,085)	-	5,943,464	14.00%
2022	755,170	(755,170)	-	5,394,071	14.00%
2021	718,646	(718,646)	-	5,133,186	14.00%
2020	668,309	(668,309)	-	4,773,636	14.00%
2019	688,557	(688,557)	-	4,918,264	14.00%
2018	664,519	(664,519)	-	4,746,564	14.00%
2017	604,608	(604,608)	-	4,650,831	13.00%
2016	517,929	(517,929)	-	4,316,075	12.00%
2015	486,721	(486,721)	-	4,056,008	12.00%

(1) Amounts presented for each 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 DEFIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION ASSET AND
CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) - COMBINED PLAN

LAST TEN YEARS

Calendar Year (1)	City's Proportion of the Net Pension Asset	City's Proportionate Share of the Net Pension Asset	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.042344000%	\$ 130,158	\$ 194,433	66.94%	144.55%
2023	0.045469000%	107,166	212,614	50.40%	137.14%
2022	0.040838000%	160,903	186,179	86.42%	169.88%
2021	0.040440000%	116,736	178,221	65.50%	157.67%
2020	0.036882000%	76,908	164,179	46.84%	145.28%
2019	0.032406000%	36,237	138,600	26.15%	126.64%
2018	0.032495000%	44,236	133,085	33.24%	137.28%
2017	0.051442000%	28,631	200,242	14.30%	116.55%
2016	0.057060000%	27,767	193,458	14.35%	116.90%
2015	0.054957000%	21,160	200,892	10.53%	114.83%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 23,428	\$ (23,428)	\$ -	\$ 195,233	12.00%
2023	23,332	(23,332)	-	194,433	12.00%
2022	29,766	(29,766)	-	212,614	14.00%
2021	26,065	(26,065)	-	186,179	14.00%
2020	24,951	(24,951)	-	178,221	14.00%
2019	22,985	(22,985)	-	164,179	14.00%
2018	19,404	(19,404)	-	138,600	14.00%
2017	17,301	(17,301)	-	133,085	13.00%
2016	24,029	(24,029)	-	200,242	12.00%
2015	23,215	(23,215)	-	193,458	12.00%

(1) Amounts presented for each 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 DEFIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION ASSET AND
CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) - MEMBER DIRECTED PLAN

LAST TEN YEARS

Calendar Year (1)	City's Proportion of the Net Pension Asset	City's Proportionate Share of the Net Pension Asset	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.044048000%	\$ 4,913	\$ 324,490	1.51%	134.44%
2023	0.074731000%	5,844	508,450	1.15%	126.74%
2022	0.080304000%	14,580	503,460	2.90%	171.84%
2021	0.090131000%	16,430	541,310	3.04%	188.21%
2020	0.091341000%	3,453	542,960	0.64%	118.84%
2019	0.092982000%	2,119	531,520	0.40%	113.42%
2018	0.090880000%	3,172	498,100	0.64%	124.45%
2017	0.092801000%	387	381,383	0.10%	103.40%
2016	0.088535000%	338	493,075	0.07%	103.91%
2015	n/a	n/a	n/a	n/a	n/a

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 34,650	\$ (34,650)	\$ -	\$ 346,500	10.00%
2023	32,449	(32,449)	-	324,490	10.00%
2022	50,845	(50,845)	-	508,450	10.00%
2021	50,346	(50,346)	-	503,460	10.00%
2020	54,131	(54,131)	-	541,310	10.00%
2019	54,296	(54,296)	-	542,960	10.00%
2018	53,152	(53,152)	-	531,520	10.00%
2017	49,810	(49,810)	-	498,100	10.00%
2016	45,766	(45,766)	-	381,383	12.00%
2015	59,169	(59,169)	-	493,075	12.00%

(1) Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.
n/a - information not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEFIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

Calendar Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.161077800%	\$ 15,562,339	\$ 4,516,415	344.57%	63.63%
2023	0.160601500%	15,255,586	4,235,398	360.19%	62.90%
2022	0.158544400%	9,904,937	4,082,844	242.60%	75.03%
2021	0.160337200%	10,930,331	3,948,534	276.82%	70.65%
2020	0.176916400%	11,918,034	4,305,269	276.82%	69.89%
2019	0.156483000%	12,773,148	3,553,488	359.45%	63.07%
2018	0.153826000%	9,440,974	3,400,922	277.60%	70.91%
2017	0.154633000%	9,794,294	3,380,349	289.74%	68.36%
2016	0.152854000%	9,833,171	3,147,448	312.42%	66.77%
2015	0.147383900%	7,635,101	2,851,291	267.78%	72.20%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
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Police:

2024	\$ 485,053	\$ (485,053)	\$ -	\$ 2,552,911	19.00%
2023	467,314	(467,314)	-	2,459,547	19.00%
2022	437,044	(437,044)	-	2,300,232	19.00%
2021	418,888	(418,888)	-	2,204,674	19.00%
2020	403,773	(403,773)	-	2,125,121	19.00%
2019	413,167	(413,167)	-	2,174,563	19.00%
2018	374,164	(374,164)	-	1,969,284	19.00%
2017	357,329	(357,329)	-	1,880,679	19.00%
2016	356,195	(356,195)	-	1,874,711	19.00%
2015	326,523	(326,523)	-	1,718,542	19.00%

Fire:

2024	\$ 553,887	\$ (553,887)	\$ -	\$ 2,356,966	23.50%
2023	483,364	(483,364)	-	2,056,868	23.50%
2022	454,764	(454,764)	-	1,935,166	23.50%
2021	441,370	(441,370)	-	1,878,170	23.50%
2020	428,502	(428,502)	-	1,823,413	23.50%
2019	500,716	(500,716)	-	2,130,706	23.50%
2018	372,288	(372,288)	-	1,584,204	23.50%
2017	357,257	(357,257)	-	1,520,243	23.50%
2016	353,825	(353,825)	-	1,505,638	23.50%
2015	335,793	(335,793)	-	1,428,906	23.50%

(1) Amounts presented for each 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 DEFIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN YEARS

Calendar Year (1) (2)	City's Proportion of the Net OPEB Liability/(Asset)	City's Proportionate Share of the Net OPEB Liability/(Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.036632000%	\$ (330,613)	\$ 6,462,387	5.12%	107.76%
2023	0.037848000%	238,639	6,115,135	3.90%	94.79%
2022	0.037209000%	(1,165,443)	5,822,825	20.02%	128.23%
2021	0.036311000%	(646,910)	5,493,167	11.78%	115.57%
2020	0.036801000%	5,083,174	5,625,403	90.36%	47.80%
2019	0.037452000%	4,882,857	5,416,684	90.14%	46.33%
2018	0.036860000%	4,002,723	5,282,016	75.78%	54.14%
2017	0.035763000%	3,612,247	4,897,700	73.75%	54.05%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 17,765	\$ (17,765)	\$ -	\$ 6,874,183	0.26%
2023	16,869	(16,869)	-	6,462,387	0.26%
2022	20,338	(20,338)	-	6,115,135	0.33%
2021	20,139	(20,139)	-	5,822,825	0.35%
2020	21,653	(21,653)	-	5,493,167	0.39%
2019	21,718	(21,718)	-	5,625,403	0.39%
2018	21,260	(21,260)	-	5,416,684	0.39%
2017	67,763	(67,763)	-	5,282,016	1.28%
2016	112,005	(112,005)	-	4,897,700	2.29%
2015	84,989	(84,989)	-	4,742,541	1.79%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEFIANCE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN YEARS

Calendar Year (1) (2)	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.161077800%	\$ 1,176,079	\$ 4,516,415	26.04%	51.89%
2023	0.160601500%	1,143,436	4,235,398	27.00%	52.59%
2022	0.158544400%	1,737,783	4,082,844	42.56%	46.86%
2021	0.160337200%	1,698,799	3,948,534	43.02%	45.42%
2020	0.176916400%	1,747,532	4,305,269	40.59%	47.08%
2019	0.156483000%	1,425,018	3,553,488	40.10%	46.57%
2018	0.158260000%	8,715,549	3,400,922	256.27%	14.13%
2017	0.154633000%	7,340,081	3,380,349	217.14%	15.96%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
<i>Police:</i>					
2024	\$ 12,765	\$ (12,765)	\$ -	\$ 2,552,911	0.50%
2023	12,298	(12,298)	-	2,459,547	0.50%
2022	11,501	(11,501)	-	2,300,232	0.50%
2021	11,023	(11,023)	-	2,204,674	0.50%
2020	10,626	(10,626)	-	2,125,121	0.50%
2019	10,873	(10,873)	-	2,174,563	0.50%
2018	9,846	(9,846)	-	1,969,284	0.50%
2017	9,403	(9,403)	-	1,880,679	0.50%
2016	9,374	(9,374)	-	1,874,711	0.50%
2015	8,825	(8,825)	-	1,718,542	0.50%

<i>Fire:</i>					
2024	\$ 11,785	\$ (11,785)	\$ -	\$ 2,356,966	0.50%
2023	10,284	(10,284)	-	2,056,868	0.50%
2022	9,676	(9,676)	-	1,935,166	0.50%
2021	9,391	(9,391)	-	1,878,170	0.50%
2020	9,117	(9,117)	-	1,823,413	0.50%
2019	10,654	(10,654)	-	2,130,706	0.50%
2018	7,921	(7,921)	-	1,584,204	0.50%
2017	7,601	(7,601)	-	1,520,243	0.50%
2016	7,528	(7,528)	-	1,505,638	0.50%
2015	7,145	(7,145)	-	1,428,906	0.50%

- (1) Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.
(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEFIANCE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - BUDGETARY PROCESS

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The schedule of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund and the police and fire fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis is as follows:

Net Change in Fund Balance

	<u>General fund</u>	<u>Police and Fire</u>
Budget basis	\$ 428,434	\$ 36,402
Net adjustment for revenue accruals	193,133	(93,368)
Net adjustment for expenditure accruals	1,084,762	(29,908)
Net adjustment for other sources/uses	(1,063,788)	40,897
Funds budgeted elsewhere	19,165	-
Adjustments for encumbrances	<u>192,568</u>	<u>55,999</u>
GAAP Basis	<u>\$ 854,274</u>	<u>\$ 10,022</u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. The unclaimed monies fund and health care trust fund are legally budgeted in a separate fund classification but are considered part of the general fund on a GAAP basis.

CITY OF DEFIANCE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

- 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.
- There were no changes in benefit terms from the amounts reported for 2024.

Change in assumptions:

- 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%, (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75% and (d) COLA for post 1/7/2013 retirees were changed to 3.00%, simple through 2018, then 2.15% simple.
- 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%.
- For 2020, COLA for post 1/7/2013 retirees were changed to 1.40%, simple through 2020, then 2.15% simple.
- For 2021, COLA for post 1/7/2013 retirees were changed to 0.50%, simple through 2021, then 2.15% simple.
- 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 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%.
- For 2023, COLA for post 1/7/2013 retirees were changed to 3.00%, simple through 2023, then 2.05% simple.
- For 2024, COLA for post 1/7/2013 retirees were changed to 2.30%, simple through 2024, then 2.05% simple.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Change in benefit terms:

- 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.

CITY OF DEFIANCE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- 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.
- There were no changes in benefit terms from the amounts reported for 2024.

Changes in assumptions:

- 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.
- There were no changes in assumptions for 2024.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change 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.
- There were no changes in benefit terms from the amounts reported for 2024.

CITY OF DEFIANCE, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

Change 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.
- For 2024, 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 to 5.70%, (b) the municipal bond rate was changed to 3.77% and (c) the health care cost trend rate was changed to 5.50% initial, 3.50% ultimate in 2038.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Change 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.
- There were no changes in benefit terms from the amounts reported for 2024.

CITY OF DEFIANCE, OHIO

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

Change 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) investment rate of return was reduced from 8.25% to 8.00%.
- 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% and (b) the municipal bond rate was increased from 3.16% to 4.13%.
- 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% and (b) the municipal bond rate was decreased from 4.13% to 2.75%.
- 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% and (b) the municipal bond rate was decreased from 2.75% to 2.12%.
- 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%, (b) the discount rate was changed from 2.96% to 2.84% and (c) the municipal bond rate was decreased from 2.12% to 2.05%.
- 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 municipal bond rate was increased from 2.05% to 3.65%.
- For 2024, 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 to 4.07% and (b) and the municipal bond rate was changed to 3.38%.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

CITY OF DEFIANCE, OHIO

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for all specific financial resources (other than debt service and capital projects) that are legally committed or restricted for specified expenditure purposes. Following is a description of the City's special revenue funds:

Major Special Revenue Fund

Police and Fire Fund

This fund accounts for and reports financial resources resulting from the City's additional 0.3% income tax levy that are restricted for use in the operations of the police and fire departments.

Nonmajor Special Revenue Funds

State Highway Improvements Fund

This fund accounts for the portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

Permissive Tax Fund

This fund accounts for local vehicle license fees designated for the maintenance of streets within the City.

Street Construction, Maintenance and Repair Fund

This fund accounts for the portion of State gasoline tax and motor vehicle registration fees designated for the maintenance of the streets within the City.

Court Technology Grant

This fund accounts for a one-time state grant received to enhance Court technology.

Indigent Drivers Fund

This fund accounts for revenues generated from fines imposed by the municipal court for DUI arrests to be used for DUI enforcement training for police officers and other traffic safety programs.

Municipal Probation Services Fund

This fund accounts for fees collected from convicted offenders placed on probation and used to support the operations of the probation department.

Probation Grant Fund

This fund accounts for State grant monies that support the operations of the probation department.

Court Computerization Fund

This fund accounts for monies received for specific court costs that are designated for funding the acquisition and maintenance of computerized equipment or software for courts.

Tree of Life Fund

This fund accounts for monies donated to pay for the planting of trees, shrubs, flowers, etc. on public lands and right-of-ways within the City.

Special Project Fund

This fund accounts for monies received for specific court costs that are designated for various statutorily authorized purposes.

OVI Special Project Fund

This fund accounts for fines and court costs levied against those convicted of driving under the influence of alcohol or drugs and used exclusively for statutorily authorized purposes.

Cable TV - Franchise Fund

This fund accounts for franchise fees collected from local cable television operators and used to support the Defiance Community Cultural Council, whose purpose, among other things, is to record and televise City Council meetings.

CITY OF DEFIANCE, OHIO

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds (Continued)

Revolving Loan - Industrial Fund

This fund accounts for monies received as development grants that become loans to a qualified industry for the purpose of economic development. As the initial loans are repaid, the money is perpetually "re-loaned" to stimulate growth in the community.

Peace Officer Training Fund

To account for monies received from the State as reimbursement to the police department for qualified training expenses.

Reservoir Enhancement Fund

This fund accounts for monies donated for the purpose of funding projects and enhancements for recreational purposes on the reservoir grounds.

Riverside Cemetery Enhancement Fund

This fund accounts for monies donated for the purpose of funding maintenance and enhancement projects at the municipal cemetery.

Hotel/Motel Tax Fund

This fund accounts for proceeds of the City's transient guest tax, half of which is used to fund the Downtown Defiance Visitors' Bureau, and half of which is used for discretionary municipal purposes.

Museum Trust Fund

This fund accounts for donations received and expenditures incurred in the operation of the City's museum.

Police Pension Fund

This fund accounts for property taxes levied and other monies received for the payment of the accrued liability for police disability and pension benefits.

Fire Pension Fund

This fund accounts for property taxes levied and other monies received for the payment of the accrued liability for fire disability and pension benefits.

Law Enforcement Trust Fund

This fund accounts for monies donated to the police department for discretionary equipment and training needs.

Fire and Rescue Trust Fund

This fund accounts for monies donated to the fire department for the purpose of providing equipment and training related to the City's fire and rescue services.

CITY OF DEFIANCE, OHIO

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds (Continued)

Fire Damage Repair Fund

This fund accounts for monies received from property insurance providers on behalf of private property owners and held in escrow pending the demolition or reclamation of residential properties damaged by fire.

Park and Recreation Trust Fund

This fund accounts for monies donated for equipment and improvements to enhance the City's parks and recreation programs.

Probation Incentive Grant

This fund accounts for monies received from the Ohio Department of Rehabilitation and Correction for the purpose of adopting and administering evidence-based programs, policies, projects or other practices to reduce the number of offenders on community control who violate the conditions of their supervision and are incarcerated.

Opioid Settlement Fund

This fund accounts for monies related to a statewide opioid settlement meant to help combat the opioid epidemic.

The following fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis):

Unclaimed Monies Fund

This fund accounts for uncashed checks issued by the City.

Health Care Trust Fund

This fund accounts for the costs of medical benefits provided to the City's employees.

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources and the payments of principal, interest, and costs related to bond retirement and other debt obligations. Following is a description of the City's debt service funds:

Nonmajor Debt Service Fund

Bond Retirement Fund

This fund accounts for the resources received from special assessments that are restricted for the payment of principal, interest, and other fiscal charges on governmental OWDA loans.

Commerce Drive Fund

This fund accounts for monies received in connection with tax increment financing agreements to pay for land acquisition on East Commerce Drive.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by the proprietary fund types. Following is a description of the City's capital projects funds:

Major Capital Projects Fund

Capital Improvement Fund

This fund accounts for resources used to purchase equipment and construct capital assets.

Nonmajor Capital Projects Funds

Splash Pad Trust Fund

This fund accounts for donations made to the City that are restricted for the construction of a splash pad.

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CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Income taxes	\$ 9,008,200	\$ 9,008,200	\$ 9,243,324	\$ 235,124
Property and other local taxes	652,600	652,600	868,955	216,355
Charges for services	888,350	888,350	1,013,500	125,150
Licenses, permits and fees	112,450	112,450	156,792	44,342
Fines, forfeitures, and settlements	331,100	331,100	345,019	13,919
Intergovernmental	666,396	666,396	540,871	(125,525)
Investment income	225,000	225,000	323,582	98,582
Rental income.	6,000	6,000	5,050	(950)
Other	169,710	169,710	258,412	88,702
Total budgetary revenues	12,059,806	12,059,806	12,755,505	695,699
Budgetary expenditures:				
Current:				
General Government:				
City Council:				
Salaries and wages	140,956	144,197	140,508	(3,689)
Operating	36,184	37,016	36,069	(947)
Total city council	177,140	181,213	176,577	(4,636)
Municipal Court:				
Salaries and wages	1,033,476	1,057,244	1,030,195	(27,049)
Operating	57,371	58,691	57,189	(1,502)
Total municipal court	1,090,847	1,115,935	1,087,384	(28,551)
County Law Library:				
Operating	26,572	27,184	26,488	(696)
Total county law library	26,572	27,184	26,488	(696)
Mayor:				
Salaries and wages	193,000	197,439	192,387	(5,052)
Operating	13,506	13,817	13,463	(354)
Total mayor.	206,506	211,256	205,850	(5,406)
City Administrator:				
Salaries and wages	147,175	150,560	146,708	(3,852)
Operating	65,855	67,370	65,646	(1,724)
Total city administrator	213,030	217,930	212,354	(5,576)
Finance Department:				
Salaries and wages	672,961	688,438	670,824	(17,614)
Operating	145,044	148,379	144,583	(3,796)
Total finance department.	818,005	836,817	815,407	(21,410)
County and State Charges:				
Operating	59,123	60,482	58,935	(1,547)
Total county and state charges.	59,123	60,482	58,935	(1,547)
Law Department:				
Salaries and wages	376,418	385,074	375,222	(9,852)
Operating	14,506	14,840	14,460	(380)
Total law department.	390,924	399,914	389,682	(10,232)

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CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Civil Service:				
Salaries and wages	\$ 9,729	\$ 9,953	\$ 9,698	\$ (255)
Operating	11,974	12,249	11,936	(313)
Total civil service	21,703	22,202	21,634	(568)
Land and Buildings:				
Salaries and wages	194,734	199,214	194,117	(5,097)
Operating	631,407	645,928	629,402	(16,526)
Total land and buildings	826,141	845,142	823,519	(21,623)
Insurance Pool:				
Operating	281,253	287,721	280,360	(7,361)
Total insurance pool	281,253	287,721	280,360	(7,361)
Income Tax Collection and Distribution:				
Salaries and wages	114,494	117,125	114,127	(2,998)
Operating	215,994	220,961	215,308	(5,653)
Total income tax collection and distribution	330,488	338,086	329,435	(8,651)
Total General Government	4,441,732	4,543,882	4,427,625	(116,257)
Public Health and Welfare:				
Cemetery:				
Salaries and wages	483,591	494,712	473,925	(20,787)
Operating	161,347	165,058	158,122	(6,936)
Total cemetery	644,938	659,770	632,047	(27,723)
Total Public Health and Welfare	644,938	659,770	632,047	(27,723)
Community Environment:				
Building Inspection:				
Salaries and wages	151,547	155,032	150,238	(4,794)
Operating	63,259	64,714	62,713	(2,001)
Total building inspection	214,806	219,746	212,951	(6,795)
Engineering:				
Salaries and wages	845,364	864,805	838,064	(26,741)
Operating	116,321	118,997	115,317	(3,680)
Total engineering.	961,685	983,802	953,381	(30,421)
Total Community Environment.	1,176,491	1,203,548	1,166,332	(37,216)
Leisure Time Activity:				
Parks and Recreation:				
Salaries and wages	709,653	725,973	655,358	(70,615)
Operating	589,149	602,699	544,074	(58,625)
Total parks and recreation	1,298,802	1,328,672	1,199,432	(129,240)
Total Leisure Time Activity	1,298,802	1,328,672	1,199,432	(129,240)

- - Continued

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Economic Development:				
Development Department:				
Operating	\$ 212,532	\$ 217,420	\$ 197,686	\$ (19,734)
Total development department . . .	212,532	217,420	197,686	(19,734)
Total Economic Development	212,532	217,420	197,686	(19,734)
Total budgetary expenditures	7,774,495	7,953,292	7,623,122	(330,170)
Budgetary excess of revenues over expenditures	4,285,311	4,106,514	5,132,383	1,025,869
Budgetary other financing sources (uses):				
Sale of capital assets.	72,000	72,000	18,763	(53,237)
Transfers in.	1,063,800	1,063,800	1,063,788	(12)
Transfers (out).	(5,903,746)	(6,039,519)	(5,786,500)	253,019
Total budgetary other financing sources (uses)	(4,767,946)	(4,903,719)	(4,703,949)	199,770
Net change in fund balance.	(482,635)	(797,205)	428,434	1,225,639
Budgetary fund balance at beginning of year	6,431,795	6,431,795	6,431,795	-
Prior year encumbrances appropriated .	205,983	205,983	205,983	-
Budgetary fund balance at end of year	<u>\$ 6,155,143</u>	<u>\$ 5,840,573</u>	<u>\$ 7,066,212</u>	<u>\$ 1,225,639</u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
POLICE AND FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Over (Under)</u> <u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>		
Budgetary revenues:				
Income taxes	\$ 1,983,164	\$ 2,193,500	\$ 2,321,275	\$ 127,775
Intergovernmental	1,122,317	1,241,351	785,251	(456,100)
Other	-	-	1,103	1,103
Total budgetary revenues	<u>3,105,481</u>	<u>3,434,851</u>	<u>3,107,629</u>	<u>(327,222)</u>
Budgetary expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Salaries and wages	3,725,547	3,851,231	3,781,741	(69,490)
Operating	358,398	370,489	363,804	(6,685)
Total police	<u>4,083,945</u>	<u>4,221,720</u>	<u>4,145,545</u>	<u>(76,175)</u>
Fire:				
Salaries and wages	3,135,572	3,241,353	3,182,867	(58,486)
Operating	502,239	519,183	509,815	(9,368)
Total fire.	<u>3,637,811</u>	<u>3,760,536</u>	<u>3,692,682</u>	<u>(67,854)</u>
Total budgetary expenditures	<u>7,721,756</u>	<u>7,982,256</u>	<u>7,838,227</u>	<u>(144,029)</u>
Budgetary excess of expenditures over revenues	<u>(4,616,275)</u>	<u>(4,547,405)</u>	<u>(4,730,598)</u>	<u>(183,193)</u>
Budgetary other financing sources:				
Transfers in	<u>4,309,889</u>	<u>4,767,000</u>	<u>4,767,000</u>	<u>-</u>
Total budgetary other financing sources	<u>4,309,889</u>	<u>4,767,000</u>	<u>4,767,000</u>	<u>-</u>
Net change in fund balance	(306,386)	219,595	36,402	(183,193)
Budgetary fund balance at beginning of year	186,134	186,134	186,134	-
Prior year encumbrances appropriated. . .	42,543	42,543	42,543	-
Budgetary fund balance (deficit) at end of year	<u><u>\$ (77,709)</u></u>	<u><u>\$ 448,272</u></u>	<u><u>\$ 265,079</u></u>	<u><u>\$ (183,193)</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Income taxes	\$ 1,490,611	\$ 2,193,500	\$ 2,321,274	\$ 127,774
Intergovernmental.	1,325,356	729,776	2,063,928	1,334,152
Donations.	6,422	10,000	10,000	-
Other	128,346	17,459	199,869	182,410
Total budgetary revenues	<u>2,950,735</u>	<u>2,950,735</u>	<u>4,595,071</u>	<u>1,644,336</u>
Budgetary expenditures:				
Capital Outlay:				
Operating	<u>5,007,850</u>	<u>5,007,850</u>	<u>5,673,147</u>	<u>665,297</u>
Total budgetary expenditures	<u>5,007,850</u>	<u>5,007,850</u>	<u>5,673,147</u>	<u>665,297</u>
Net change in fund balance.	(2,057,115)	(2,057,115)	(1,078,076)	979,039
Budgetary fund balance at beginning of year	621,555	621,555	621,555	-
Prior year encumbrances appropriated .	1,332,928	1,332,928	1,332,928	-
Budgetary fund balance (deficit) at end of year	<u><u>\$ (102,632)</u></u>	<u><u>\$ (102,632)</u></u>	<u><u>\$ 876,407</u></u>	<u><u>\$ 979,039</u></u>

CITY OF DEFIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents . .	\$ 2,423,770	\$ 644,558	\$ 10,156	\$ 3,078,484
Cash in segregated accounts	754,306	-	-	754,306
Receivables (net of allowance for uncollectibles):				
Income taxes	4,869	-	-	4,869
Property and other local taxes.	314,756	-	-	314,756
Accounts	186,961	-	-	186,961
Loans receivable.	926,424	-	-	926,424
Special assessments.	-	140,853	-	140,853
Accrued interest.	3,842	-	-	3,842
Due from other governments	569,006	-	-	569,006
Materials and supplies inventory	58,473	-	-	58,473
Total assets	<u>\$ 5,242,407</u>	<u>\$ 785,411</u>	<u>\$ 10,156</u>	<u>\$ 6,037,974</u>
Liabilities:				
Accounts payable.	\$ 18,903	\$ -	\$ -	\$ 18,903
Accrued wages and benefits payable.	25,280	-	-	25,280
Due to other governments	49,385	-	-	49,385
Total liabilities	<u>93,568</u>	<u>-</u>	<u>-</u>	<u>93,568</u>
Deferred inflows of resources:				
Property taxes levied for the next year.	224,800	-	-	224,800
Accrued interest not available.	1,881	-	-	1,881
Special assessments revenue not available. . . .	-	140,853	-	140,853
Settlements not available	122,672	-	-	122,672
Income tax revenue not available	1,512	-	-	1,512
Intergovernmental revenue not available	384,806	-	-	384,806
Total deferred inflows of resources.	<u>735,671</u>	<u>140,853</u>	<u>-</u>	<u>876,524</u>
Fund balances:				
Nonspendable	58,473	-	-	58,473
Restricted	4,294,586	644,557	10,156	4,949,299
Committed.	60,109	-	-	60,109
Assigned.	-	1	-	1
Total fund balances.	<u>4,413,168</u>	<u>644,558</u>	<u>10,156</u>	<u>5,067,882</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,242,407</u>	<u>\$ 785,411</u>	<u>\$ 10,156</u>	<u>\$ 6,037,974</u>

CITY OF DEFIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Income taxes	\$ 39,032	\$ -	\$ -	\$ 39,032
Property and other local taxes	706,935	-	-	706,935
Licenses, permits and fees	223,175	-	-	223,175
Fines, forfeitures, and settlements	346,458	-	-	346,458
Intergovernmental	1,533,953	-	-	1,533,953
Special assessments	-	102,461	-	102,461
Investment income	46,593	-	-	46,593
Donations.	78,814	-	-	78,814
Increase in fair value of investments	99,077	-	-	99,077
Other	120,159	-	-	120,159
Total revenues.	<u>3,194,196</u>	<u>102,461</u>	<u>-</u>	<u>3,296,657</u>
Expenditures:				
Current:				
General government	635,520	3,245	-	638,765
Security of persons and property.	1,447,410	-	-	1,447,410
Transportation	1,392,279	-	-	1,392,279
Leisure time activity	13,759	-	-	13,759
Economic development	166,898	-	-	166,898
Debt service:				
Principal retirement.	220,014	241,988	-	462,002
Interest.	37,277	39,089	-	76,366
Total expenditures	<u>3,913,157</u>	<u>284,322</u>	<u>-</u>	<u>4,197,479</u>
Excess of expenditures over revenues	<u>(718,961)</u>	<u>(181,861)</u>	<u>-</u>	<u>(900,822)</u>
Other financing sources:				
Transfers in	844,996	179,997	9,996	1,034,989
Total other financing sources	<u>844,996</u>	<u>179,997</u>	<u>9,996</u>	<u>1,034,989</u>
Net change in fund balances	126,035	(1,864)	9,996	134,167
Fund balances at beginning of year	<u>4,287,133</u>	<u>646,422</u>	<u>160</u>	<u>4,933,715</u>
Fund balances at end of year	<u><u>\$ 4,413,168</u></u>	<u><u>\$ 644,558</u></u>	<u><u>\$ 10,156</u></u>	<u><u>\$ 5,067,882</u></u>

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CITY OF DEFIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2024

	State Highway Improvements	Permissive Tax	Street Construction, Maintenance and Repair	Indigent Drivers
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 120,570	\$ 60,463	\$ 232,261	\$ 26,751
Cash in segregated accounts	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Income taxes	-	-	4,869	-
Property and other local taxes.	-	-	-	-
Accounts	-	-	-	3,766
Loans receivable.	-	-	-	-
Accrued interest.	514	-	991	-
Due from other governments	40,976	-	515,430	-
Materials and supplies inventory	-	-	58,473	-
Total assets.	<u>\$ 162,060</u>	<u>\$ 60,463</u>	<u>\$ 812,024</u>	<u>\$ 30,517</u>
Liabilities:				
Accounts payable	\$ 111	\$ -	\$ 17,337	\$ -
Accrued wages and benefits payable.	-	-	24,554	-
Due to other governments	-	-	3,794	-
Total liabilities	<u>111</u>	<u>-</u>	<u>45,685</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next year.	-	-	-	-
Accrued interest not available	252	-	485	-
Settlements not available	-	-	-	-
Income tax revenue not available	-	-	1,512	-
Intergovernmental revenue not available	27,916	-	344,290	-
Total deferred inflows of resources.	<u>28,168</u>	<u>-</u>	<u>346,287</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	58,473	-
Restricted	133,781	60,463	361,579	30,517
Committed.	-	-	-	-
Total fund balances	<u>133,781</u>	<u>60,463</u>	<u>420,052</u>	<u>30,517</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 162,060</u>	<u>\$ 60,463</u>	<u>\$ 812,024</u>	<u>\$ 30,517</u>

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CITY OF DEFIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2024

	Cable TV - Franchise	Revolving Loan - Industrial	Peace Officer Training	Reservoir Enhancement
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ -	\$ 547,779	\$ 47,385	\$ 300
Cash in segregated accounts	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Income taxes	-	-	-	-
Property and other local taxes.	-	-	-	-
Accounts	41,868	-	-	-
Loans receivable.	-	926,424	-	-
Accrued interest.	-	2,337	-	-
Due from other governments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 41,868</u>	<u>\$ 1,476,540</u>	<u>\$ 47,385</u>	<u>\$ 300</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits payable.	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next year.	-	-	-	-
Accrued interest not available	-	1,144	-	-
Settlements not available	-	-	-	-
Income tax revenue not available	-	-	-	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources.	<u>-</u>	<u>1,144</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	41,868	1,475,396	47,385	-
Committed.	-	-	-	300
Total fund balances	<u>41,868</u>	<u>1,475,396</u>	<u>47,385</u>	<u>300</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 41,868</u>	<u>\$ 1,476,540</u>	<u>\$ 47,385</u>	<u>\$ 300</u>

Riverside Cemetery Enhancement	Hotel/Motel Tax	Museum Trust	Police Pension	Fire Pension	Law Enforcement Trust
\$ 9,308	\$ 209,416	\$ 23,856	\$ 90,486	\$ 7,869	\$ 47,309
-	-	754,306	-	-	-
-	-	-	-	-	-
-	89,956	-	112,400	112,400	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,300	6,300	-
-	-	-	-	-	-
<u>\$ 9,308</u>	<u>\$ 299,372</u>	<u>\$ 778,162</u>	<u>\$ 209,186</u>	<u>\$ 126,569</u>	<u>\$ 47,309</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190
-	726	-	-	-	-
-	45,091	-	-	-	500
-	45,817	-	-	-	690
-	-	-	-	-	-
-	-	-	112,400	112,400	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,300	6,300	-
-	-	-	118,700	118,700	-
-	-	-	-	-	-
-	-	-	-	-	-
9,308	253,555	778,162	90,486	7,869	46,619
-	-	-	-	-	-
<u>9,308</u>	<u>253,555</u>	<u>778,162</u>	<u>90,486</u>	<u>7,869</u>	<u>46,619</u>
<u>\$ 9,308</u>	<u>\$ 299,372</u>	<u>\$ 778,162</u>	<u>\$ 209,186</u>	<u>\$ 126,569</u>	<u>\$ 47,309</u>

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CITY OF DEFIANCE, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2024

	Fire and Rescue Trust	Park and Recreation Trust	Probation Incentive Grant	Opioid Settlement
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 54,041	\$ 55,355	\$ 19,327	\$ 39,501
Cash in segregated accounts	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Income taxes	-	-	-	-
Property and other local taxes.	-	-	-	-
Accounts	-	-	-	122,672
Loans receivable.	-	-	-	-
Accrued interest.	-	-	-	-
Due from other governments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 54,041</u>	<u>\$ 55,355</u>	<u>\$ 19,327</u>	<u>\$ 162,173</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits payable.	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next year.	-	-	-	-
Accrued interest not available	-	-	-	-
Settlements not available	-	-	-	122,672
Income tax revenue not available	-	-	-	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources.	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,672</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	54,041	-	19,327	39,501
Committed.	-	55,355	-	-
Total fund balances	<u>54,041</u>	<u>55,355</u>	<u>19,327</u>	<u>39,501</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 54,041</u>	<u>\$ 55,355</u>	<u>\$ 19,327</u>	<u>\$ 162,173</u>

**Total
Nonmajor
Special Revenue
Funds**

\$ 2,423,770
754,306

4,869
314,756
186,961
926,424
3,842
569,006
58,473

\$ 5,242,407

\$ 18,903
25,280
49,385
93,568

224,800
1,881
122,672
1,512
384,806
735,671

58,473
4,294,586
60,109
4,413,168

\$ 5,242,407

CITY OF DEFIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	State Highway Improvements	Permissive Tax	Street Construction, Maintenance and Repair	Indigent Drivers
Revenues:				
Income taxes	\$ -	\$ -	\$ 39,032	\$ -
Property and other local taxes	-	-	81,616	-
Licenses, permits and fees	-	-	-	-
Fines, forfeitures, and settlements	-	-	-	25,258
Intergovernmental	85,194	120,033	1,091,551	-
Investment income	4,182	-	6,478	-
Donations.	-	-	-	-
Change in fair value of investments	-	-	-	-
Other	-	-	1,974	-
Total revenues.	<u>89,376</u>	<u>120,033</u>	<u>1,220,651</u>	<u>25,258</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property.	-	-	-	29,728
Transportation	117,084	21,600	1,253,595	-
Leisure time activity	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal retirement.	-	30,000	15,014	-
Interest.	-	35,806	1,471	-
Total expenditures	<u>117,084</u>	<u>87,406</u>	<u>1,270,080</u>	<u>29,728</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,708)</u>	<u>32,627</u>	<u>(49,429)</u>	<u>(4,470)</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(27,708)	32,627	(49,429)	(4,470)
Fund balances at beginning of year	161,489	27,836	469,481	34,987
Fund balances at end of year	<u><u>\$ 133,781</u></u>	<u><u>\$ 60,463</u></u>	<u><u>\$ 420,052</u></u>	<u><u>\$ 30,517</u></u>

Municipal Probation Services	Probation Grant	Court Computerization	Tree of Life	Special Project	OVI Special Project
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
20,670	-	24,663	-	195,719	6,481
-	131,949	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	65	200	-	9,290
<u>20,670</u>	<u>131,949</u>	<u>24,728</u>	<u>200</u>	<u>195,719</u>	<u>15,771</u>
-	-	46,776	-	-	-
53,545	108,670	-	-	-	726
-	-	-	-	-	-
-	-	-	615	-	-
-	-	-	-	-	-
-	-	-	-	175,000	-
-	-	-	-	-	-
<u>53,545</u>	<u>108,670</u>	<u>46,776</u>	<u>615</u>	<u>175,000</u>	<u>726</u>
<u>(32,875)</u>	<u>23,279</u>	<u>(22,048)</u>	<u>(415)</u>	<u>20,719</u>	<u>15,045</u>
-	-	-	-	-	-
-	-	-	-	-	-
(32,875)	23,279	(22,048)	(415)	20,719	15,045
81,726	14,036	229,284	4,869	227,820	287,743
<u>\$ 48,851</u>	<u>\$ 37,315</u>	<u>\$ 207,236</u>	<u>\$ 4,454</u>	<u>\$ 248,539</u>	<u>\$ 302,788</u>

- - Continued

CITY OF DEFIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Cable TV - Franchise	Revolving Loan - Industrial	Peace Officer Training	Reservoir Enhancement
Revenues:				
Income taxes	\$ -	\$ -	\$ -	\$ -
Property and other local taxes	-	-	-	-
Licenses, permits and fees	223,175	-	-	-
Fines, forfeitures, and settlements	-	-	-	-
Intergovernmental	-	-	29,919	-
Investment income	-	35,704	-	-
Donations.	-	-	-	-
Change in fair value of investments	-	-	-	-
Other	-	1,254	-	-
Total revenues.	<u>223,175</u>	<u>36,958</u>	<u>29,919</u>	<u>-</u>
Expenditures:				
Current:				
General government	181,307	-	-	-
Security of persons and property.	-	-	17,016	-
Transportation	-	-	-	-
Leisure time activity	-	-	-	-
Economic development	-	166,898	-	-
Debt service:				
Principal retirement.	-	-	-	-
Interest.	-	-	-	-
Total expenditures	<u>181,307</u>	<u>166,898</u>	<u>17,016</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,868</u>	<u>(129,940)</u>	<u>12,903</u>	<u>-</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	41,868	(129,940)	12,903	-
Fund balances at beginning of year	<u>-</u>	<u>1,605,336</u>	<u>34,482</u>	<u>300</u>
Fund balances at end of year	<u>\$ 41,868</u>	<u>\$ 1,475,396</u>	<u>\$ 47,385</u>	<u>\$ 300</u>

Riverside Cemetery Enhancement	Hotel/Motel Tax	Museum Trust	Police Pension	Fire Pension	Law Enforcement Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	399,039	-	113,140	113,140	-
-	-	-	-	-	-
-	-	-	-	-	20,900
-	-	-	13,479	13,479	-
229	-	-	-	-	-
925	-	9,015	-	-	5,763
-	-	99,077	-	-	-
-	-	-	-	-	187
<u>1,154</u>	<u>399,039</u>	<u>108,092</u>	<u>126,619</u>	<u>126,619</u>	<u>26,850</u>
-	347,237	15,011	-	-	690
-	-	-	495,632	563,784	28,794
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>347,237</u>	<u>15,011</u>	<u>495,632</u>	<u>563,784</u>	<u>29,484</u>
<u>1,154</u>	<u>51,802</u>	<u>93,081</u>	<u>(369,013)</u>	<u>(437,165)</u>	<u>(2,634)</u>
-	-	-	399,996	445,000	-
-	-	-	399,996	445,000	-
1,154	51,802	93,081	30,983	7,835	(2,634)
8,154	201,753	685,081	59,503	34	49,253
<u>\$ 9,308</u>	<u>\$ 253,555</u>	<u>\$ 778,162</u>	<u>\$ 90,486</u>	<u>\$ 7,869</u>	<u>\$ 46,619</u>

- - Continued

CITY OF DEFIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Fire and Rescue Trust	Fire Damage Repair	Park and Recreation Trust	Probation Incentive Grant
Revenues:				
Income taxes	\$ -	\$ -	\$ -	\$ -
Property and other local taxes	-	-	-	-
Licenses, permits and fees	-	-	-	-
Fines, forfeitures, and settlements	-	-	-	-
Intergovernmental	48,349	-	-	-
Investment income	-	-	-	-
Donations.	5,928	-	57,183	-
Change in fair value of investments	-	-	-	-
Other	48,930	58,259	-	-
Total revenues.	<u>103,207</u>	<u>58,259</u>	<u>57,183</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property.	91,256	58,259	-	-
Transportation	-	-	-	-
Leisure time activity	-	-	13,144	-
Economic development	-	-	-	-
Debt service:				
Principal retirement.	-	-	-	-
Interest.	-	-	-	-
Total expenditures	<u>91,256</u>	<u>58,259</u>	<u>13,144</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,951</u>	<u>-</u>	<u>44,039</u>	<u>-</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	11,951	-	44,039	-
Fund balances at beginning of year	<u>42,090</u>	<u>-</u>	<u>11,316</u>	<u>19,327</u>
Fund balances at end of year	<u>\$ 54,041</u>	<u>\$ -</u>	<u>\$ 55,355</u>	<u>\$ 19,327</u>

Opioid Settlement	Total Nonmajor Special Revenue Funds
\$ -	\$ 39,032
-	706,935
-	223,175
52,767	346,458
-	1,533,953
-	46,593
-	78,814
-	99,077
-	120,159
<u>52,767</u>	<u>3,194,196</u>
44,499	635,520
-	1,447,410
-	1,392,279
-	13,759
-	166,898
-	220,014
-	37,277
<u>44,499</u>	<u>3,913,157</u>
<u>8,268</u>	<u>(718,961)</u>
-	844,996
-	844,996
8,268	126,035
31,233	4,287,133
<u>\$ 39,501</u>	<u>\$ 4,413,168</u>

CITY OF DEFIANCE, OHIO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2024

	Bond Retirement	Commerce Drive	Total Nonmajor Debt Service Funds
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 644,557	\$ 1	\$ 644,558
Receivables:			
Special assessments	140,853	-	140,853
Total assets	<u>\$ 785,410</u>	<u>\$ 1</u>	<u>\$ 785,411</u>
Deferred inflows of resources:			
Special assessments revenue not available.	\$ 140,853	-	\$ 140,853
Total deferred inflows of resources.	<u>140,853</u>	<u>-</u>	<u>140,853</u>
Fund balances:			
Restricted	644,557	-	644,557
Assigned	-	1	1
Total fund balances	<u>644,557</u>	<u>1</u>	<u>644,558</u>
Total deferred inflows of resources and fund balances	<u>\$ 785,410</u>	<u>\$ 1</u>	<u>\$ 785,411</u>

CITY OF DEFIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Bond Retirement	Commerce Drive	Total Nonmajor Debt Service Funds
Revenues:			
Special assessments	\$ 102,461	\$ -	\$ 102,461
Total revenues.	<u>102,461</u>	<u>-</u>	<u>102,461</u>
Expenditures:			
Current:			
General government	3,245	-	3,245
Debt service:			
Principal retirement.	116,559	125,429	241,988
Interest.	-	39,089	39,089
Total expenditures	<u>119,804</u>	<u>164,518</u>	<u>284,322</u>
Excess of expenditures over revenues	<u>(17,343)</u>	<u>(164,518)</u>	<u>(181,861)</u>
Other financing sources:			
Transfers in.	15,489	164,508	179,997
Total other financing sources.	<u>15,489</u>	<u>164,508</u>	<u>179,997</u>
Net change in fund balances	(1,854)	(10)	(1,864)
Fund balances at beginning of year	646,411	11	646,422
Fund balances at end of year	<u><u>\$ 644,557</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 644,558</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
STATE HIGHWAY IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Intergovernmental	\$ 80,977	\$ 79,000	\$ 84,043	\$ 5,043
Investment income	3,808	1,190	3,952	2,762
Total budgetary revenues	<u>84,785</u>	<u>80,190</u>	<u>87,995</u>	<u>7,805</u>
Budgetary expenditures:				
Current:				
Transportation:				
Capital Improvements:				
Operating	240,000	240,000	155,748	(84,252)
Total budgetary expenditures	<u>240,000</u>	<u>240,000</u>	<u>155,748</u>	<u>(84,252)</u>
Net change in fund balance.	(155,215)	(159,810)	(67,753)	92,057
Budgetary fund balance at beginning of year	88,980	88,980	88,980	-
Prior year encumbrances appropriated .	60,805	60,805	60,805	-
Budgetary fund (deficit) balance at end of year	<u><u>\$ (5,430)</u></u>	<u><u>\$ (10,025)</u></u>	<u><u>\$ 82,032</u></u>	<u><u>\$ 92,057</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
PERMISSIVE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Intergovernmental	\$ 113,414	\$ 224,045	\$ 120,033	\$ (104,012)
Total budgetary revenues	<u>113,414</u>	<u>224,045</u>	<u>120,033</u>	<u>(104,012)</u>
Budgetary expenditures:				
Current:				
Transportation:				
Capital Improvements:				
Operating	<u>91,159</u>	<u>92,760</u>	<u>87,406</u>	<u>(5,354)</u>
Total budgetary expenditures	<u>91,159</u>	<u>92,760</u>	<u>87,406</u>	<u>(5,354)</u>
Net change in fund balance.	22,255	131,285	32,627	(98,658)
Budgetary fund balance at beginning of year	22,483	22,483	22,483	-
Prior year encumbrances appropriated .	<u>5,353</u>	<u>5,353</u>	<u>5,353</u>	<u>-</u>
Budgetary fund balance at end of year	<u><u>\$ 50,091</u></u>	<u><u>\$ 159,121</u></u>	<u><u>\$ 60,463</u></u>	<u><u>\$ (98,658)</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Income taxes	\$ 37,890	\$ 37,468	\$ 38,990	\$ 1,522
Intergovernmental	1,126,477	1,113,903	1,159,167	45,264
Investment income	5,684	5,621	5,849	228
Other	1,918	1,897	1,974	77
Total budgetary revenues	<u>1,171,969</u>	<u>1,158,889</u>	<u>1,205,980</u>	<u>47,091</u>
Budgetary expenditures:				
Current:				
Transportation:				
Highway and Streets:				
Salaries and wages	947,867	947,867	855,803	(92,064)
Operating	<u>500,728</u>	<u>500,728</u>	<u>452,093</u>	<u>(48,635)</u>
Total budgetary expenditures	<u>1,448,595</u>	<u>1,448,595</u>	<u>1,307,896</u>	<u>(140,699)</u>
Budgetary excess of expenditures over revenues	<u>(276,626)</u>	<u>(289,706)</u>	<u>(101,916)</u>	<u>187,790</u>
Budgetary other financing sources:				
Transfers in	<u>19,428</u>	<u>19,211</u>	<u>19,992</u>	<u>781</u>
Total budgetary other financing sources	<u>19,428</u>	<u>19,211</u>	<u>19,992</u>	<u>781</u>
Net change in fund balance.	(257,198)	(270,495)	(81,924)	188,571
Budgetary fund balance at beginning of year	253,423	253,423	253,423	-
Prior year encumbrances appropriated .	43,484	43,484	43,484	-
Budgetary fund balance at end of year	<u>\$ 39,709</u>	<u>\$ 26,412</u>	<u>\$ 214,983</u>	<u>\$ 188,571</u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
COURT TECHNOLOGY GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Intergovernmental	\$ -	\$ 30,000	\$ -	\$ (30,000)
Total budgetary revenues	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Net change in fund balance.	-	30,000	-	(30,000)
Budgetary fund balance at beginning of year	-	-	-	-
Budgetary fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 30,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (30,000)</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
INDIGENT DRIVERS FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Fines and forfeitures	\$ 18,566	\$ 20,000	\$ 22,181	\$ 2,181
Total budgetary revenues	<u>18,566</u>	<u>20,000</u>	<u>22,181</u>	<u>2,181</u>
Budgetary expenditures:				
Current:				
Security of Persons and Property:				
Municipal Court:				
Operating	<u>40,000</u>	<u>40,000</u>	<u>29,728</u>	<u>(10,272)</u>
Total budgetary expenditures	<u>40,000</u>	<u>40,000</u>	<u>29,728</u>	<u>(10,272)</u>
Net change in fund balance.	(21,434)	(20,000)	(7,547)	12,453
Budgetary fund balance at beginning of year	34,298	34,298	34,298	-
Budgetary fund balance at end of year	<u>\$ 12,864</u>	<u>\$ 14,298</u>	<u>\$ 26,751</u>	<u>\$ 12,453</u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
MUNICIPAL PROBATION SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Fines and forfeitures	\$ -	\$ 24,400	\$ 20,944	\$ (3,456)
Total budgetary revenues	<u>-</u>	<u>24,400</u>	<u>20,944</u>	<u>(3,456)</u>
Budgetary expenditures:				
Current:				
Security of Persons and Property:				
Municipal Probation Service:				
Salaries and wages	64,732	63,452	49,254	(14,198)
Operating	172	5,807	4,508	(1,299)
Total budgetary expenditures	<u>64,904</u>	<u>69,259</u>	<u>53,762</u>	<u>(15,497)</u>
Net change in fund balance.	(64,904)	(44,859)	(32,818)	12,041
Budgetary fund balance at beginning of year	79,741	79,741	79,741	-
Budgetary fund balance at end of year	<u>\$ 14,837</u>	<u>\$ 34,882</u>	<u>\$ 46,923</u>	<u>\$ 12,041</u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
PROBATION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Intergovernmental	\$ 90,000	\$ 42,822	\$ 131,949	\$ 89,127
Total budgetary revenues	<u>90,000</u>	<u>42,822</u>	<u>131,949</u>	<u>89,127</u>
Budgetary expenditures:				
Current:				
Security of Persons and Property:				
Municipal Probation Service:				
Salaries and wages	93,744	109,542	89,248	(20,294)
Operating	20,332	23,758	19,357	(4,401)
Total budgetary expenditures	<u>114,076</u>	<u>133,300</u>	<u>108,605</u>	<u>(24,695)</u>
Net change in fund balance.	(24,076)	(90,478)	23,344	113,822
Budgetary fund balance at beginning of year	14,051	14,051	14,051	-
Budgetary fund (deficit) balance at end of year	<u>\$ (10,025)</u>	<u>\$ (76,427)</u>	<u>\$ 37,395</u>	<u>\$ 113,822</u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
COURT COMPUTERIZATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Fines and forfeitures	\$ 21,144	\$ 29,921	\$ 24,530	\$ (5,391)
Other	56	79	65	(14)
Total budgetary revenues	<u>21,200</u>	<u>30,000</u>	<u>24,595</u>	<u>(5,405)</u>
Budgetary expenditures:				
Current:				
General Government:				
Municipal Court:				
Operating	<u>130,000</u>	<u>130,000</u>	<u>56,355</u>	<u>(73,645)</u>
Total budgetary expenditures	<u>130,000</u>	<u>130,000</u>	<u>56,355</u>	<u>(73,645)</u>
Net change in fund balance.	(108,800)	(100,000)	(31,760)	68,240
Budgetary fund balance at beginning of year	227,954	227,954	227,954	-
Budgetary fund balance at end of year	<u><u>\$ 119,154</u></u>	<u><u>\$ 127,954</u></u>	<u><u>\$ 196,194</u></u>	<u><u>\$ 68,240</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TREE OF LIFE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Other	\$ -	\$ 2,000	\$ 200	\$ (1,800)
Total budgetary revenues	<u>-</u>	<u>2,000</u>	<u>200</u>	<u>(1,800)</u>
Budgetary expenditures:				
Current:				
Operating	-	-	970	970
Total budgetary expenditures	<u>-</u>	<u>-</u>	<u>970</u>	<u>970</u>
Net change in fund balance.	<u>-</u>	<u>2,000</u>	<u>(770)</u>	<u>(2,770)</u>
Budgetary fund balance at beginning of year	4,869	4,869	4,869	-
Budgetary fund balance at end of year	<u><u>\$ 4,869</u></u>	<u><u>\$ 6,869</u></u>	<u><u>\$ 4,099</u></u>	<u><u>\$ (2,770)</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
SPECIAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Fines and forfeitures	\$ 187,457	\$ 130,000	\$ 194,598	\$ 64,598
Total budgetary revenues	<u>187,457</u>	<u>130,000</u>	<u>194,598</u>	<u>64,598</u>
Budgetary expenditures:				
Current:				
General Government:				
Municipal Court:				
Operating	190,000	190,000	189,937	(63)
Total budgetary expenditures	<u>190,000</u>	<u>190,000</u>	<u>189,937</u>	<u>(63)</u>
Net change in fund balance.	(2,543)	(60,000)	4,661	64,661
Budgetary fund balance at beginning of year	214,366	214,366	214,366	-
Budgetary fund balance at end of year	<u><u>\$ 211,823</u></u>	<u><u>\$ 154,366</u></u>	<u><u>\$ 219,027</u></u>	<u><u>\$ 64,661</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
OVI SPECIAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Fines and forfeitures	\$ 9,397	\$ 7,595	\$ 6,951	\$ (644)
Other	12,873	10,405	9,522	(883)
Total budgetary revenues	<u>22,270</u>	<u>18,000</u>	<u>16,473</u>	<u>(1,527)</u>
Budgetary expenditures:				
Current:				
Security of Persons and Property:				
Municipal Court:				
Operating	<u>5,000</u>	<u>15,000</u>	<u>1,000</u>	<u>(14,000)</u>
Total budgetary expenditures	<u>5,000</u>	<u>15,000</u>	<u>1,000</u>	<u>(14,000)</u>
Net change in fund balance.	17,270	3,000	15,473	12,473
Budgetary fund balance at beginning of year	286,135	286,135	286,135	-
Budgetary fund balance at end of year	<u><u>\$ 303,405</u></u>	<u><u>\$ 289,135</u></u>	<u><u>\$ 301,608</u></u>	<u><u>\$ 12,473</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
CABLE TV - FRANCHISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Licenses, permits and fees	\$ 196,000	\$ 209,000	\$ 181,307	\$ (27,693)
Total budgetary revenues	<u>196,000</u>	<u>209,000</u>	<u>181,307</u>	<u>(27,693)</u>
Budgetary expenditures:				
Current:				
General Government:				
Cable TV:				
Operating	<u>200,000</u>	<u>200,000</u>	<u>181,307</u>	<u>(18,693)</u>
Total budgetary expenditures	<u>200,000</u>	<u>200,000</u>	<u>181,307</u>	<u>(18,693)</u>
Net change in fund balance.	(4,000)	9,000	-	(9,000)
Budgetary fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund (deficit) balance at end of year	<u><u>\$ (4,000)</u></u>	<u><u>\$ 9,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (9,000)</u></u>

CITY OF DEFIANCE, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
RESERVOIR ENHANCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary fund balance at beginning of year	\$ 300	\$ 300	\$ 300	\$ -
Budgetary fund balance at end of year	\$ 300	\$ 300	\$ 300	\$ -

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
REVOLVING LOAN - INDUSTRIAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Intergovernmental	\$ 200,000	\$ 400,000	\$ -	\$ (400,000)
Investment income	-	4,100	20,886	16,786
Total budgetary revenues	<u>200,000</u>	<u>404,100</u>	<u>20,886</u>	<u>(383,214)</u>
Budgetary expenditures:				
Current:				
Economic Development:				
Capital Improvement:				
Operating	<u>822,340</u>	<u>822,340</u>	<u>566,698</u>	<u>(255,642)</u>
Total budgetary expenditures	<u>822,340</u>	<u>822,340</u>	<u>566,698</u>	<u>(255,642)</u>
Budgetary excess of expenditures over revenues	<u>(622,340)</u>	<u>(418,240)</u>	<u>(545,812)</u>	<u>(127,572)</u>
Budgetary other financing sources:				
Other financing sources.	<u>172,615</u>	<u>205,205</u>	<u>131,651</u>	<u>(73,554)</u>
Total budgetary other financing sources	<u>172,615</u>	<u>205,205</u>	<u>131,651</u>	<u>(73,554)</u>
Net change in fund balance.	(449,725)	(213,035)	(414,161)	(201,126)
Budgetary fund balance at beginning of year	959,931	959,931	959,931	-
Budgetary fund balance at end of year	<u><u>\$ 510,206</u></u>	<u><u>\$ 746,896</u></u>	<u><u>\$ 545,770</u></u>	<u><u>\$ (201,126)</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
PEACE OFFICER TRAINING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Intergovernmental	\$ 22,539	\$ -	\$ 29,919	\$ 29,919
Total budgetary revenues	<u>22,539</u>	<u>-</u>	<u>29,919</u>	<u>29,919</u>
Budgetary expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Operating	<u>1,000</u>	<u>1,000</u>	<u>18,617</u>	<u>17,617</u>
Total budgetary expenditures	<u>1,000</u>	<u>1,000</u>	<u>18,617</u>	<u>17,617</u>
Net change in fund balance.	21,539	(1,000)	11,302	12,302
Budgetary fund balance at beginning of year	33,482	33,482	33,482	-
Prior year encumbrances appropriated	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Budgetary fund balance at end of year	<u><u>\$ 56,021</u></u>	<u><u>\$ 33,482</u></u>	<u><u>\$ 45,784</u></u>	<u><u>\$ 12,302</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
RIVERSIDE CEMETERY ENHANCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Investment income	\$ 198	\$ 107	\$ 229	\$ 122
Donations.	802	433	925	492
Total budgetary revenues	<u>1,000</u>	<u>540</u>	<u>1,154</u>	<u>614</u>
Budgetary expenditures:				
Current:				
Public Health and Welfare:				
Cemetery:				
Operating	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>(7,500)</u>
Total budgetary expenditures	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>(7,500)</u>
Net change in fund balance.	(6,500)	(6,960)	1,154	8,114
Budgetary fund balance at beginning of year	8,154	8,154	8,154	-
Budgetary fund balance at end of year	<u><u>\$ 1,654</u></u>	<u><u>\$ 1,194</u></u>	<u><u>\$ 9,308</u></u>	<u><u>\$ 8,114</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
HOTEL/MOTEL TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Property and other local taxes	\$ 395,000	\$ 400,000	\$ 404,640	\$ 4,640
Total budgetary revenues	<u>395,000</u>	<u>400,000</u>	<u>404,640</u>	<u>4,640</u>
Budgetary expenditures:				
Current:				
General Government:				
General Operating:				
Salaries and wages	45,766	46,993	46,248	(745)
Operating.	<u>97,252</u>	<u>99,861</u>	<u>98,278</u>	<u>(1,583)</u>
Total general operating	<u>143,018</u>	<u>146,854</u>	<u>144,526</u>	<u>(2,328)</u>
Capital Improvements:				
Operating	<u>200,209</u>	<u>205,577</u>	<u>202,319</u>	<u>(3,258)</u>
Total capital improvements	<u>200,209</u>	<u>205,577</u>	<u>202,319</u>	<u>(3,258)</u>
Total budgetary expenditures	<u>343,227</u>	<u>352,431</u>	<u>346,845</u>	<u>(5,586)</u>
Net change in fund balance.	51,773	47,569	57,795	10,226
Budgetary fund balance at beginning of year	151,621	151,621	151,621	-
Budgetary fund balance at end of year	<u><u>\$ 203,394</u></u>	<u><u>\$ 199,190</u></u>	<u><u>\$ 209,416</u></u>	<u><u>\$ 10,226</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
MUSEUM TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Donations.	\$ 17,048	\$ 10,000	\$ 7,645	\$ (2,355)
Total budgetary revenues	<u>17,048</u>	<u>10,000</u>	<u>7,645</u>	<u>(2,355)</u>
Budgetary expenditures:				
Current:				
General Government:				
Trust Fund:				
Operating.	20,180	20,180	15,011	(5,169)
Total budgetary expenditures	<u>20,180</u>	<u>20,180</u>	<u>15,011</u>	<u>(5,169)</u>
Net change in fund balance.	(3,132)	(10,180)	(7,366)	2,814
Budgetary fund balance at beginning of year	22,942	22,942	22,942	-
Prior year encumbrances appropriated .	8,280	8,280	8,280	-
Budgetary fund balance at end of year	<u>\$ 28,090</u>	<u>\$ 21,042</u>	<u>\$ 23,856</u>	<u>\$ 2,814</u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
POLICE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Property and other local taxes	\$ 112,793	\$ 92,690	\$ 113,140	\$ 20,450
Intergovernmental	13,438	12,600	13,479	879
Total budgetary revenues	<u>126,231</u>	<u>105,290</u>	<u>126,619</u>	<u>21,329</u>
Budgetary expenditures:				
Current:				
Security of Persons and Property:				
Police Pension:				
Salaries and wages	515,251	515,251	493,712	(21,539)
Operating	2,004	2,004	1,920	(84)
Total budgetary expenditures	<u>517,255</u>	<u>517,255</u>	<u>495,632</u>	<u>(21,623)</u>
Budgetary excess of expenditures over revenues	<u>(391,024)</u>	<u>(411,965)</u>	<u>(369,013)</u>	<u>42,952</u>
Budgetary other financing sources:				
Transfers in	398,769	400,000	399,996	(4)
Total budgetary other financing sources	<u>398,769</u>	<u>400,000</u>	<u>399,996</u>	<u>(4)</u>
Net change in fund balance.	7,745	(11,965)	30,983	42,948
Budgetary fund balance at beginning of year	59,503	59,503	59,503	-
Budgetary fund balance at end of year	<u><u>\$ 67,248</u></u>	<u><u>\$ 47,538</u></u>	<u><u>\$ 90,486</u></u>	<u><u>\$ 42,948</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FIRE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Property and other local taxes	\$ 94,016	\$ 100,012	\$ 113,140	\$ 13,128
Intergovernmental	11,201	11,915	13,479	1,564
Total budgetary revenues	<u>105,217</u>	<u>111,927</u>	<u>126,619</u>	<u>14,692</u>
Budgetary expenditures:				
Current:				
Security of Persons and Property:				
Fire Pension:				
Salaries and wages	507,238	564,542	561,864	(2,678)
Operating	1,733	1,929	1,920	(9)
Total budgetary expenditures	<u>508,971</u>	<u>566,471</u>	<u>563,784</u>	<u>(2,687)</u>
Budgetary excess of expenditures over revenues	<u>(403,754)</u>	<u>(454,544)</u>	<u>(437,165)</u>	<u>17,379</u>
Budgetary other financing sources:				
Transfers in	369,783	393,363	445,000	51,637
Total budgetary other financing sources	<u>369,783</u>	<u>393,363</u>	<u>445,000</u>	<u>51,637</u>
Net change in fund balance.	(33,971)	(61,181)	7,835	69,016
Budgetary fund balance at beginning of year	34	34	34	-
Budgetary fund (deficit) balance at end of year	<u><u>\$ (33,937)</u></u>	<u><u>\$ (61,147)</u></u>	<u><u>\$ 7,869</u></u>	<u><u>\$ 69,016</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Fines and forfeitures	\$ 8,894	\$ 2,000	\$ 20,900	\$ 18,900
Donations.	2,452	15,000	5,763	(9,237)
Other	80	-	187	187
Total budgetary revenues	<u>11,426</u>	<u>17,000</u>	<u>26,850</u>	<u>9,850</u>
Budgetary expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Operating	30,236	30,236	29,956	(280)
Total budgetary expenditures	<u>30,236</u>	<u>30,236</u>	<u>29,956</u>	<u>(280)</u>
Net change in fund balance.	(18,810)	(13,236)	(3,106)	10,130
Budgetary fund balance at beginning of year	49,179	49,179	49,179	-
Prior year encumbrances appropriated .	1,236	1,236	1,236	-
Budgetary fund balance at end of year	<u>\$ 31,605</u>	<u>\$ 37,179</u>	<u>\$ 47,309</u>	<u>\$ 10,130</u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FIRE AND RESCUE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Intergovernmental	\$ 26,471	\$ 22,955	\$ 48,349	\$ 25,394
Donations.	3,246	2,815	5,928	3,113
Other	26,790	23,231	48,930	25,699
Total budgetary revenues	<u>56,507</u>	<u>49,001</u>	<u>103,207</u>	<u>54,206</u>
Budgetary expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Operating	34,733	91,257	91,256	(1)
Total budgetary expenditures	<u>34,733</u>	<u>91,257</u>	<u>91,256</u>	<u>(1)</u>
Net change in fund balance.	21,774	(42,256)	11,951	54,207
Budgetary fund balance at beginning of year	42,090	42,090	42,090	-
Budgetary fund (deficit) balance at end of year	<u>\$ 63,864</u>	<u>\$ (166)</u>	<u>\$ 54,041</u>	<u>\$ 54,207</u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FIRE DAMAGE REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Other	\$ 32,000	\$ -	\$ 58,259	\$ 58,259
Total budgetary revenues	<u>32,000</u>	<u>-</u>	<u>58,259</u>	<u>58,259</u>
Budgetary expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Operating	<u>-</u>	<u>8,258</u>	<u>58,259</u>	<u>50,001</u>
Total budgetary expenditures	<u>-</u>	<u>8,258</u>	<u>58,259</u>	<u>50,001</u>
Net change in fund balance.	32,000	(8,258)	-	8,258
Budgetary fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund (deficit) balance at end of year	<u><u>\$ 32,000</u></u>	<u><u>\$ (8,258)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,258</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
PARK AND RECREATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Donations.	\$ -	\$ 6,183	\$ 57,183	\$ 51,000
Total budgetary revenues	<u>-</u>	<u>6,183</u>	<u>57,183</u>	<u>51,000</u>
Budgetary expenditures:				
Current:				
Capital Outlay:				
Parks and Recreation:				
Operating	<u>-</u>	<u>5,744</u>	<u>13,144</u>	<u>7,400</u>
Total budgetary expenditures	<u>-</u>	<u>5,744</u>	<u>13,144</u>	<u>7,400</u>
Net change in fund balance.	-	439	44,039	43,600
Budgetary fund balance at beginning of year	11,316	11,316	11,316	-
Budgetary fund balance at end of year	<u>\$ 11,316</u>	<u>\$ 11,755</u>	<u>\$ 55,355</u>	<u>\$ 43,600</u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
PROBATION INCENTIVE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Intergovernmental	\$ -	\$ 31,886	\$ -	\$ (31,886)
Total budgetary revenues	<u>-</u>	<u>31,886</u>	<u>-</u>	<u>(31,886)</u>
Net change in fund balance.	-	31,886	-	(31,886)
Budgetary fund balance at beginning of year	19,327	19,327	19,327	-
Budgetary fund balance at end of year	<u>\$ 19,327</u>	<u>\$ 51,213</u>	<u>\$ 19,327</u>	<u>\$ (31,886)</u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
OPIOID SETTLEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Intergovernmental	\$ 25,539	\$ 5,639	\$ 52,767	\$ 47,128
Total budgetary revenues	<u>25,539</u>	<u>5,639</u>	<u>52,767</u>	<u>47,128</u>
Budgetary expenditures:				
Current:				
General Government:				
Operating	-	44,500	44,499	(1)
Total budgetary expenditures	<u>-</u>	<u>44,500</u>	<u>44,499</u>	<u>(1)</u>
Net change in fund balance.	25,539	(38,861)	8,268	47,129
Budgetary fund balance at beginning of year	31,233	31,233	31,233	-
Budgetary fund (deficit) balance at end of year	<u><u>\$ 56,772</u></u>	<u><u>\$ (7,628)</u></u>	<u><u>\$ 39,501</u></u>	<u><u>\$ 47,129</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
UNCLAIMED MONIES FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Other	\$ -	\$ 2,100	\$ 12,458	\$ 10,358
Total budgetary revenues	<u>-</u>	<u>2,100</u>	<u>12,458</u>	<u>10,358</u>
Budgetary expenditures:				
Current:				
General Government:				
Operating	<u>-</u>	<u>1,810</u>	<u>1,810</u>	<u>-</u>
Total budgetary expenditures	<u>-</u>	<u>1,810</u>	<u>1,810</u>	<u>-</u>
Net change in fund balance.	-	290	10,648	10,358
Budgetary fund balance at beginning of year	24,347	24,347	24,347	-
Budgetary fund balance at end of year	<u><u>\$ 24,347</u></u>	<u><u>\$ 24,637</u></u>	<u><u>\$ 34,995</u></u>	<u><u>\$ 10,358</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
HEALTH CARE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Investment income	\$ 2,238	\$ 2,238	\$ 2,529	\$ 291
Other	3,901,162	3,901,162	4,409,286	508,124
Total budgetary revenues	<u>3,903,400</u>	<u>3,903,400</u>	<u>4,411,815</u>	<u>508,415</u>
Budgetary expenditures:				
Current:				
General Government:				
Insurance Premiums:				
Personal services	4,407,000	4,407,000	4,406,403	(597)
Total budgetary expenditures	<u>4,407,000</u>	<u>4,407,000</u>	<u>4,406,403</u>	<u>(597)</u>
Net change in fund balance.	(503,600)	(503,600)	5,412	509,012
Budgetary fund balance at beginning of year	57,163	57,163	57,163	-
Budgetary fund (deficit) balance at end of year	<u><u>\$ (446,437)</u></u>	<u><u>\$ (446,437)</u></u>	<u><u>\$ 62,575</u></u>	<u><u>\$ 509,012</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Special assessments	\$ 105,000	\$ 105,000	\$ 102,461	\$ (2,539)
Total budgetary revenues	<u>105,000</u>	<u>105,000</u>	<u>102,461</u>	<u>(2,539)</u>
Budgetary expenditures:				
Current:				
General Government:				
County and State Charges:				
Operating	<u>3,253</u>	<u>3,253</u>	<u>3,245</u>	<u>(8)</u>
Total county and state charges. . . .	<u>3,253</u>	<u>3,253</u>	<u>3,245</u>	<u>(8)</u>
Debt Service:				
Principal retirement	<u>101,317</u>	<u>101,317</u>	<u>101,070</u>	<u>(247)</u>
Total debt service	<u>101,317</u>	<u>101,317</u>	<u>101,070</u>	<u>(247)</u>
Total budgetary expenditures	<u>104,570</u>	<u>104,570</u>	<u>104,315</u>	<u>(255)</u>
Net change in fund balance.	430	430	(1,854)	(2,284)
Budgetary fund balance at beginning of year	646,411	646,411	646,411	-
Budgetary fund balance at end of year	<u><u>\$ 646,841</u></u>	<u><u>\$ 646,841</u></u>	<u><u>\$ 644,557</u></u>	<u><u>\$ (2,284)</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
COMMERCE DRIVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary expenditures:				
Debt Service:				
Principal retirement	\$ 125,428	\$ 125,428	\$ 125,429	\$ 1
Interest.	39,090	39,090	39,089	(1)
Total debt service	<u>164,518</u>	<u>164,518</u>	<u>164,518</u>	<u>-</u>
Total budgetary expenditures	<u>164,518</u>	<u>164,518</u>	<u>164,518</u>	<u>-</u>
Budgetary excess of expenditures over revenues	<u>(164,518)</u>	<u>(164,518)</u>	<u>(164,518)</u>	<u>-</u>
Budgetary other financing sources:				
Transfers in	<u>164,519</u>	<u>164,519</u>	<u>164,508</u>	<u>(11)</u>
Total budgetary other financing sources	<u>164,519</u>	<u>164,519</u>	<u>164,508</u>	<u>(11)</u>
Net change in fund balance.	1	1	(10)	(11)
Budgetary fund balance at beginning of year	<u>11</u>	<u>11</u>	<u>11</u>	<u>-</u>
Budgetary fund balance at end of year	<u><u>\$ 12</u></u>	<u><u>\$ 12</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ (11)</u></u>

CITY OF DEFIANCE, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
SPLASH PAD TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary expenditures:				
Current:				
Capital Outlay:				
Operating	10,000	10,000	-	(10,000)
Total budgetary expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
 Budgetary excess of expenditures over revenues	 <u>(10,000)</u>	 <u>(10,000)</u>	 <u>-</u>	 <u>10,000</u>
 Budgetary other financing sources:				
Transfers in	10,000	10,000	9,996	(4)
Total budgetary other financing sources	<u>10,000</u>	<u>10,000</u>	<u>9,996</u>	<u>(4)</u>
 Net change in fund balance.	 -	 -	 9,996	 9,996
 Budgetary fund balance at beginning of year	 160	 160	 160	 -
Budgetary fund balance at end of year	<u><u>\$ 160</u></u>	<u><u>\$ 160</u></u>	<u><u>\$ 10,156</u></u>	<u><u>\$ 9,996</u></u>

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CITY OF DEFIANCE, OHIO

FUND DESCRIPTIONS - PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise funds are used to account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges. Following is a description of the City's enterprise funds:

Major Enterprise Funds

Sewer Fund

This fund accounts for the sanitary sewer services provided to the residents and commercial users of the City. The costs of providing these services are financed primarily through user charges.

Water Fund

This fund accounts for revenues generated from the charges for the treatment and provision of water to the residents and commercial users of the City.

Nonmajor Enterprise Funds

Refuse Fund

This fund accounts for the operations of providing refuse waste removal to the residents and commercial users located within the City.

Utility Deposit Fund

This fund accounts for the deposits used to provide water service to the residents and commercial users of the City.

CITY OF DEFIANCE, OHIO

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2024

	<u>Refuse</u>	<u>Utility Deposit</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents . . .	\$ 172,192	\$ -	\$ 172,192
Receivables (net of allowance for uncollectibles):			
Accounts	<u>43,765</u>	<u>-</u>	<u>43,765</u>
Total current assets.	<u>215,957</u>	<u>-</u>	<u>215,957</u>
Noncurrent assets:			
Restricted assets:			
Equity in pooled cash and cash equivalents. . .	-	410,682	410,682
Cash in segregated accounts	<u>81,584</u>	<u>-</u>	<u>81,584</u>
Total noncurrent assets	<u>81,584</u>	<u>410,682</u>	<u>492,266</u>
Total assets	<u>297,541</u>	<u>410,682</u>	<u>708,223</u>
Liabilities:			
Payable from restricted assets:			
Refundable deposits	<u>-</u>	<u>410,682</u>	<u>410,682</u>
Total liabilities	<u>-</u>	<u>410,682</u>	<u>410,682</u>
Net position:			
Unrestricted	<u>297,541</u>	<u>-</u>	<u>297,541</u>
Total net position	<u>\$ 297,541</u>	<u>\$ -</u>	<u>\$ 297,541</u>

CITY OF DEFIANCE, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Refuse</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues:		
Charges for services	\$ 1,093,868	\$ 1,093,868
Total operating revenues	<u>1,093,868</u>	<u>1,093,868</u>
Operating expenses:		
Utilities	<u>1,073,177</u>	<u>1,073,177</u>
Total operating expenses	<u>1,073,177</u>	<u>1,073,177</u>
Change in net position.	20,691	20,691
Net position at beginning of year.	<u>276,850</u>	<u>276,850</u>
Net position at end of year	<u><u>\$ 297,541</u></u>	<u><u>\$ 297,541</u></u>

CITY OF DEFIANCE, OHIO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Refuse</u>	<u>Utility Deposit</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash flows from operating activities:			
Cash received from charges for services.	\$ 1,077,898	\$ 27,466	\$ 1,105,364
Cash payments for utilities.	<u>(1,073,177)</u>	<u>-</u>	<u>(1,073,177)</u>
Net cash provided by operating activities	<u>4,721</u>	<u>27,466</u>	<u>32,187</u>
Net change in cash and cash equivalents	4,721	27,466	32,187
Cash and cash equivalents at beginning of year . . .	<u>249,055</u>	<u>383,216</u>	<u>632,271</u>
Cash and cash equivalents at end of year	<u><u>\$ 253,776</u></u>	<u><u>\$ 410,682</u></u>	<u><u>\$ 664,458</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 20,691	\$ -	\$ 20,691
Changes in assets and liabilities:			
Change in accounts receivable	(15,970)	-	(15,970)
Change in utility deposits payable	<u>-</u>	<u>27,466</u>	<u>27,466</u>
Net cash provided by operating activities	<u><u>\$ 4,721</u></u>	<u><u>\$ 27,466</u></u>	<u><u>\$ 32,187</u></u>

CITY OF DEFIANCE, OHIO

FUND DESCRIPTIONS - FIDUCIARY FUNDS

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a trustee capacity, or as an agency for individuals, private organizations, other governments, and/or other funds. The City's only fiduciary fund is a custodial fund.

CUSTODIAL FUND

Custodial funds maintain assets held by the City as an agent for individuals, private organizations, other governmental units, and/or other funds. Following is a description of the City's custodial fund:

Municipal Court Fund

This fund accounts for assets received and disbursed by the municipal court as an agent or custodian related to various court matters and cases.

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STATISTICAL SECTION

CITY OF DEFIANCE, OHIO
STATISTICAL SECTION

The Statistical Section presents detailed information as a context for understanding what the information in the preceding sections says about the City's overall financial health. It differs from the financial statements in that it usually covers more than one year and may present non-accounting data. For this reason, the Statistical Section is unaudited.

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Schedules 5-6 reflect revenue capacity and help the reader assess the City's most significant local revenue source, the income tax.	184-187
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Schedules 12-13 offer demographic and economic information to help the reader understand the environment within which the City's financial activities take place, and to provide information that facilitates comparisons of financial information over time and among governments.	198-199
Schedules 14-16 contain operating information to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	200-205

Sources: Unless otherwise noted, the information in these schedules is derived from the City's annual financial reports for the relevant year.

CITY OF DEFIANCE, OHIO

SCHEDULE 1
NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Governmental activities:				
Net investment in capital assets	\$ 33,707,808	\$ 31,571,924	\$ 29,685,536	\$ 28,418,498
Restricted for:				
Capital projects	10,156	160	1,696,206	5,120
Debt service	785,411	760,498	761,807	766,547
Transportation projects	365,591	424,685	411,105	293,335
Safety projects	177,186	208,056	461,562	399,070
Special projects	545,425	513,195	478,732	456,680
Community environment projects	-	-	-	-
Economic development projects	1,693,923	1,770,633	1,726,998	1,278,061
Health projects	171,481	39,387	12,775	6,133
Museum trust	778,162	685,081	643,133	739,999
Other purposes	597,911	332,798	377,839	393,757
Unrestricted (deficit)	<u>(8,933,511)</u>	<u>(7,190,095)</u>	<u>(8,851,427)</u>	<u>(8,072,475)</u>
Total governmental activities	<u>29,899,543</u>	<u>29,116,322</u>	<u>27,404,266</u>	<u>24,684,725</u>
Business-type activities:				
Net investment in capital assets	55,839,450	52,040,995	48,811,785	45,930,518
Restricted for:				
Other purposes	183,589	43,978	-	-
Unrestricted	<u>5,148,577</u>	<u>4,776,762</u>	<u>6,046,230</u>	<u>4,953,840</u>
Total business-type activities	<u>61,171,616</u>	<u>56,861,735</u>	<u>54,858,015</u>	<u>50,884,358</u>
Total primary government:				
Net investment in capital assets	89,547,258	83,612,919	78,497,321	74,349,016
Restricted	5,308,835	4,778,471	6,570,157	4,338,702
Unrestricted (deficit)	<u>(3,784,934)</u>	<u>(2,413,333)</u>	<u>(2,805,197)</u>	<u>(3,118,635)</u>
Total primary government	<u>\$ 91,071,159</u>	<u>\$ 85,978,057</u>	<u>\$ 82,262,281</u>	<u>\$ 75,569,083</u>

2020	2019	2018	2017	2016	2015
\$ 26,012,948	\$ 22,525,710	\$ 20,731,337	\$ 17,918,840	\$ 16,547,338	\$ 14,972,611
1,013,383	5,541	16,045	230,490	178,127	-
766,012	724,312	727,762	715,831	722,733	720,585
260,362	234,083	209,713	307,179	427,612	804,151
367,872	281,348	318,949	374,231	455,825	527,162
478,583	509,327	472,256	428,765	378,716	344,976
34,824	43,751	41,132	61,637	41,220	54,699
1,356,350	1,396,153	1,461,066	1,469,015	1,774,767	1,943,972
5,287	5,517	4,702	3,919	3,161	1,422
663,389	592,939	510,001	386,049	332,600	-
494,603	438,440	400,524	384,394	297,697	423,454
(12,897,102)	(12,137,396)	(17,439,157)	(12,862,265)	(3,140,465)	(2,901,972)
18,556,511	14,619,725	7,454,330	9,418,085	18,019,331	16,891,060
44,812,994	41,221,061	37,714,003	35,185,014	32,132,408	28,739,028
-	-	-	-	-	-
1,597,298	2,553,073	4,054,501	4,915,912	7,059,023	7,495,520
46,410,292	43,774,134	41,768,504	40,100,926	39,191,431	36,234,548
70,825,942	63,746,771	58,445,340	53,103,854	48,679,746	43,711,639
5,440,665	4,231,411	4,162,150	4,361,510	4,612,458	4,820,421
(11,299,804)	(9,584,323)	(13,384,656)	(7,946,353)	3,918,558	4,593,548
\$ 64,966,803	\$ 58,393,859	\$ 49,222,834	\$ 49,519,011	\$ 57,210,762	\$ 53,125,608

CITY OF DEFIANCE, OHIO

SCHEDULE 2
CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Program revenues:				
Governmental activities:				
Charges for services and sales:				
General government	\$ 631,317	\$ 467,485	\$ 553,955	\$ 556,426
Security of persons and property	1,394,434	1,237,671	1,225,618	1,160,215
Public health and welfare	258,364	78,889	67,724	98,514
Community environment	120,068	116,849	110,741	109,770
Leisure time activity	35,730	25,578	32,048	22,266
Economic development	-	-	-	-
Operating grants and contributions	2,392,133	1,887,490	2,030,177	1,702,822
Capital grants and contributions	2,063,928	2,725,910	602,822	2,657,075
Total governmental activities	<u>6,895,974</u>	<u>6,539,872</u>	<u>4,623,085</u>	<u>6,307,088</u>
Business-type activities:				
Charges for services and sales:				
Sewer	7,334,379	7,024,242	7,300,171	7,240,621
Water	8,801,669	6,992,542	7,245,020	7,004,570
Refuse	1,093,868	1,088,392	1,103,676	977,184
Capital grants and contributions	1,420,551	238,437	425,233	236,976
Total business-type activities	<u>18,650,467</u>	<u>15,343,613</u>	<u>16,074,100</u>	<u>15,459,351</u>
Total primary government	<u>\$ 25,546,441</u>	<u>\$ 21,883,485</u>	<u>\$ 20,697,185</u>	<u>\$ 21,766,439</u>
Expenses:				
Governmental activities:				
General government	\$ 4,578,602	\$ 4,664,353	\$ 3,733,337	\$ 2,854,016
Security of persons and property	10,164,978	9,902,022	7,996,746	7,931,038
Public health and welfare	756,156	730,256	552,739	572,295
Transportation	2,668,201	2,735,624	2,400,745	2,019,417
Community environment	1,027,945	1,108,381	610,028	145,713
Leisure time activity	1,463,461	1,542,682	1,026,458	587,693
Economic development	345,063	177,702	233,792	173,360
Interest	256,883	204,583	221,174	140,158
Total governmental activities	<u>21,261,289</u>	<u>21,065,603</u>	<u>16,775,019</u>	<u>14,423,690</u>
Business-type activities:				
Sewer	6,737,789	6,113,560	5,355,292	5,409,481
Water	6,504,684	7,036,202	5,756,541	4,625,428
Refuse	1,073,177	1,074,419	1,074,012	1,016,865
Total business-type activities	<u>14,315,650</u>	<u>14,224,181</u>	<u>12,185,845</u>	<u>11,051,774</u>
Total primary government	<u>\$ 35,576,939</u>	<u>\$ 35,289,784</u>	<u>\$ 28,960,864</u>	<u>\$ 25,475,464</u>
Net (expense) revenue:				
Governmental activities	\$ (14,365,315)	\$ (14,525,731)	\$ (12,151,934)	\$ (8,116,602)
Business-type activities	4,334,817	1,119,432	3,888,255	4,407,577
Total primary government	<u>\$ (10,030,498)</u>	<u>\$ (13,406,299)</u>	<u>\$ (8,263,679)</u>	<u>\$ (3,709,025)</u>

2020	2019	2018	2017	2016	2015
\$ 613,679	\$ 639,330	\$ 645,560	\$ 637,646	\$ 596,553	\$ 586,116
1,171,351	1,275,018	1,242,279	1,093,831	1,076,534	1,171,564
83,646	71,663	63,167	69,450	85,339	66,674
93,248	146,803	94,890	113,649	104,629	90,988
2,000	30,482	26,432	32,492	32,632	22,450
-	96,670	127,841	118,907	116,665	110,454
3,238,068	1,762,295	1,437,649	1,340,732	1,413,213	1,863,760
2,019,938	1,065,338	936,029	793,763	2,561,591	677,251
7,221,930	5,087,599	4,573,847	4,200,470	5,987,156	4,589,257
7,108,089	7,412,701	7,289,055	7,274,344	7,033,171	7,036,691
6,440,487	5,826,201	5,587,145	5,559,843	5,919,633	5,931,419
1,130,337	934,540	983,244	964,424	952,016	945,507
27,083	187,930	166,875	505,586	287,275	239,844
14,705,996	14,361,372	14,026,319	14,304,197	14,192,095	14,153,461
\$ 21,927,926	\$ 19,448,971	\$ 18,600,166	\$ 18,504,667	\$ 20,179,251	\$ 18,742,718
\$ 3,804,175	\$ 4,271,614	\$ 3,816,649	\$ 3,644,171	\$ 3,585,624	\$ 3,641,100
8,462,178	1,838,646	8,250,948	7,320,631	7,462,722	6,405,325
395,628	463,193	408,324	361,793	413,763	333,559
2,158,810	2,186,816	2,166,138	1,977,817	2,875,847	1,785,648
746,462	981,167	881,242	791,726	586,442	424,611
616,210	863,666	869,990	787,699	878,295	722,802
327,664	145,816	2,225,249	363,603	283,231	662,026
228,526	200,761	169,254	117,760	118,987	119,328
16,739,653	10,951,679	18,787,794	15,365,200	16,204,911	14,094,399
5,757,708	6,012,562	5,839,400	5,783,646	5,358,623	5,386,271
5,481,227	5,560,402	5,410,444	5,440,424	5,033,472	4,920,630
1,048,600	990,111	1,291,284	938,888	1,038,273	1,011,149
12,287,535	12,563,075	12,541,128	12,162,958	11,430,368	11,318,050
\$ 29,027,188	\$ 23,514,754	\$ 31,328,922	\$ 27,528,158	\$ 27,635,279	\$ 25,412,449
\$ (9,517,723)	\$ (5,864,080)	\$ (14,213,947)	\$ (11,164,730)	\$ (10,217,755)	\$ (9,505,142)
2,418,461	1,798,297	1,485,191	2,141,239	2,761,727	2,835,411
\$ (7,099,262)	\$ (4,065,783)	\$ (12,728,756)	\$ (9,023,491)	\$ (7,456,028)	\$ (6,669,731)

CITY OF DEFIANCE, OHIO

SCHEDULE 2
CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General revenues and other changes in net position:				
Governmental activities:				
Income taxes levied for:				
General purposes	\$ 8,860,092	\$ 9,144,132	\$ 8,700,199	\$ 8,004,672
Special purposes	2,296,887	2,343,089	2,212,830	2,053,984
Capital purposes	2,258,943	2,304,383	2,176,277	2,023,198
Property taxes levied for:				
General purposes	882,691	650,460	658,316	627,973
Special purposes	625,319	587,959	598,326	495,091
Grants and entitlements not restricted to specific programs	567,538	576,273	578,610	549,519
Permissive motor vehicle license tax	81,616	82,760	-	-
Investment earnings	362,244	298,543	88,397	95,488
Change in fair value of investments	237,062	293,018	(644,596)	(136,544)
Miscellaneous	493,008	497,008	487,627	515,946
Transfers	15,489	(539,838)	15,489	15,489
Total governmental activities	<u>16,680,889</u>	<u>16,237,787</u>	<u>14,871,475</u>	<u>14,244,816</u>
Business-type activities:				
Investment earnings	234,821	203,820	66,898	65,369
Miscellaneous	145,088	140,630	33,993	16,609
Transfers	(15,489)	539,838	(15,489)	(15,489)
Total business-type activities	<u>364,420</u>	<u>884,288</u>	<u>85,402</u>	<u>66,489</u>
Total primary government	<u>\$ 17,045,309</u>	<u>\$ 17,122,075</u>	<u>\$ 14,956,877</u>	<u>\$ 14,311,305</u>
 Change in net position:				
Governmental activities	\$ 2,315,574	\$ 1,712,056	\$ 2,719,541	\$ 6,128,214
Business-type activities	4,699,237	2,003,720	3,973,657	4,474,066
Total primary government	<u>\$ 7,014,811</u>	<u>\$ 3,715,776</u>	<u>\$ 6,693,198</u>	<u>\$ 10,602,280</u>

	2020		2019		2018		2017		2016		2015
\$	7,110,922	\$	7,159,892	\$	6,949,666	\$	6,871,036	\$	6,527,709	\$	6,481,829
	1,787,636		1,851,209		1,776,295		1,758,540		1,658,961		1,642,395
	1,683,991		1,820,629		1,746,952		1,729,490		1,631,555		1,628,533
	589,906		611,307		577,777		560,928		603,781		593,210
	453,367		539,819		550,250		540,131		520,946		487,238
	347,125		314,117		277,998		256,159		276,974		249,294
	-		-		-		-		-		-
	123,741		163,562		136,595		109,024		65,862		38,491
	314,194		249,100		(76,555)		(8,649)		10,967		(17,150)
	1,028,138		304,351		148,069		204,560		142,151		258,453
	15,489		15,489		(15,718)		(48,876)		(92,880)		6,264
	<u>13,454,509</u>		<u>13,029,475</u>		<u>12,071,329</u>		<u>11,972,343</u>		<u>11,346,026</u>		<u>11,368,557</u>
	96,399		152,184		136,321		106,219		74,504		43,082
	136,787		70,638		26,237		71,863		27,772		37,237
	(15,489)		(15,489)		15,718		48,876		92,880		(6,264)
	<u>217,697</u>		<u>207,333</u>		<u>178,276</u>		<u>226,958</u>		<u>195,156</u>		<u>74,055</u>
\$	<u>13,672,206</u>	\$	<u>13,236,808</u>	\$	<u>12,249,605</u>	\$	<u>12,199,301</u>	\$	<u>11,541,182</u>	\$	<u>11,442,612</u>
\$	3,936,786	\$	7,165,395	\$	(2,142,618)	\$	807,613	\$	1,128,271	\$	1,863,415
	2,636,158		2,005,630		1,663,467		2,368,197		2,956,883		2,909,466
\$	<u>6,572,944</u>	\$	<u>9,171,025</u>	\$	<u>(479,151)</u>	\$	<u>3,175,810</u>	\$	<u>4,085,154</u>	\$	<u>4,772,881</u>

CITY OF DEFIANCE, OHIO

SCHEDULE 3
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General fund:				
Nonspendable	\$ 34,995	\$ 24,347	\$ 22,199	\$ 17,768
Assigned	205,120	431,100	923,038	533,835
Unassigned	<u>7,905,204</u>	<u>6,835,598</u>	<u>6,023,436</u>	<u>6,114,709</u>
Total general fund	<u>8,145,319</u>	<u>7,291,045</u>	<u>6,968,673</u>	<u>6,666,312</u>
All other governmental funds:				
Nonspendable	58,473	49,493	60,230	67,428
Restricted	5,143,084	5,051,489	5,149,756	5,135,838
Committed	2,245,363	1,989,365	3,392,991	1,084,232
Assigned	1	11	4	3
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>7,446,921</u>	<u>7,090,358</u>	<u>8,602,981</u>	<u>6,287,501</u>
Total governmental funds	<u>\$ 15,592,240</u>	<u>\$ 14,381,403</u>	<u>\$ 15,571,654</u>	<u>\$ 12,953,813</u>

2020	2019	2018	2017	2016	2015
\$ 16,132	\$ 5,792	\$ 5,748	\$ 3,785	\$ 3,677	\$ 3,488
935,795	691,268	1,420,441	325,076	351,793	61,305
4,713,906	3,785,296	3,297,366	4,059,005	3,505,898	3,176,273
5,665,833	4,482,356	4,723,555	4,387,866	3,861,368	3,241,066
57,094	57,094	33,990	25,796	45,395	62,290
5,579,091	4,883,331	4,641,501	4,508,700	4,865,781	5,080,218
2,151,492	1,180,411	479,067	1,080,278	535,260	1,200,258
2	1	-	-	-	-
-	(2,402)	-	(105,436)	-	-
7,787,679	6,118,435	5,154,558	5,509,338	5,446,436	6,342,766
\$ 13,453,512	\$ 10,600,791	\$ 9,878,113	\$ 9,897,204	\$ 9,307,804	\$ 9,583,832

CITY OF DEFIANCE, OHIO

SCHEDULE 4
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues:				
Income taxes	\$ 13,920,689	\$ 13,331,901	\$ 13,370,159	\$ 12,025,606
Property and other local taxes	1,575,890	1,322,679	1,262,021	1,149,424
Payments in lieu of taxes	-	-	19,315	-
Charges for services	1,045,972	943,178	877,266	830,085
Licenses, permits and fees	379,967	248,961	339,858	385,874
Fines, forfeitures, and settlements	694,263	588,856	581,920	557,316
Intergovernmental	4,837,342	5,099,740	3,138,835	4,830,108
Special assessments	102,461	103,565	105,402	113,714
Investment income	407,322	336,472	113,799	119,715
Rental income	-	21,275	-	-
Donations	88,814	62,363	85,666	135,537
Change in fair value of investments	237,062	293,018	(644,596)	(136,544)
Other	609,739	404,899	464,916	451,744
Total revenues	<u>23,899,521</u>	<u>22,756,907</u>	<u>19,714,561</u>	<u>20,462,579</u>
Expenditures:				
Current:				
General government	4,168,165	4,155,929	4,294,757	3,533,077
Security of persons and property	9,194,683	8,818,334	8,023,789	7,542,017
Public health and welfare	622,392	542,591	463,364	445,749
Transportation	1,392,279	1,154,464	1,205,462	1,074,378
Community environment	832,214	774,797	729,741	680,874
Leisure time activity	1,153,318	1,091,202	815,009	765,766
Economic development	345,063	177,702	233,792	173,360
Capital outlay	5,099,392	6,356,328	2,515,473	6,138,987
Debt service:				
Principal retirement	973,799	1,126,167	1,015,135	925,944
Interest	248,818	210,213	138,832	155,456
Bond issuance costs	-	-	91,308	-
Total expenditures	<u>24,030,123</u>	<u>24,407,727</u>	<u>19,526,662</u>	<u>21,435,608</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(130,602)</u>	<u>(1,650,820)</u>	<u>187,899</u>	<u>(973,029)</u>
Other financing sources (uses):				
Payment to refunded bond escrow agent	-	-	-	-
Premium on notes issued	-	-	-	-
Bond issuance	-	-	2,180,000	-
Premium on bond issuance	-	-	35,809	-
Lease transaction	1,325,950	367,960	150,185	347,203
Transfers in	5,801,989	6,077,596	5,269,508	5,024,143
Transfers (out)	(5,786,500)	(6,062,107)	(5,254,019)	(5,008,654)
Sale of capital assets	-	77,120	48,459	110,638
Total other financing sources (uses)	<u>1,341,439</u>	<u>460,569</u>	<u>2,429,942</u>	<u>473,330</u>
Net change in fund balances	<u>\$ 1,210,837</u>	<u>\$ (1,190,251)</u>	<u>\$ 2,617,841</u>	<u>\$ (499,699)</u>
Capital expenditures	\$ 5,043,270	\$ 5,433,523	\$ 2,363,971	\$ 6,182,731
Debt service as a percentage of noncapital expenditures	6.44%	7.04%	6.72%	7.09%

2020	2019	2018	2017	2016	2015
\$ 10,339,096	\$ 10,895,274	\$ 10,449,350	\$ 10,525,260	\$ 9,819,596	\$ 9,731,224
1,043,729	1,142,991	1,145,427	1,108,298	1,115,263	1,093,043
-	-	-	-	-	-
756,636	710,456	690,802	654,361	682,231	752,932
293,411	367,730	322,344	303,024	264,417	288,432
483,831	717,982	755,519	830,344	745,139	736,546
5,614,129	3,222,914	2,488,778	2,324,995	3,933,444	2,782,356
118,686	124,530	115,280	138,504	119,791	122,734
154,474	200,368	171,684	137,310	102,619	87,084
-	-	-	-	-	-
185,647	165,250	299,308	160,970	415,498	123,066
314,194	249,100	(76,555)	(8,649)	10,967	(17,150)
1,019,693	345,641	453,559	232,926	153,871	285,692
20,323,526	18,142,236	16,815,496	16,407,343	17,362,836	15,985,959
3,672,888	3,406,703	3,298,065	3,186,798	3,091,634	3,400,259
7,366,041	7,700,894	6,867,820	6,498,441	6,387,578	6,007,907
515,077	313,033	310,489	275,466	291,343	282,332
1,099,409	973,132	1,044,641	1,065,310	1,401,327	933,455
621,839	711,550	733,652	639,132	483,181	385,516
562,927	703,338	656,339	624,519	650,598	615,564
327,664	145,816	2,225,249	562,262	386,731	662,026
3,967,576	2,772,141	5,000,472	2,514,477	4,516,353	1,795,440
719,898	712,564	326,312	320,558	319,823	318,923
151,465	201,058	124,779	129,861	121,399	121,741
86,815	-	13,000	-	-	-
19,091,599	17,640,229	20,600,818	15,816,824	17,649,967	14,523,163
1,231,927	502,007	(3,785,322)	590,519	(287,131)	1,462,796
(2,546,709)	-	-	-	-	-
-	-	-	9,616	-	-
3,565,000	-	3,363,000	-	-	-
81,458	-	-	-	-	-
320,345	196,924	-	-	-	-
4,754,209	5,743,508	5,543,926	4,748,928	4,264,652	4,260,305
(4,738,720)	(5,728,019)	(5,528,437)	(4,777,509)	(4,258,724)	(4,254,041)
185,211	8,258	116,961	17,846	5,175	18,021
1,620,794	220,671	3,495,450	(1,119)	11,103	24,285
\$ 2,852,721	\$ 722,678	\$ (289,872)	\$ 589,400	\$ (276,028)	\$ 1,487,081
\$ 5,444,187	\$ 2,819,516	\$ 4,809,994	\$ 2,749,728	\$ 3,387,670	\$ 1,705,584
6.38%	6.16%	2.86%	3.45%	3.09%	3.44%

CITY OF DEFIANCE, OHIO

SCHEDULE 5
INCOME TAX REVENUES BY SOURCE
LAST TEN YEARS
(CASH-BASIS)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Income tax rate	1.80%	1.80%	1.80%	1.80%
Income tax receipts:				
Employee withholding	\$ 9,920,704	\$ 9,513,191	\$ 9,171,319	\$ 8,602,836
% of total	71.2%	71.0%	69.2%	72.1%
Corporate	2,778,943	2,771,089	2,970,415	2,212,604
% of total	20.0%	20.7%	22.4%	18.5%
Individuals	1,225,216	1,117,416	1,109,039	1,123,380
% of total	8.8%	8.3%	8.4%	9.4%
Total income tax receipts	<u>\$ 13,924,863</u>	<u>\$ 13,401,696</u>	<u>\$ 13,250,773</u>	<u>\$ 11,938,820</u>

Source: City of Defiance Income Tax

<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
	1.80%		1.80%		1.80%		1.80%		1.80%		1.80%		1.80%
\$	8,158,736	\$	8,101,466	\$	7,936,162	\$	7,651,716	\$	7,264,772	\$	6,966,593	\$	6,515,630
	77.6%		74.3%		76.8%		73.9%		73.0%		72.6%		73.2%
	1,325,483		1,758,665		1,411,990		1,693,685		1,470,360		1,561,195		1,417,159
	12.6%		16.1%		13.7%		16.4%		14.8%		16.3%		15.9%
	1,031,047		1,038,572		979,305		1,004,008		1,223,337		1,072,016		962,614
	9.8%		9.5%		9.5%		9.7%		12.3%		11.2%		10.8%
<u>\$</u>	<u>10,515,266</u>	<u>\$</u>	<u>10,898,703</u>	<u>\$</u>	<u>10,327,457</u>	<u>\$</u>	<u>10,349,409</u>	<u>\$</u>	<u>9,958,469</u>	<u>\$</u>	<u>9,599,804</u>	<u>\$</u>	<u>8,895,403</u>

CITY OF DEFIANCE, OHIO

SCHEDULE 6
INCOME TAX RATES AND ALLOCATION BY FUND
LAST TEN YEARS
(CASH-BASIS)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate Components:					
General operations	1.195%	1.195%	1.195%	1.195%	1.195%
Police and fire	0.3%	0.3%	0.3%	0.3%	0.3%
Capital improvements	0.3%	0.3%	0.3%	0.3%	0.3%
Street maintenance	0.005%	0.005%	0.005%	0.005%	0.005%
Total income tax rate	<u>1.80%</u>	<u>1.80%</u>	<u>1.80%</u>	<u>1.80%</u>	<u>1.80%</u>
Allocation of Receipts:					
General fund	\$ 9,243,324	\$ 8,896,045	\$ 8,795,863	\$ 7,924,989	\$ 6,980,033
% of total	66.38%	66.38%	66.38%	66.38%	66.85%
Police and fire fund	2,321,275	2,234,063	2,208,904	1,990,201	1,752,895
% of total	16.67%	16.67%	16.67%	16.67%	16.79%
Capital improvements fund	2,321,274	2,234,063	2,208,904	1,990,201	1,678,781
% of total	16.67%	16.67%	16.67%	16.67%	16.08%
SCMR fund (street maintenance)	38,990	37,525	37,102	33,429	29,443
% of total	0.28%	0.28%	0.28%	0.28%	0.28%
Total income tax allocated	<u>\$ 13,924,863</u>	<u>\$ 13,401,696</u>	<u>\$ 13,250,773</u>	<u>\$ 11,938,820</u>	<u>\$ 10,441,152</u>

Note: Section 181.01 of the Codified Ordinances of the City of Defiance sets the current income tax rate as follows:

One-half percent (0.5%) for the purposes of general municipal operation, replacement of equipment and the extension, and enlargement and improvement of municipal services and facilities for the City. This portion is allocated to the general fund.

One-half percent (0.5%) to provide funds for the purpose of making capital improvements, improving streets, storm sewers and present recreational facilities, and general improvement of municipal services and facilities for the City. Per Section 181.25, ninety-nine percent of this portion of the tax (0.495%) is allocated to general municipal operations, and one percent of this portion of the tax (0.005%) is allocated to the Street Construction, Maintenance and Repair Fund (SCMR).

Three-tenths percent (0.3%) to provide funds for the purpose of making capital improvements only. This portion is allocated to the capital improvement fund.

Two-tenths percent (0.2%) to provide funds for the purpose of operation of all departments and divisions supported through the general fund. This portion of the tax became effective in June of 2005.

Three-tenths percent (0.3%) to provide funds for the purpose of operation of the police and fire divisions within the department of service and safety. This portion of the tax is allocated to the police and fire fund, and became effective in January of 2014.

Source: City of Defiance Income Tax Division.

2019	2018	2017	2016	2015
1.195%	1.195%	1.195%	1.195%	1.195%
0.3%	0.3%	0.3%	0.3%	0.3%
0.3%	0.3%	0.3%	0.3%	0.3%
0.005%	0.005%	0.005%	0.005%	0.005%
1.80%	1.80%	1.80%	1.80%	1.80%
\$ 7,234,559 66.38%	\$ 6,855,366 66.38%	\$ 6,869,938 66.38%	\$ 6,610,431 66.38%	\$ 6,381,313 66.47%
1,816,814 16.67%	1,721,587 16.67%	1,725,247 16.67%	1,660,077 16.67%	1,589,045 16.55%
1,816,814 16.67%	1,721,587 16.67%	1,725,246 16.67%	1,660,077 16.67%	1,602,533 16.69%
30,561 0.28%	28,917 0.28%	28,978 0.28%	27,884 0.28%	26,913 0.28%
<u>\$ 10,898,748</u>	<u>\$ 10,327,457</u>	<u>\$ 10,349,409</u>	<u>\$ 9,958,469</u>	<u>\$ 9,599,804</u>

CITY OF DEFIANCE, OHIO

SCHEDULE 7
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Governmental activities:				
General obligation bonds payable ⁴	\$ 4,482,066	\$ 4,891,426	\$ 5,521,786	\$ 3,910,624
Land acquisition bonds payable	1,296,023	1,421,452	1,543,523	1,662,327
OWDA loans payable	1,049,031	1,165,590	1,282,149	1,398,708
Leases payable	231,239	359,558	356,706	281,348
Financed purchase agreement obligator	1,540,639	418,181	319,610	427,555
Business-type activities:				
General obligation bonds payable ⁴	5,347,303	6,121,153	7,726,647	7,368,513
Special assessment bonds payable	-	-	-	-
Bond anticipation notes	-	-	-	-
OWDA loans payable	31,267,101	31,326,416	33,825,946	32,792,588
OPWC loans payable	1,665,947	1,789,351	1,912,754	2,036,158
Leases payable	<u>125,369</u>	<u>132,261</u>	<u>176,276</u>	<u>139,722</u>
Total primary government	<u>\$ 47,004,718</u>	<u>\$ 47,625,388</u>	<u>\$ 52,665,397</u>	<u>\$ 50,017,543</u>
Debt per capita:				
City population ¹	17,066	17,043	16,990	17,066
Outstanding debt per capita	\$ 2,754	\$ 2,794	\$ 3,100	\$ 2,931
Debt as percentage of personal income:				
Personal income ²	\$ 773,450,000	\$ 913,567,784	\$ 831,856,400	\$ 774,540,410
Percentage of personal income	6.08%	5.21%	6.33%	6.46%
Business-type debt per customer:				
Number of customers ³	6,900	6,835	6,726	6,701
Outstanding debt per customer	\$ 5,566	\$ 5,760	\$ 6,488	\$ 6,318

Notes and sources:

¹U.S. Census Bureau.

²U.S. Department of Commerce, Bureau of Economic Analysis (Defiance Micropolitan Statistical Area).

³Number of water customers per the City of Defiance Utility Billing Office.

⁴Includes unamortized bond premiums.

2020	2019	2018	2017	2016	2015
\$ 4,492,196	\$ 3,832,065	\$ 4,270,189	\$ 3,089,313	\$ 3,266,437	\$ 3,443,561
1,777,952	1,890,482	2,000,000	-	-	-
1,515,267	1,631,826	1,748,385	1,864,944	1,981,503	2,098,062
481,460	196,924	50,487	80,240	109,239	137,503
-	-	-	-	-	-
8,892,765	9,807,326	8,240,123	6,270,992	7,429,523	5,743,854
-	-	-	-	44,070	53,631
-	-	-	-	-	2,704,000
28,470,646	27,249,919	28,006,203	27,048,372	28,469,070	30,198,958
2,164,916	2,164,916	2,299,029	2,452,740	1,523,808	155,661
-	-	-	-	-	-
<u>\$ 47,795,202</u>	<u>\$ 46,773,458</u>	<u>\$ 46,614,416</u>	<u>\$ 40,806,601</u>	<u>\$ 42,823,650</u>	<u>\$ 44,535,230</u>
16,990	16,634	16,653	16,705	16,671	16,763
\$ 2,813	\$ 2,812	\$ 2,799	\$ 2,443	\$ 2,569	\$ 2,657
\$ 713,630,970	\$ 690,976,360	\$ 691,765,620	\$ 659,212,710	\$ 645,567,804	\$ 626,567,414
6.70%	6.77%	6.74%	6.19%	6.63%	7.11%
6,650	6,615	6,611	6,593	6,654	6,649
\$ 5,944	\$ 5,929	\$ 5,830	\$ 5,426	\$ 5,631	\$ 5,844

CITY OF DEFIANCE, OHIO

SCHEDULE 8
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Population¹	17,066	17,043	16,990	17,066
Assessed value²	\$ 424,661,670	\$ 350,395,770	\$ 348,513,910	\$ 345,331,610
General bonded debt:				
General obligation bonds payable ³	\$ 9,829,369	\$ 11,012,579	\$ 13,248,433	\$ 11,279,137
Ratio of net bonded debt to assessed value	2.31%	3.14%	3.80%	3.27%
Net bonded debt per capita	\$ 576	\$ 646	\$ 780	\$ 661

Note: The amount restricted for debt service on the statement of net position is not for general obligation debt; therefore, it is not included on this schedule.

Sources:

¹U.S. Census Bureau.

²Defiance County Auditor.

³Includes unamortized bond premiums.

2020	2019	2018	2017	2016	2015
16,990	16,634	16,653	16,705	16,671	16,763
\$ 330,183,710	\$ 328,938,220	\$ 322,565,510	\$ 309,257,400	\$ 309,257,400	\$ 320,277,520
\$ 13,384,961	\$ 13,639,391	\$ 12,510,312	\$ 9,360,305	\$ 10,695,960	\$ 9,187,415
4.05%	4.15%	3.88%	3.03%	3.46%	2.87%
\$ 788	\$ 820	\$ 751	\$ 560	\$ 642	\$ 548

CITY OF DEFIANCE, OHIO

SCHEDULE 9
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City	Amount Applicable to City
Direct - City of Defiance	\$ 8,516,932	100.00%	\$ 8,516,932
Overlapping Debt:			
Defiance County	6,592,000	30.76%	2,027,699
Defiance City School District	18,365,000	81.81%	15,024,407
Ayersville Local School District	11,974,919	20.90%	2,502,758
Four County Career Center Joint Vocational School District	1,510,000	8.16%	123,216
Northeastern Local School District	20,130,000	19.98%	4,021,974
Total overlapping debt	<u>58,571,919</u>		<u>23,700,054</u>
Total direct and overlapping debt	<u>\$ 67,088,851</u>		<u>\$ 32,216,986</u>

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed property values that is within the subdivision's boundaries and dividing it by the City's total taxable assessed property values.

Source: Ohio Municipal Advisory Council.

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CITY OF DEFIANCE, OHIO

SCHEDULE 10
LEGAL DEBT MARGIN
LAST TEN YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total assessed property value	\$ 424,661,670	\$ 350,395,770	\$ 348,513,910	\$ 345,331,610
Overall legal debt limit (10 1/2 % of assessed valuation)	<u>44,589,475</u>	<u>36,791,556</u>	<u>36,593,961</u>	<u>36,259,819</u>
Debt outstanding:				
General obligation bonds payable ²	9,666,000	10,828,000	12,995,000	11,023,000
Special assessment bonds payable	-	-	-	-
Land acquisition bonds payable	1,296,023	1,421,452	1,543,523	1,662,327
Bond anticipation notes	-	-	-	-
OWDA loans payable	32,316,132	32,492,006	35,108,095	34,191,296
OPWC loans payable	<u>1,665,947</u>	<u>1,789,351</u>	<u>1,912,754</u>	<u>2,036,158</u>
Total gross indebtedness	<u>44,944,102</u>	<u>46,530,809</u>	<u>51,559,372</u>	<u>48,912,781</u>
Less ¹ :				
General obligation bonds payable ²	5,266,000	6,028,000	7,574,000	7,185,000
Special assessment bonds payable	-	-	-	-
Bond anticipation notes	-	-	-	-
OWDA loans payable	32,316,132	32,492,006	35,108,095	34,191,296
OPWC loans payable	<u>1,665,947</u>	<u>1,789,351</u>	<u>1,912,754</u>	<u>2,036,158</u>
Total net debt applicable to debt limit	<u>5,696,023</u>	<u>6,221,452</u>	<u>6,964,523</u>	<u>5,500,327</u>
Add: debt service fund equity	<u>644,558</u>	<u>646,422</u>	<u>647,490</u>	<u>646,386</u>
Legal debt margin within 10 1/2 % limitation	<u>\$ 39,538,010</u>	<u>\$ 31,216,526</u>	<u>\$ 30,276,928</u>	<u>\$ 31,405,878</u>
Legal debt margin as a percentage of the debt limit	88.67%	84.85%	82.74%	86.61%
Unvoted debt limit	<u>23,356,392</u>	<u>19,271,767</u>	<u>19,168,265</u>	<u>18,993,239</u>
Unvoted legal debt margin within 5 1/2 % limitation	<u>\$ 23,356,392</u>	<u>\$ 19,271,767</u>	<u>\$ 19,168,265</u>	<u>\$ 18,993,239</u>
Unvoted legal debt margin as a percentage of the unvoted debt limit	100.00%	100.00%	100.00%	100.00%

Notes:

¹Self-supporting and enterprise fund debt are not considered in the calculation of legal debt margin.

²Excludes unamortized bond premiums.

2020	2019	2018	2017	2016	2015
<u>\$ 330,183,710</u>	<u>\$ 328,938,220</u>	<u>\$ 322,565,510</u>	<u>\$ 309,257,400</u>	<u>\$ 309,257,400</u>	<u>\$ 320,277,520</u>
<u>34,669,290</u>	<u>34,538,513</u>	<u>33,869,379</u>	<u>32,472,027</u>	<u>32,472,027</u>	<u>33,629,140</u>
13,059,000	13,391,914	12,188,205	8,963,568	10,224,593	8,860,000
-	-	-	-	44,070	53,631
1,777,952	1,890,482	2,000,000	-	-	-
-	-	-	-	-	2,704,000
29,985,913	28,881,745	29,754,588	28,913,316	30,450,573	32,297,020
2,164,916	2,164,916	2,299,029	2,452,740	1,523,808	155,661
<u>46,987,781</u>	<u>46,329,057</u>	<u>46,241,822</u>	<u>40,329,624</u>	<u>42,243,044</u>	<u>44,070,312</u>
8,647,000	9,584,914	7,945,205	5,903,568	6,989,593	5,450,000
-	-	-	-	44,070	53,631
-	-	-	-	-	2,704,000
29,985,913	28,881,745	29,754,588	28,913,316	30,450,573	32,297,020
2,164,916	2,164,916	2,299,029	2,452,740	1,523,808	155,661
<u>6,189,952</u>	<u>5,697,482</u>	<u>6,243,000</u>	<u>3,060,000</u>	<u>3,235,000</u>	<u>3,410,000</u>
<u>636,946</u>	<u>621,729</u>	<u>602,796</u>	<u>592,151</u>	<u>570,714</u>	<u>565,440</u>
<u>\$ 29,116,284</u>	<u>\$ 29,462,760</u>	<u>\$ 28,229,175</u>	<u>\$ 30,004,178</u>	<u>\$ 29,807,741</u>	<u>\$ 30,784,580</u>
83.98%	85.30%	83.35%	92.40%	91.80%	91.54%
<u>18,160,104</u>	<u>18,091,602</u>	<u>17,741,103</u>	<u>17,009,157</u>	<u>17,009,157</u>	<u>17,615,264</u>
<u>\$ 18,160,104</u>	<u>\$ 18,091,602</u>	<u>\$ 17,741,103</u>	<u>\$ 17,009,157</u>	<u>\$ 17,009,157</u>	<u>\$ 17,615,264</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CITY OF DEFIANCE, OHIO

SCHEDULE 11
PLEDGED REVENUE COVERAGE
LAST TEN YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
OWDA Loans - Sewer System¹				
Gross revenues ²	\$ 7,496,450	\$ 7,196,820	\$ 7,340,181	\$ 7,276,937
Direct operating expenses ³	<u>4,482,943</u>	<u>3,815,925</u>	<u>3,000,664</u>	<u>3,012,122</u>
Net revenue available for debt service	3,013,507	3,380,895	4,339,517	4,264,815
 Annual debt service requirement ⁴	 2,196,481	 2,348,101	 2,395,518	 1,984,111
Coverage	1.37	1.44	1.81	2.15
 OWDA Loans - Water Reservoir				
Gross revenues ²	\$ 8,964,251	\$ 7,131,984	\$ 7,292,002	\$ 7,050,232
Direct operating expenses ³	<u>5,098,424</u>	<u>5,722,308</u>	<u>4,429,758</u>	<u>3,323,945</u>
Net revenue available for debt service	3,865,827	1,409,676	2,862,244	3,726,287
 Annual debt service requirement ⁴	 981,669	 916,690	 929,061	 433,855
Coverage	3.94	1.54	3.08	8.59

Notes:

¹Includes multiple Ohio Water Development Authority loans used for an ongoing, multi-year combined sewer separation project.

²Gross revenues are derived from sewer and water customer user charges, and include interest revenue.

³Direct operating expenses do not include depreciation expense.

⁴Includes only principal and interest payments associated with pledged revenues.

Source: City of Defiance Finance Department.

2020	2019	2018	2017	2016	2015
\$ 7,240,951	\$ 7,531,248	\$ 7,396,693	\$ 7,380,647	\$ 7,091,386	\$ 7,091,366
3,387,604	3,811,476	3,724,229	3,779,418	3,274,574	3,128,395
3,853,347	3,719,772	3,672,464	3,601,229	3,816,812	3,962,971
2,277,403	2,607,941	2,383,430	2,376,078	2,342,678	2,388,868
1.69	1.43	1.54	1.52	1.63	1.66
\$ 6,540,811	\$ 5,930,476	\$ 5,642,065	\$ 5,626,240	\$ 5,957,319	\$ 5,957,063
4,081,762	4,230,353	4,148,073	4,205,112	3,729,053	3,484,253
2,459,049	1,700,123	1,493,992	1,421,128	2,228,266	2,472,810
433,656	433,466	433,283	433,107	432,939	438,506
5.67	3.92	3.45	3.28	5.15	5.64

CITY OF DEFIANCE, OHIO

SCHEDULE 12
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population ¹	Total Personal Income ²	Per Capita Personal Income ²	Public School Enrollment ³	Unemployment Rates ⁴		
					Defiance County	State of Ohio	United States
2024	17,066	\$ 773,450,000	\$ 64,225	2,323	4.0%	4.5%	4.1%
2023	17,043	913,567,784	79,851	2,339	4.2%	4.1%	3.5%
2022	16,990	831,856,400	58,015	2,338	4.2%	4.1%	3.5%
2021	17,066	774,540,410	45,385	2,329	3.1%	4.0%	4.5%
2020	16,990	713,630,970	42,003	2,620	8.2%	8.1%	8.1%
2019	16,634	690,976,360	41,540	2,649	4.2%	4.1%	3.7%
2018	16,653	691,765,620	41,540	2,730	4.4%	4.6%	3.9%
2017	16,705	659,212,710	39,462	2,714	4.3%	4.9%	4.1%
2016	16,671	645,567,804	38,724	2,723	4.8%	4.9%	4.9%
2015	16,763	626,567,414	37,378	2,607	4.3%	4.6%	5.6%

Notes and Sources:

¹U.S. Census Bureau.

²U.S. Department of Commerce, Bureau of Economic Analysis (Defiance Micropolitan Statistical Area).

³Defiance City Schools.

⁴U.S. Department of Labor, Bureau of Labor Statistics (annual average). Annual average unemployment is skewed high in 2020 due to a few exceptionally high monthly figures in the early stages of the COVID-19 pandemic/shutdown.

CITY OF DEFIANCE, OHIO

SCHEDULE 13
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	Tax Year 2023²		
	Employees¹	Rank	Percentage of Total City Employment
Johns Manville Corporation (MFG)	733	1	3.66%
Wal Mart (RETAIL)	598	2	2.99%
Defiance City Schools	539	3	2.69%
Bon Secours Mercy Health	495	4	2.47%
Mayville Engineering Company - MEC (MFG)	471	5	2.35%
Defiance Regional Medical Center	432	6	2.16%
Defiance College	404	7	2.02%
Defiance County	398	8	1.99%
B&B Molded Plastics (MFG)	384	9	1.92%
Meijer	287	10	1.43%
	4,741		23.68%
Total Employment Within the City	20,014		

Employer	Tax Year 2014²		
	Employees¹	Rank	Percentage of Total City Employment
Defiance College	724	1	3.75%
Johns Manville Corporation (MFG)	715	2	3.71%
Defiance City Schools	509	3	2.64%
Defiance Metal Products (MFG)	506	4	2.62%
Defiance County	408	5	2.12%
Wal Mart (RETAIL)	404	6	2.10%
Meijer (RETAIL)	372	7	1.93%
Defiance Regional Medical Center	364	8	1.89%
Mercy Medical Partners	313	9	1.62%
City of Defiance	242	10	1.26%
	4,557		23.64%
Total Employment Within the City	19,282		

Notes:

¹Employee figures are based on the number of W-2 forms filed with the City Income Tax Division and do not necessarily represent full-time equivalent positions. Furthermore, rank is based on this number, and does not necessarily correspond to a ranking by gross wages or amount of employee tax withheld.

²The information for tax year 2023 and tax year 2014 is the most current information covering a ten-year period available as of December 31, 2024.

Source: City of Defiance Income Tax Division.

CITY OF DEFIANCE, OHIO

SCHEDULE 14
FULL-TIME EQUIVALENT POSITION BY FUNCTION/DIVISION
LAST TEN YEARS

Function/Division	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Council*	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Municipal Court	16.0	16.0	16.0	13.9	14.0	13.8	14.0	13.5	13.3	12.9
Mayor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	5.0	5.0	5.0	4.7	4.8	4.8	4.8	4.8	4.9	4.3
Law	3.5	3.5	3.5	3.0	3.0	3.0	3.0	3.4	3.5	3.5
Civil Service*	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Income Tax	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Buildings and Land	2.0	2.0	2.0	2.6	2.2	2.6	2.5	2.2	2.1	1.9
Engineer	8.5	8.5	8.5	8.0	7.9	8.6	9.2	9.1	6.9	5.4
	<u>44.0</u>	<u>44.0</u>	<u>44.0</u>	<u>41.2</u>	<u>40.9</u>	<u>41.8</u>	<u>42.5</u>	<u>42.0</u>	<u>39.6</u>	<u>37.0</u>
Security of Persons and Property:										
Police	35.0	35.0	35.0	35.6	34.7	36.8	34.7	33.4	33.9	33.2
Fire	32.5	32.5	32.5	40.1	43.0	48.5	38.9	37.7	38.4	37.8
	<u>67.5</u>	<u>67.5</u>	<u>67.5</u>	<u>75.7</u>	<u>77.7</u>	<u>85.3</u>	<u>73.6</u>	<u>71.1</u>	<u>72.3</u>	<u>71.0</u>
Leisure Time Activities:										
Parks and Recreation	5.0	5.0	5.0	7.6	5.4	8.0	7.9	7.2	8.3	7.1
Cemetery	3.5	3.5	3.5	4.9	3.6	4.8	5.0	4.2	4.4	4.4
Cultural/Historian*	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>13.0</u>	<u>9.5</u>	<u>13.3</u>	<u>13.4</u>	<u>11.9</u>	<u>13.1</u>	<u>12.0</u>
Community Development:										
Building Inspections	1.5	1.5	1.5	1.7	1.6	1.6	2.2	2.0	2.3	1.8
Transportation:										
Streets	9.0	9.0	9.0	10.2	10.2	10.5	10.6	10.2	10.3	10.8
Utility Services:										
Utility Billing	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.8	6.1
Water Treatment/Distribution	20.0	20.0	20.0	20.7	19.0	20.0	19.9	20.1	19.8	19.9
Wastewater Treatment/Collection	18.0	18.0	18.0	18.7	18.1	20.2	19.6	19.9	20.0	18.5
	<u>44.0</u>	<u>44.0</u>	<u>44.0</u>	<u>45.4</u>	<u>43.1</u>	<u>46.2</u>	<u>45.5</u>	<u>46.0</u>	<u>45.6</u>	<u>44.5</u>
Total	<u>175.0</u>	<u>175.0</u>	<u>175.0</u>	<u>187.2</u>	<u>183.0</u>	<u>198.7</u>	<u>187.8</u>	<u>183.2</u>	<u>183.2</u>	<u>177.1</u>

* Part-time salaried positions count as 0.5 each.

Note: The numbers shown reflect total annual labor hours divided by annual hours in a full-time schedule--typically 2,080 hours--and include all full-time, part-time, seasonal, and overtime hours worked.

Source: City of Defiance Finance Department.

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CITY OF DEFIANCE, OHIO

SCHEDULE 15
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2024	2023	2022	2021
General Government:				
General fund beginning balance (cash)	\$6,637,778	\$6,364,985	\$5,467,670	\$4,467,786
General fund revenues (cash)	13,838,056	13,206,174	12,589,377	11,665,865
General fund expenditures (cash)	13,217,054	12,933,381	11,692,061	10,665,981
General fund ending balance (cash)	<u>\$7,258,780</u>	<u>\$6,637,778</u>	<u>\$6,364,986</u>	<u>\$5,467,670</u>
Municipal Court:				
Cases heard and closed	8,102	8,333	7,013	7,013
Police:				
Total calls for services	19,046	19,956	18,851	27,007
Traffic violations	821	937	1,016	906
Motor vehicle accidents	641	2,460	719	705
Criminal arrests	829	1,044	887	1,006
Fire/Emergency Medical Services:				
Fire calls	89	609	769	580
EMS calls	2,548	3,596	2,428	2,539
Fire safety inspections	1,017	1,139	1,215	1,219
Building Inspections:				
Construction permits issued	1,281	1,181	1,196	196
Estimated value of construction	\$11,723,911	\$11,357,240	\$18,947,284	\$10,540,557
Recreation:				
Swimming pool memberships ⁽¹⁾	84	52	53	0
Shelter house rentals	101	108	116	70
Streets:				
Salt usage (tons)	669	413	600	801
Cost of salt purchased	\$51,941	\$31,438	\$49,138	\$57,569
Water:				
Water customers	6,911	6,904	6,729	6,701
Water main breaks repaired	20	35	18	23
Water Pollution Control:				
Sewer lines cleaned/repaired (ft.)	77,000	76,732	78,828	61,947
Sewer customers	6,669	6,650	6,599	6,552

Sources: Various City of Defiance Divisions.

⁽¹⁾ Swimming pool was closed during 2020 and 2021 due to COVID-19.

2020	2019	2018	2017	2016	2015
\$3,177,167	\$3,546,284	\$3,699,172	\$3,041,951	\$2,305,035	\$1,929,849
11,079,000	10,803,107	12,298,444	10,394,316	9,881,035	9,740,976
9,788,381	11,172,224	12,451,332	9,737,095	9,144,119	9,365,790
<u>\$4,467,786</u>	<u>\$3,177,167</u>	<u>\$3,546,284</u>	<u>\$3,699,172</u>	<u>\$3,041,951</u>	<u>\$2,305,035</u>
6,431	9,047	9,782	10,749	9,191	9,163
16,678	20,486	17,934	20,434	17,517	16,964
778	1,249	1,428	1,509	1,349	1,236
603	769	789	832	830	896
1,054	1,045	1,110	1,417	1,132	1,322
88	508	565	487	410	437
2,335	2,111	2,268	2,356	2,088	2,189
844	1,062	1,176	1,078	1,361	1,409
1,116	1,029	970	1,070	1,151	998
\$10,032,134	\$7,859,091	\$6,817,870	\$8,003,585	\$8,078,849	\$5,035,057
0	34	35	68	52	38
26	62	61	59	51	55
819	706	814	481	957	491
\$59,641	\$59,113	\$54,697	\$31,818	\$73,628	\$45,376
6,653	6,615	6,611	6,593	6,654	6,649
38	10	31	23	18	30
6,525	59,178	65,189	68,220	85,143	70,100
52,667	6,484	6,483	6,466	6,513	6,492

CITY OF DEFIANCE, OHIO

SCHEDULE 16
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2024	2023	2022	2021
Police:				
Stations	1	1	1	1
Vehicles	18	18	18	18
Fire/EMS:				
Stations	1	1	1	1
Vehicles - Fire	8	8	8	8
Vehicles - EMS	3	3	3	3
Parks and Recreation:				
Parks	10	10	10	10
Pools	1	1	1	1
Splash Pads	1	1	1	1
Tennis courts	6	6	6	6
Pickleball courts	3	3	3	3
Sand volleyball courts	2	2	2	2
Basketball courts	5	5	5	5
Ball fields	13	13	13	13
Park shelter houses	15	15	15	15
Streets:				
Streets (miles)	131.3	131.3	131.3	131.3
Vehicles	16	16	16	16
Water:				
Water lines (miles)	184.82	184.82	184.82	184.82
Towers	2	2	2	2
Tower capacity	2	2	2	2.0 mg
Reservoir capacity	350mg	350 mg	350 mg	350 mg

Sources: Various City of Defiance Divisions.

2020	2019	2018	2017	2016	2015
1 17	1 16	1 15	1 14	1 13	1 13
1 8 3	2 9 3	1 9 5	1 9 3	1 9 3	1 9 3
10 1 1 8 0 2 5 13 15	9 1 1 8 0 2 5 13 14	8 1 1 8 0 2 4 12 13	8 1 0 8 0 2 4 12 13	8 1 0 8 0 2 4 12 13	8 1 0 8 0 2 4 13 13
131.3 16	130.3 17	128.64 18	128.50 18	128.50 18	127.80 18
184.82 2 2.0 mg 350 mg	184.82 2 2.0 mg 350 mg	184.82 2 2.0 mg 350 mg	184.82 2 2.0 mg 350 mg	156.40 3 1.6 mg 350 mg	151.80 3 1.6 mg 350 mg

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF DEFIANCE

DEFIANCE 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 7/10/2025

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
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