

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**



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City Council
City of Bellefontaine
135 N. Detroit St.
Bellefontaine, OH 43311

We have reviewed the *Independent Auditor's Report* of the City of Bellefontaine, Logan County, prepared by Julian & Grube, Inc., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 29, 2025

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**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGES</u>
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 14
 Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	15
Statement of Activities	16 - 17
 Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	20 - 21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	22
Statement of Net Position - Proprietary Funds.....	23 - 24
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	25 - 26
Statement of Cash Flows - Proprietary Funds	27 - 30
Statement of Fiduciary Net Position - Fiduciary Funds	31
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	32
Notes to the Basic Financial Statements.....	33 - 84
 Required Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Non-GAAP Budgetary Basis) – General Fund.....	86
Schedule of the City's Proportionate Share of the Net Pension Liability/Asset and City Pension Contributions:	
Ohio Public Employees Retirement System (OPERS) - Traditional Plan	88
Ohio Police and Fire (OP&F) Pension Fund	89
Schedule of the City's Proportionate Share of the Net OPEB Liability/(Asset) and City OPEB Contributions:	
Ohio Public Employees Retirement System (OPERS)	90
Ohio Police and Fire (OP&F) Pension Fund	91
Notes to the Required Supplementary Information	92 - 96
 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	
Schedule of Findings and Responses.....	97 - 98
	99

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Independent Auditor's Report

City of Bellefontaine
Logan County
135 North Detroit Street
Bellefontaine, Ohio 43311

To the Members of Council and Mayor:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bellefontaine, 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 accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City of Bellefontaine 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, the City of Bellefontaine restated beginning net position as a result of a change in accounting principle by implementing GASB Statement No. 101, "Compensated Absences". Our opinions are 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 of Bellefontaine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

City of Bellefontaine
Logan County
Independent Auditor's Report

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2025, on our consideration of the City of Bellefontaine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bellefontaine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bellefontaine's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 24, 2025

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

This discussion and analysis of the City of Bellefontaine'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 look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The total net position of the City increased \$1,556,741 or 2.11%. Net position of governmental activities increased \$217,276 or 0.72% from 2023's restated net position. Net position of business-type activities increased \$1,339,465 or 3.08% from 2023's restated net position.
- General revenues accounted for \$11,724,472 or 73.13% of total governmental activities revenue. Program specific revenues accounted for \$4,307,491 or 26.87% of total governmental activities revenue.
- The City had \$15,764,687 in expenses related to governmental activities; \$4,307,491 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$11,457,196 were offset by general revenues of \$11,724,472.
- At the close of 2024, the City's governmental funds reported combined fund balances of \$21,096,406, an increase of \$6,421,072 compared to the prior year. The City's major governmental funds include the general fund, the capital improvement fund and the recreation improvement fund.
- At December 31, 2024, the unassigned general fund balance was \$1,558,337, or 13.48% of total general fund expenditures.
- The capital improvement fund had revenues and other financing sources of \$230,902 and expenditures of \$156,326 during 2024. The net increase in the fund balance for the capital improvement fund was \$74,576 or 2.52%.
- The recreation improvement fund was established in 2024 and had revenues and other financing sources of \$5,121,529 and expenditures of \$121,529 during 2024. The fund balance for the recreation improvement fund was \$5,000,000 at year end.
- Business-type activities include operations of the City's water, sewer, airport, garbage, ambulance, parking meter and public utility trust enterprise funds. The net position of the business-type activities totaled \$44,789,261 at December 31, 2024.

Using this Annual Financial Report

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

The statement of net position and statement of activities provide information about the activities of the whole City, 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 BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did 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. The 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 services are reported here including police, fire, administration and all departments, except utilities. 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 business-type activities of the City primarily consist of water distribution, sewage collection and treatment, garbage waste removal, ambulance services, airport administration.

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 the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Governmental Funds

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

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

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's only major governmental funds are the general fund, capital improvement fund, and recreation improvement fund. Information for major funds are 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 water, sewer, airport, garbage, ambulance, parking meter and public utility trust functions. All of the City's enterprise funds are considered major funds, with the exception of the parking meter and public utility trust 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 and private-purpose trust funds are the City's only fiduciary fund types.

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 budgetary schedule, net pension liability and net OPEB liability/asset.

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table on the following page provides a summary of the City's net position for 2024 compared to 2023. For the table on the following page amounts for 2024 have been presented in accordance with the provisions of GASB Statement No. 101 while amounts for 2023 have been presented in accordance with previous guidance.

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**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

	Net Position							
	Governmental Activities		Governmental Activities		Business-type Activities		Total 2024	Total 2023
	2024	2023	2024	2023	2024	2023		
Assets								
Current and other assets	\$ 24,485,118	\$ 18,277,637	\$ 12,973,646	\$ 12,050,557	\$ 37,458,764	\$ 30,328,194		
Capital assets, net	<u>30,086,265</u>	<u>29,930,262</u>	<u>36,681,973</u>	<u>36,645,579</u>	<u>66,768,238</u>	<u>66,575,841</u>		
Total assets	<u>54,571,383</u>	<u>48,207,899</u>	<u>49,655,619</u>	<u>48,696,136</u>	<u>104,227,002</u>	<u>96,904,035</u>		
Deferred outflows of resources	<u>5,641,112</u>	<u>7,229,151</u>	<u>1,388,564</u>	<u>2,226,176</u>	<u>7,029,676</u>	<u>9,455,327</u>		
Liabilities								
Current and other liabilities	1,190,372	1,259,055	714,055	576,427	1,904,427	1,835,482		
Long-term liabilities	8,431,053	1,718,072	3,547,471	1,658,566	11,978,524	3,376,638		
Net pension liability	16,559,334	17,060,202	53,969	4,144,960	16,613,303	21,205,162		
Net OPEB liability	928,291	1,015,711	1,302,160	152,555	2,230,451	1,168,266		
Total liabilities	<u>27,109,050</u>	<u>21,053,040</u>	<u>5,617,655</u>	<u>6,532,508</u>	<u>32,726,705</u>	<u>27,585,548</u>		
Deferred inflows of resources	<u>2,591,803</u>	<u>2,938,610</u>	<u>637,267</u>	<u>368,062</u>	<u>3,229,070</u>	<u>3,306,672</u>		
Net Position								
Net investment in capital assets	29,313,612	29,493,146	35,694,676	35,434,211	65,008,288	64,927,357		
Restricted	8,303,105	6,000,031	82,905	-	8,386,010	6,000,031		
Unrestricted (deficit)	(7,105,075)	(4,047,777)	9,011,680	8,587,531	1,906,605	4,539,754		
Total net position	<u>\$ 30,511,642</u>	<u>\$ 31,445,400</u>	<u>\$ 44,789,261</u>	<u>\$ 44,021,742</u>	<u>\$ 75,300,903</u>	<u>\$ 75,467,142</u>		

The net pension liability 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/asset to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government’s financial position. At December 31, 2024, the City’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$75,300,903. At year end, net position was \$30,511,642 and \$44,789,261 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City’s net position. At year end, capital assets represented 55.13% of total assets of governmental activities. Capital assets include land, construction in progress, and improvements, buildings, building components, equipment, furniture, vehicles, infrastructure, infrastructure contributions, and intangible right to use leased equipment, and totaled \$30,086,265 and \$36,681,973 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending.

Although the City’s net investment in capital assets is reported net of related long-term obligations, it should be noted that the resources to repay 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, \$8,303,105, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is a deficit \$7,105,075.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

During 2024, the City implemented GASB Statement No. 101. For the table on the following page, the implementation has been reported as a change in accounting principle. The following table shows the changes in net position from 2023 to 2024.

	Change in Net Position					
	Governmental Activities 2024	Governmental Activities 2023	Business-type Activities 2024	Business-type Activities 2023	Total 2024	Total 2023
Revenues						
Program revenues:						
Charges for services	\$ 1,641,335	\$ 1,309,183	\$ 8,388,992	\$ 8,229,351	\$ 10,030,327	\$ 9,538,534
Operating grants and contributions	1,818,604	1,754,633	10,305	879	1,828,909	1,755,512
Capital grants and contributions	847,552	1,858,126	-	-	847,552	1,858,126
Total program revenues	<u>4,307,491</u>	<u>4,921,942</u>	<u>8,399,297</u>	<u>8,230,230</u>	<u>12,706,788</u>	<u>13,152,172</u>
General revenues:						
Property taxes	825,488	814,354	-	-	825,488	814,354
Income taxes	8,829,624	8,189,602	-	-	8,829,624	8,189,602
Other local taxes	57,393	116,041	-	-	57,393	116,041
Payment in lieu of taxes	240,269	837,092	-	-	240,269	837,092
Unrestricted grants	601,211	360,068	-	-	601,211	360,068
Investment earnings	299,632	472,711	592	1,887	300,224	474,598
Change in fair value of investments	495,729	185,071	-	-	495,729	185,071
Other	375,126	50,649	203,038	168,948	578,164	219,597
Total general revenues	<u>11,724,472</u>	<u>11,025,588</u>	<u>203,630</u>	<u>170,835</u>	<u>11,928,102</u>	<u>11,196,423</u>
Total revenues	<u>16,031,963</u>	<u>15,947,530</u>	<u>8,602,927</u>	<u>8,401,065</u>	<u>24,634,890</u>	<u>24,348,595</u>
Expenses						
General government	3,466,673	3,248,654	-	-	3,466,673	3,248,654
Public safety	8,059,511	7,952,022	-	-	8,059,511	7,952,022
Health	172,889	198,146	-	-	172,889	198,146
Conservation and recreation	1,162,963	1,011,097	-	-	1,162,963	1,011,097
Economic development	100,221	150,920	-	-	100,221	150,920
Public works	537,800	241,249	-	-	537,800	241,249
Transportation	2,133,777	1,898,600	-	-	2,133,777	1,898,600
Bond issuance cost	121,529	-	-	-	121,529	-
Interest	9,324	2,783	-	-	9,324	2,783
Water	-	-	2,561,022	2,524,923	2,561,022	2,524,923
Sewer	-	-	2,317,033	2,915,800	2,317,033	2,915,800
Airport	-	-	595,493	455,516	595,493	455,516
Garbage	-	-	1,218,472	1,187,528	1,218,472	1,187,528
Ambulance	-	-	592,653	723,856	592,653	723,856
Other	-	-	28,789	26,542	28,789	26,542
Total expenses	<u>15,764,687</u>	<u>14,703,471</u>	<u>7,313,462</u>	<u>7,834,165</u>	<u>23,078,149</u>	<u>22,537,636</u>
Excess before transfers	267,276	1,244,059	1,289,465	566,900	1,556,741	1,810,959
Transfers	(50,000)	(1,705,830)	50,000	1,705,830	-	-
Change in net position	<u>217,276</u>	<u>(461,771)</u>	<u>1,339,465</u>	<u>2,272,730</u>	<u>1,556,741</u>	<u>1,810,959</u>
Net position as previously reported	31,445,400	31,907,171	44,021,742	41,749,012	75,467,142	73,656,183
Restatement - change in accounting principle	(1,151,034)	-	(571,946)	-	(1,722,980)	-
Net position at beginning of year (restated)	30,294,366	31,907,171	43,449,796	41,749,012	73,744,162	73,656,183
Net position at end of year	<u>\$ 30,511,642</u>	<u>\$ 31,445,400</u>	<u>\$ 44,789,261</u>	<u>\$ 44,021,742</u>	<u>\$ 75,300,903</u>	<u>\$ 75,467,142</u>

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

Governmental Activities

Governmental activities net position increased \$217,276 in 2024.

Charges for services program revenues increased from the prior year. Operating grants and contributions increased in comparison with the prior year. Capital grants and contributions decreased from the completion of the FAA federal grant received for the airport runway project during 2023.

The two primary general revenue sources of governmental activities are property taxes and municipal income taxes. Investment earnings and change in fair value of investment was significant during 2024 as a result of inflation's impact on the market. Other general revenues increased as compared to restated 2023, as there were more unrestricted grant revenue received in 2024.

In total, 2024 expenses increased \$1,061,216 or 7.22%. This is primarily from an increase in expenses from compensated absences, related to the implementation of GASB Statement No. 101.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2024 and 2023. That is, it identifies the cost of these services supported by tax revenue, unrestricted State grants and entitlements, and other general revenues.

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	\$ 3,466,673	\$ 2,012,820	\$ 3,248,654	\$ 2,286,356
Public safety	8,059,511	7,184,789	7,952,022	6,183,523
Health	172,889	138,814	198,146	140,922
Conservation and recreation	1,162,963	807,346	1,011,097	788,623
Economic development	100,221	17,957	150,920	44,359
Public works	537,800	536,317	241,249	21,402
Transportation	2,133,777	628,300	1,898,600	313,561
Bond issuance cost	121,529	121,529	-	-
Interest	<u>9,324</u>	<u>9,324</u>	<u>2,783</u>	<u>2,783</u>
Total expenses	<u>\$ 15,764,687</u>	<u>\$ 11,457,196</u>	<u>\$ 14,703,471</u>	<u>\$ 9,781,529</u>

The dependence upon general revenues for governmental activities is apparent, with 72.68% of expenses supported through taxes and other general revenues.

Business-Type Activities

Business-type activities include the water, sewer, airport, garbage, ambulance, parking meter and public utility trust enterprise funds. These programs had program revenues of \$8,399,297, general revenues of \$203,630, transfers out of \$50,000, and expenses of \$7,313,462 for 2024. Overall, the operating activities of all the City's enterprise funds remained comparable to the prior year.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on short-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 \$21,096,406, which is \$6,421,072 greater than last year's total of \$14,675,334. In March 2024, voters approved a 0.267% income tax levy restricted for parks and recreation operations and capital improvements. Therefore as of December 31, 2024, the City's Park Department fund classification was adjusted from a component of the general fund to a nonmajor special revenue fund. See Note 3 to the basic financial statements for more detail. The table below indicates the fund balances and the total change in fund balances as of December 31, 2024 and December 31, 2023 (prior to the adjustment for the change within the financial reporting entity) for all major and nonmajor governmental funds.

	Fund Balance <u>December 31, 2024</u>	Fund Balance <u>December 31, 2023</u>	<u>Change</u>	<u>Percentage Change</u>
General	\$ 4,065,366	\$ 4,798,427	\$ (733,061)	-15.28%
Capital improvements	3,029,538	2,954,962	74,576	100.00%
Recreation improvement	5,000,000	-	5,000,000	
Other governmental	<u>9,001,502</u>	<u>6,921,945</u>	<u>2,079,557</u>	30.04%
Total	<u><u>\$ 21,096,406</u></u>	<u><u>\$ 14,675,334</u></u>	<u><u>\$ 6,421,072</u></u>	43.75%

General Fund

The general fund is the chief operating fund of the City. The fund balance of the City's general fund decreased during the current year, primarily from an increase in expenditures of \$1,061,216 spent in general government, capital outlay and an increase in public safety expenditure. The change in the park department fund classification from general fund to special revenue fund also caused this decrease.

Capital Improvement Fund

The capital improvement fund accounts for money received for the purpose of improving the City. The capital improvement fund had revenues and other financing sources of \$230,902 in 2024. The expenditures of the capital project fund totaled \$156,326 in 2024. The net increase in fund balance for the capital improvement fund was \$75,576 or 2.52%.

Recreation Improvement Fund

The recreation improvement fund was established in 2024 and accounts for monies received through general obligation bonds for the purpose of acquisition, construction, equipping, and improving of municipal recreation facilities and recreational equipment, including those for the Harmon Park re-construction and the Hoffman pool replacement project and various other municipal recreation purposes. The \$5,000,000 fund balance represents the total unspent municipal bond proceeds at December 31, 2024.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The schedule below indicates the fund balance and the total change in net position as of December 31, 2024 is presented in accordance with GASB No. 101 and 2023 is presented in accordance with previous requirements.

	Net Position <u>December 31, 2024</u>	Net Position <u>December 31, 2023</u>	<u>Change</u>	<u>Percentage Change</u>
Water	\$ 12,165,894	\$ 12,140,058	\$ 25,836	0.21%
Sewer	20,099,593	19,133,193	966,400	5.05%
Airport	10,090,749	10,384,249	(293,500)	-2.83%
Garbage	1,366,226	1,375,211	(8,985)	-0.65%
Ambulance	744,028	670,701	73,327	10.93%
Nonmajor enterprise	322,771	318,330	4,441	1.40%
Total	\$ 44,789,261	\$ 44,021,742	\$ 767,519	1.74%

For the most part, all increases noted above represent operating income, offset by interest and fiscal charges. The decrease in the airport fund is from the completion of the airport runway project in 2023.

General Fund Budgetary Information

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.

In the general fund, the actual revenues and other financing sources of \$10,836,024 were \$681,926 less than the original and final budgeted revenues and other financing sources of \$11,517,950. Actual expenditures and other financing uses of \$13,407,237 were \$1,617,300 less than the final budgeted expenditures and other financing uses of \$15,024,537. The original budgeted expenditures and other financing uses were \$893,428 less than the final budgeted expenditures and other financing uses. These variances are the result of the City's conservative budgeting.

Capital Assets and Debt Administration

Capital Assets

At the end of 2024, the City had \$66,768,238 (net of accumulated depreciation/amortization) invested in land, construction in progress, land improvements, buildings, building components, equipment, furniture, vehicles, infrastructure, infrastructure contributions, and intangible right to use leased equipment. Of this total, \$30,086,265 was reported in governmental activities and \$36,681,973 was reported in business-type activities.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

The following table shows December 31, 2024, balances compared to December 31, 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 7,948,000	\$ 7,948,000	\$ 2,028,393	\$ 2,028,393	\$ 9,976,393	\$ 9,976,393
Construction in progress	172,535	-	220,061	245,150	392,596	245,150
Land improvements	5,539,850	5,411,121	7,807,410	7,996,198	13,347,260	13,407,319
Buildings	1,729,046	1,782,785	9,214,368	8,453,242	10,943,414	10,236,027
Building components	504,556	581,915	117,925	84,807	622,481	666,722
Equipment	1,698,287	1,343,701	2,268,344	2,469,694	3,966,631	3,813,395
Furniture	31,182	34,088	11,134	13,539	42,316	47,627
Vehicles	2,517,520	2,201,895	1,391,376	1,162,601	3,908,896	3,364,496
Infrastructure	7,665,486	8,319,098	12,225,312	12,761,392	19,890,798	21,080,490
Infrastructure contributions	2,238,019	2,306,014	1,397,650	1,430,563	3,635,669	3,736,577
Intangible right to use:						
Leased equipment	41,784	1,645	-	-	41,784	1,645
Total	\$ 30,086,265	\$ 29,930,262	\$ 36,681,973	\$ 36,645,579	\$ 66,768,238	\$ 66,575,841

The City's investment in capital assets for governmental activities as of December 31, 2024 increased in comparison with the prior year. The increase in governmental activities is primarily attributed to \$1,467,397 in additions in 2024.

The City's investment in capital assets for business-type activities as of December 31, 2024 increased in comparison with the prior year. This increase represents the amount in which current year acquisitions of \$1,521,069 exceeded current year depreciation (net of construction in progress disposals) of \$1,484,675. Detailed information regarding capital asset activity is included in Note 10 to the basic financial statements.

Debt

The City had the following long-term obligations outstanding at December 31, 2024 and December 31, 2023.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 5,128,016	\$ 169,920	\$ 760,984	\$ 1,010,080	\$ 5,889,000	\$ 1,180,000
OPWC loans	243,179	266,876	131,396	155,028	374,575	421,904
Leases payable	42,226	485	-	-	42,226	485
Total long-term obligations	\$ 5,413,421	\$ 437,281	\$ 892,380	\$ 1,165,108	\$ 6,305,801	\$ 1,602,389

Detailed information regarding long-term debt is included in Note 11 of the basic financial statements.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it administers. If you have any questions about this report or need additional financial information, contact Fred Brentlinger, City Auditor, 135 North Detroit Street, Bellefontaine, Ohio 43311-1474.

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**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 20,125,990	\$ 10,279,861	\$ 30,405,851
Investments	85,900	-	85,900
Receivables:			
Income taxes	2,278,349	-	2,278,349
Property taxes	715,084	-	715,084
Accounts	210,093	1,895,789	2,105,882
Payment in lieu of taxes	272,816	-	272,816
Accrued interest	46,006	-	46,006
Due from other governments	943,787	-	943,787
Materials and supplies inventory	79,729	139,521	219,250
Prepayments	134,405	22,070	156,475
Net OPEB asset	146,459	82,905	229,364
Internal balance	(553,500)	553,500	-
Capital assets:			
Land and construction in progress	8,120,535	2,248,454	10,368,989
Depreciable/amortized capital assets, net	21,965,730	34,433,519	56,399,249
Total capital assets, net	<u>30,086,265</u>	<u>36,681,973</u>	<u>66,768,238</u>
Total assets	<u>54,571,383</u>	<u>49,655,619</u>	<u>104,227,002</u>
Deferred outflows of resources:			
Pension	4,981,577	1,248,308	6,229,885
OPEB	659,535	140,256	799,791
Total deferred outflows of resources	<u>5,641,112</u>	<u>1,388,564</u>	<u>7,029,676</u>
Liabilities:			
Accounts payable	409,319	278,066	687,385
Contracts payable	74,555	87,324	161,879
Retainage payable	-	7,593	7,593
Accrued wages and benefits payable	285,315	82,121	367,436
Intergovernmental Payable	166,021	37,747	203,768
Accrued interest payable	8,940	793	9,733
Refundable deposits	-	220,411	220,411
Unearned revenue	246,222	-	246,222
Long-term liabilities:			
Due within one year	956,953	412,994	1,369,947
Due in more than one year:			
Net pension liability	16,559,334	3,134,477	19,693,811
Net OPEB liability	928,291	53,969	982,260
Other amounts due in more than one year	<u>7,474,100</u>	<u>1,302,160</u>	<u>8,776,260</u>
Total liabilities	<u>27,109,050</u>	<u>5,617,655</u>	<u>32,726,705</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	685,000	-	685,000
Payment in lieu of taxes levied for the next fiscal year	309,182	-	309,182
Pension	687,006	493,684	1,180,690
OPEB	910,615	143,583	1,054,198
Total deferred inflows of resources	<u>2,591,803</u>	<u>637,267</u>	<u>3,229,070</u>
Net position:			
Net investment in capital assets	29,313,612	35,694,676	65,008,288
Restricted for:			
Debt service	165,530	-	165,530
Capital projects	2,514,387	-	2,514,387
Street maintenance and repair	861,176	-	861,176
Public safety	1,146,757	-	1,146,757
Conservation and recreation	903,748	-	903,748
Economic development	600,666	-	600,666
Health	109,687	-	109,687
Judicial	1,843,136	-	1,843,136
Other	158,018	82,905	240,923
Unrestricted (deficit)	<u>(7,105,075)</u>	<u>9,011,680</u>	<u>1,906,605</u>
Total net position	<u>\$ 30,511,642</u>	<u>\$ 44,789,261</u>	<u>\$ 75,300,903</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BELLEFONTAINE
LOGAN COUNTY, 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	\$ 3,466,673	\$ 1,150,439	\$ 261,163	\$ 42,251
Public safety	8,059,511	210,983	663,739	-
Health	172,889	33,655	420	-
Conservation and recreation	1,162,963	223,317	-	132,300
Economic development	100,221	21,458	-	60,806
Public works	537,800	1,483	-	-
Transportation	2,133,777	-	893,282	612,195
Interest	9,324	-	-	-
Bond issuance costs	121,529	-	-	-
Total governmental activities	<u>15,764,687</u>	<u>1,641,335</u>	<u>1,818,604</u>	<u>847,552</u>
Business-type activities:				
Water	2,561,022	2,689,658	-	-
Sewer	2,317,033	3,423,751	-	-
Airport	595,493	251,401	-	-
Garbage	1,218,472	1,190,322	-	-
Ambulance	592,653	800,419	10,305	-
Other	28,789	33,441	-	-
Total business-type activities	<u>7,313,462</u>	<u>8,388,992</u>	<u>10,305</u>	<u>-</u>
Total primary government	<u><u>\$ 23,078,149</u></u>	<u><u>\$ 10,030,327</u></u>	<u><u>\$ 1,828,909</u></u>	<u><u>\$ 847,552</u></u>

General revenues:

Property taxes levied for:
 General purposes
 Special revenue
 Income taxes levied for:
 General purposes
 Special revenue
 Payments in lieu of taxes
 Other local taxes
 Grants and entitlements not restricted
 to specific programs
 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

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
\$ (2,012,820)	\$ -	\$ (2,012,820)
(7,184,789)	- (7,184,789)	
(138,814)	- (138,814)	
(807,346)	- (807,346)	
(17,957)	- (17,957)	
(536,317)	- (536,317)	
(628,300)	- (628,300)	
(9,324)	- (9,324)	
(121,529)	- (121,529)	
<u>(11,457,196)</u>	<u>-</u>	<u>(11,457,196)</u>

- 128,636	128,636	
- 1,106,718	1,106,718	
- (344,092)	(344,092)	
- (28,150)	(28,150)	
- 218,071	218,071	
- 4,652	4,652	
<u>- 1,085,835</u>	<u>1,085,835</u>	<u>1,085,835</u>
<u>(11,457,196)</u>	<u>1,085,835</u>	<u>(10,371,361)</u>

640,896	-	640,896
184,592	-	184,592
7,901,736	-	7,901,736
927,888	-	927,888
240,269	-	240,269
57,393	-	57,393
601,211	-	601,211
299,632	592	300,224
495,729	-	495,729
375,126	203,038	578,164
<u>11,724,472</u>	<u>203,630</u>	<u>11,928,102</u>
<u>(50,000)</u>	<u>50,000</u>	<u>-</u>
<u>11,674,472</u>	<u>253,630</u>	<u>11,928,102</u>
217,276	1,339,465	1,556,741

31,445,400	44,021,742	75,467,142
<u>(1,151,034)</u>	<u>(571,946)</u>	<u>(1,722,980)</u>
<u>30,294,366</u>	<u>43,449,796</u>	<u>73,744,162</u>
<u>\$ 30,511,642</u>	<u>\$ 44,789,261</u>	<u>\$ 75,300,903</u>

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Capital Improvement	Recreation Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 2,743,843	\$ 3,610,913	\$ 5,000,000	\$ 8,771,234	\$ 20,125,990
Investments	-	-	-	85,900	85,900
Receivables:					
Income taxes	1,899,819	-	-	378,530	2,278,349
Property taxes	524,023	-	-	191,061	715,084
Accounts	61,196	-	-	148,897	210,093
Payment in lieu of taxes	-	-	-	272,816	272,816
Accrued interest	46,006	-	-	-	46,006
Intergovernmental	345,226	-	-	598,561	943,787
Materials and supplies inventory	-	-	-	79,729	79,729
Prepayments	123,806	-	-	10,599	134,405
Total assets	<u>\$ 5,743,919</u>	<u>\$ 3,610,913</u>	<u>\$ 5,000,000</u>	<u>\$ 10,537,327</u>	<u>\$ 24,892,159</u>
Liabilities:					
Accounts payable	\$ 235,486	\$ 27,761	\$ -	\$ 146,072	\$ 409,319
Contracts payable	-	-	-	74,555	74,555
Accrued wages and benefits payable	256,282	-	-	29,033	285,315
Loans payable	-	553,500	-	-	553,500
Intergovernmental payable	149,694	114	-	16,213	166,021
Unearned revenue	-	-	-	246,222	246,222
Total liabilities	<u>641,462</u>	<u>581,375</u>	<u>-</u>	<u>512,095</u>	<u>1,734,932</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	500,000	-	-	185,000	685,000
Payment in lieu of taxes levied for the next fiscal year	-	-	-	309,182	309,182
Income tax revenue not available	601,554	-	-	115,109	716,663
Delinquent property tax revenue not available	24,023	-	-	6,061	30,084
Accrued interest not available	34,502	-	-	-	34,502
Intergovernmental revenue not available	140,433	-	-	283,651	424,084
Settlements not available	-	-	-	119,112	119,112
Charges for services revenue not available	-	-	-	5,615	5,615
Total deferred inflows of resources	<u>1,300,512</u>	<u>-</u>	<u>-</u>	<u>1,023,730</u>	<u>2,324,242</u>
Fund balances:					
Nonspendable	123,806	-	-	90,328	214,134
Restricted	11,559	-	5,000,000	8,146,321	13,157,880
Committed	-	-	-	68,498	68,498
Assigned	2,371,664	3,029,538	-	696,355	6,097,557
Unassigned	1,294,916	-	-	-	1,294,916
Total fund balances	<u>3,801,945</u>	<u>3,029,538</u>	<u>5,000,000</u>	<u>9,001,502</u>	<u>20,832,985</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,743,919</u>	<u>\$ 3,610,913</u>	<u>\$ 5,000,000</u>	<u>\$ 10,537,327</u>	<u>\$ 24,892,159</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

Total governmental fund balances	\$ 20,832,985
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Amounts reported for governmental activities on the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds. 30,086,265

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.

Income taxes receivable Real and other taxes receivable Accounts receivable Settlements receivable Intergovernmental receivable Accrued interest receivable Total	\$ 716,663 30,084 5,615 119,112 424,084 34,502 <hr/> 1,330,060
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Accrued interest payable is not due and payable in the current-period and is not reported in the funds. (8,940)

Unamortized premiums on bond issuances are not recognized in the funds. (284,677)

The net pension liability and net OPEB liability (asset) are not due and payable in the current-period; therefore, the liability (asset) and related deferred inflows/outflows of resources are not reported in governmental funds.

Net OPEB asset Deferred outflows of resources - pension Deferred outflows of resources - OPEB Net pension liability Net OPEB liability Deferred inflows of resources - pension Deferred inflows of resources - OPEB Total	146,459 4,981,577 659,535 (16,559,334) (928,291) (687,006) (910,615) <hr/> (13,297,675)
--	--

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

General obligation bonds payable OPWC loans payable Leases payable Compensated absences Total	(5,128,016) (243,179) (42,226) (2,732,955) <hr/> (8,146,376)
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Net position of governmental activities	\$ 30,511,642
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

	General	(Formerly Major) ARPA	(Formerly Nonmajor) Capital Improvement	Recreation Improvement
Revenues:				
Income taxes	\$ 8,079,150		\$ -	\$ -
Property taxes	641,667		- -	- -
Other local taxes	28,255		- -	- -
Charges for services	32,425		- -	- -
Licenses, permits and fees	220,243		- -	- -
Fines and forfeitures	671,224		- -	- -
Intergovernmental	912,451		- -	- -
Special assessments	17,855		- -	- -
Investment income	139,477		112,594	- -
Rental income	- -		- -	- -
Contributions and donations	500		- -	- -
Refunds and reimbursements	163,637		- -	- -
Payments in lieu of taxes	- -		- -	- -
Change in fair value of investments	495,729		- -	- -
Other	139,732		18,308	- -
Total revenues	11,542,345		130,902	- -
Expenditures:				
Current:				
General government:				
Legislative and executive	1,862,273		- -	- -
Judicial	1,132,506		- -	- -
Public safety	6,815,532		- -	- -
Health	93,603		- -	- -
Conservation and recreation	- -		- -	- -
Economic development	64,787		- -	- -
Public works	392,452		- -	- -
Transportation	387,641		- -	- -
Capital outlay	760,305		132,629	- -
Debt service:				
Principal retirement	46,586		23,697	- -
Interest	2,441		- -	- -
Bond issuance costs	- -		- -	121,529
Total expenditures	11,558,126		156,326	121,529
Excess (deficiency) of revenues over (under) expenditures	(15,781)		(25,424)	(121,529)
Other financing sources (uses):				
Bond issuance	- -		- -	5,000,000
Lease transaction	24,879		- -	- -
Transfers in	4,553		100,000	- -
Transfers (out)	(947,875)		- -	- -
Premium on bond issuance	- -		- -	121,529
Total other financing sources (uses)	(918,443)		100,000	5,121,529
Net change in fund balances	(934,224)		74,576	5,000,000
Fund balances as previously reported	4,798,427		64,729	- -
Adjustment- changes in major funds	- -	(64,729)	2,954,962	- -
Adjustment- change within financial reporting entity	(62,258)		- -	- -
Fund balances at beginning of year, as adjusted	4,736,169		2,954,962	- -
Fund balances at end of year	\$ 3,801,945		\$ 3,029,538	\$ 5,000,000

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

	Other Governmental Funds	Total Governmental Funds
\$	812,779	\$ 8,891,929
	184,976	826,643
	29,138	57,393
	232,695	265,120
	145,692	365,935
	166,550	837,774
	2,127,018	3,039,469
	-	17,855
	139,328	391,399
	37,995	37,995
	28,645	29,145
	30,931	194,568
	240,269	240,269
	-	495,729
	113,260	271,300
	<u>4,289,276</u>	<u>15,962,523</u>

46,055	1,908,328
284,253	1,416,759
346,689	7,162,221
59,441	153,044
1,086,406	1,086,406
36,347	101,134
-	392,452
944,321	1,331,962
448,359	1,341,293
5,960	76,243
502	2,943
-	121,529
<u>3,258,333</u>	<u>15,094,314</u>
 1,030,943	 868,209

-	5,000,000
27,504	52,383
797,875	902,428
(4,553)	(952,428)
165,530	287,059
<u>986,356</u>	<u>5,289,442</u>
 2,017,299	 6,157,651
 9,812,178	 14,675,334
 (2,890,233)	 -
 <u>62,258</u>	 -
 6,984,203	 14,675,334
<u>\$ 9,001,502</u>	<u>\$ 20,832,985</u>

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

Net change in fund balances - total governmental funds \$ 6,157,651

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 exceed depreciation/amortization expense in the current period.

Capital asset additions	\$ 1,467,397
Current year depreciation/amortization	<u>(1,298,256)</u>
Total	169,141

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (13,138)

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

Income taxes	(62,305)
Property taxes	(1,155)
Intergovernmental revenues	9,042
Investment income	4,846
Settlements	119,112
Charges for services	<u>(100)</u>
Total	69,440

Proceeds of debt are reported as an other financing source 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. (5,052,383)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. 76,243

Premiums on general obligation bonds are recognized as other financing sources in the governmental funds; however, they are amortized over the life of the issuance in the statement of activities. (287,059)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

Change in accrued interest payable	(8,763)
Amortization of bond premiums	2,382
Total	(6,381)

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	1,283,577
OPEB	19,682
Total	1,303,259

Except for amounts reported as deferred inflows/outflows of resources; changes in the net pension liability and net OPEB liability/(asset) are reported as pension/OPEB expense in the statement of activities.

Pension	(1,758,396)
OPEB	<u>(79,994)</u>
Total	(1,838,390)

Compensated absences that do not require the use of current financial resources are not reported as expenditures in governmental funds.

	(361,107)
	<u>\$ 217,276</u>

Change in net position of governmental activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

Business-type Activities - Enterprise Funds					
	Water Fund	Sewer Fund	Airport Fund	Garbage Fund	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 2,382,380	\$ 5,582,804	\$ 294,788	\$ 1,176,347	
Receivables:					
Accounts	524,535	666,853	-	123,766	
Loans	-	61,500	-	-	
Materials and supplies inventory	114,696	24,825	-	-	
Prepayments	11,486	8,453	522	-	
Total current assets	<u>3,033,097</u>	<u>6,344,435</u>	<u>295,310</u>	<u>1,300,113</u>	
Noncurrent assets:					
Loans receivable	-	492,000	-	-	
Net OPEB asset	38,535	38,036	-	3,734	
Capital assets:					
Land and construction in progress	896,631	314,084	745,305	75,814	
Depreciable capital assets, net	9,933,529	14,620,275	9,118,748	174,314	
Total capital assets, net	<u>10,830,160</u>	<u>14,934,359</u>	<u>9,864,053</u>	<u>250,128</u>	
Total noncurrent assets	<u>10,868,695</u>	<u>15,464,395</u>	<u>9,864,053</u>	<u>253,862</u>	
Total assets	<u>13,901,792</u>	<u>21,808,830</u>	<u>10,159,363</u>	<u>1,553,975</u>	
Deferred outflows of resources:					
Pension	383,532	378,989	-	37,198	
OPEB	33,063	36,766	-	3,203	
Total deferred outflows of resources	<u>416,595</u>	<u>415,755</u>	<u>-</u>	<u>40,401</u>	
Liabilities:					
Current liabilities:					
Accounts payable	86,699	33,379	51,972	87,509	
Contracts payable	87,324	-	-	-	
Retainage payable	7,593	-	-	-	
Accrued wages and benefits payable	36,470	33,268	-	3,601	
Intergovernmental payable	15,425	15,176	-	1,501	
Accrued interest payable	332	444	17	-	
Compensated absences payable	77,503	45,042	-	1,918	
Refundable deposits	-	-	-	-	
General obligation bonds payable	103,820	138,997	5,423	-	
OPWC loans payable	356	22,920	-	-	
Total current liabilities	<u>415,522</u>	<u>289,226</u>	<u>57,412</u>	<u>94,529</u>	
Long-term liabilities:					
Compensated absences payable	364,774	212,783	-	8,516	
General obligation bonds payable	214,442	287,100	11,202	-	
OPWC loans payable	-	108,120	-	-	
Net pension liability	1,125,005	1,110,444	-	109,005	
Net OPEB liability	-	-	-	-	
Total long-term liabilities	<u>1,704,221</u>	<u>1,718,447</u>	<u>11,202</u>	<u>117,521</u>	
Total liabilities	<u>2,119,743</u>	<u>2,007,673</u>	<u>68,614</u>	<u>212,050</u>	
Deferred inflows of resources:					
Pension	8,538	95,319	-	13,662	
OPEB	24,212	22,000	-	2,438	
Total deferred inflows of resources	<u>32,750</u>	<u>117,319</u>	<u>-</u>	<u>16,100</u>	
Net position:					
Net investment in capital assets	10,416,625	14,377,222	9,847,428	250,128	
Restricted for OPEB	38,535	38,036	-	3,734	
Unrestricted	1,710,734	5,684,335	243,321	1,112,364	
Total net position	<u>\$ 12,165,894</u>	<u>\$ 20,099,593</u>	<u>\$ 10,090,749</u>	<u>\$ 1,366,226</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Ambulance Fund	Nonmajor Enterprise Funds	Total
\$ 547,157	\$ 296,385	\$ 10,279,861
580,635	-	1,895,789
-	-	61,500
-	-	139,521
1,609	-	22,070
<u>1,129,401</u>	<u>296,385</u>	<u>12,398,741</u>
 - 2,286	 - 314	 492,000 82,905
 - 549,395	 216,620 37,258	 2,248,454 34,433,519
<u>549,395</u>	<u>253,878</u>	<u>36,681,973</u>
<u>551,681</u>	<u>254,192</u>	<u>37,256,878</u>
<u>1,681,082</u>	<u>550,577</u>	<u>49,655,619</u>
 445,626 66,925	 2,963 299	 1,248,308 140,256
<u>512,551</u>	<u>3,262</u>	<u>1,388,564</u>
 18,507 - - 8,609 5,569 - 16,982 - - - 49,667	 - - - 173 76 - 33 220,411 - - - <u>220,693</u>	 278,066 87,324 7,593 82,121 37,747 793 141,478 220,411 248,240 23,276 <u>1,127,049</u>
 94,991 - - 780,868 53,969 929,828 979,495	 232 - - 9,155 - 9,387 230,080	 681,296 512,744 108,120 3,134,477 53,969 <u>4,490,606</u> <u>5,617,655</u>
 375,361 94,749 470,110	 804 184 988	 493,684 143,583 637,267
 549,395 2,286 192,347 \$ 744,028	 253,878 314 68,579 \$ 322,771	 35,694,676 82,905 9,011,680 <u>\$ 44,789,261</u>

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

Business-type Activities - Enterprise Funds				
	Water Fund	Sewer Fund	Airport Fund	Garbage Fund
Operating revenues:				
Charges for services	\$ 2,686,540	\$ 3,416,019	\$ 63,404	\$ 1,190,322
Refunds and reimbursements	3,118	7,732	32,000	-
Rental income	-	-	155,997	-
Other operating revenues	151,257	22,533	-	28,571
Total operating revenues	<u>2,840,915</u>	<u>3,446,284</u>	<u>251,401</u>	<u>1,218,893</u>
Operating expenses:				
Personal services	1,054,542	1,041,458	-	104,560
Contract services	477,043	336,530	179,979	1,004,274
Materials and supplies	603,233	110,318	95,213	75,781
Depreciation	329,847	756,047	310,537	33,857
Other	91,543	65,351	9,412	-
Total operating expenses	<u>2,556,208</u>	<u>2,309,704</u>	<u>595,141</u>	<u>1,218,472</u>
Operating income (loss)	<u>284,707</u>	<u>1,136,580</u>	<u>(343,740)</u>	<u>421</u>
Nonoperating revenues (expenses):				
Interest expense	(4,814)	(7,329)	(352)	-
Interest income	-	-	592	-
Intergovernmental	-	-	-	-
Total nonoperating revenues (expenses)	<u>(4,814)</u>	<u>(7,329)</u>	<u>240</u>	<u>-</u>
Income (loss) before transfers	<u>279,893</u>	<u>1,129,251</u>	<u>(343,500)</u>	<u>421</u>
Transfer in	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Change in net position	<u>279,893</u>	<u>1,129,251</u>	<u>(293,500)</u>	<u>421</u>
Net position as previously reported	<u>12,140,058</u>	<u>19,133,193</u>	<u>10,384,249</u>	<u>1,375,211</u>
Restatement- change in accounting principle	<u>(254,057)</u>	<u>(162,851)</u>	<u>-</u>	<u>(9,406)</u>
Net position at beginning of year (restated)	<u>11,886,001</u>	<u>18,970,342</u>	<u>10,384,249</u>	<u>1,365,805</u>
Net position at end of year	<u><u>\$ 12,165,894</u></u>	<u><u>\$ 20,099,593</u></u>	<u><u>\$ 10,090,749</u></u>	<u><u>\$ 1,366,226</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Ambulance Fund	Nonmajor Enterprise Funds	Total
\$ 800,419	\$ 13,618	\$ 8,170,322
-	-	42,850
-	19,823	175,820
677	-	203,038
<u>801,096</u>	<u>33,441</u>	<u>8,592,030</u>
367,798	6,908	2,575,266
47,787	-	2,045,613
91,261	-	975,806
50,211	4,176	1,484,675
35,596	17,705	219,607
<u>592,653</u>	<u>28,789</u>	<u>7,300,967</u>
208,443	4,652	1,291,063
-	-	(12,495)
-	-	592
10,305	-	10,305
<u>10,305</u>	<u>-</u>	<u>(1,598)</u>
218,748	4,652	1,289,465
<u>-</u>	<u>-</u>	<u>50,000</u>
218,748	4,652	1,339,465
670,701	318,330	44,021,742
<u>(145,421)</u>	<u>(211)</u>	<u>(571,946)</u>
525,280	318,119	43,449,796
<u>\$ 744,028</u>	<u>\$ 322,771</u>	<u>\$ 44,789,261</u>

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

	Business-type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Airport Fund	Garbage Fund
Cash flows from operating activities:				
Cash received from customers	\$ 2,690,042	\$ 3,424,701	\$ 218,054	\$ 1,190,435
Cash received from other operations	154,375	30,265	32,000	28,571
Cash payments for personal services	(1,112,932)	(1,161,100)	-	(132,500)
Cash payments for contractual services	(491,136)	(328,436)	(177,774)	(991,121)
Cash payments for materials and supplies	(479,055)	(109,438)	(49,298)	(75,781)
Cash payments for other expenses	(83,213)	(69,251)	(8,972)	-
Net cash provided by operating activities	<u>678,081</u>	<u>1,786,741</u>	<u>14,010</u>	<u>19,604</u>
Cash flows from noncapital financing activities:				
Cash received from grants and subsidies	-	-	-	-
Advance in	-	61,500	-	-
Advance out	-	(615,000)	-	-
Cash received from transfers in	-	-	50,000	-
Interest received from lease	-	-	805	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(553,500)</u>	<u>50,805</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(948,728)	(516,468)	(24,771)	-
Principal retirement on general obligation bonds	(104,178)	(139,476)	(5,442)	-
Principal retirement on OPWC loans	(712)	(22,920)	-	-
Interest and fiscal charges	<u>(4,922)</u>	<u>(7,474)</u>	<u>(358)</u>	<u>-</u>
Net cash (used in) capital and related financing activities	<u>(1,058,540)</u>	<u>(686,338)</u>	<u>(30,571)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(380,459)</u>	<u>546,903</u>	<u>34,244</u>	<u>19,604</u>
Cash and cash equivalents at beginning of year	<u>2,762,839</u>	<u>5,035,901</u>	<u>260,544</u>	<u>1,156,743</u>
Cash and cash equivalents at end of year	<u>\$ 2,382,380</u>	<u>\$ 5,582,804</u>	<u>\$ 294,788</u>	<u>\$ 1,176,347</u>

Ambulance Fund	Nonmajor Enterprise Funds	Total
\$ 758,041	\$ 13,618	\$ 8,294,891
677	19,503	265,391
(453,957)	(7,904)	(2,868,393)
(45,546)	-	(2,034,013)
(77,884)	-	(791,456)
(33,499)	(17,828)	(212,763)
 <u>147,832</u>	 <u>7,389</u>	 <u>2,653,657</u>
 10,305	 -	 10,305
-	-	61,500
-	-	(615,000)
-	-	50,000
-	-	805
 <u>10,305</u>	 <u>-</u>	 <u>(492,390)</u>
 -	 -	 (1,489,967)
-	-	(249,096)
-	-	(23,632)
-	-	(12,754)
 <u>-</u>	 <u>-</u>	 <u>(1,775,449)</u>
 158,137	 7,389	 385,818
 <u>389,020</u>	 <u>288,996</u>	 <u>9,894,043</u>
 <u>\$ 547,157</u>	 <u>\$ 296,385</u>	 <u>\$ 10,279,861</u>

- (Continued)

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

	Business-type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Airport Fund	Garbage Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 284,707	\$ 1,136,580	\$ (343,740)	\$ 421
Adjustments:				
Depreciation	329,847	756,047	310,537	33,857
(Increase) decrease in assets and deferred outflows:				
Materials and supplies inventory	71,073	(724)	-	-
Accounts receivable	3,502	8,682	-	113
Prepayments	(1,173)	(7,896)	(82)	-
Lease	-	-	63,886	-
Net OPEB asset	(38,535)	(38,036)	-	(3,734)
Deferred outflows - pension	121,885	293,328	-	12,790
Deferred outflows - OPEB	44,170	56,860	-	4,427
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable	17,990	13,300	48,642	13,153
Accrued wages and benefits	8,667	(6,040)	-	929
Due to other governments	(485)	(8,426)	-	(28)
Compensated absences payable	(30,271)	(75,663)	-	(2,443)
Refundable deposits	-	-	-	-
Net pension liability	(104,123)	(384,411)	-	(9,997)
Net OPEB liability	(25,984)	(31,601)	-	(2,516)
Deferred inflows - lease	-	-	(65,233)	-
Deferred inflows - pension	(17,904)	66,976	-	(28,647)
Deferred inflows - OPEB	14,715	7,765	-	1,279
Net cash provided by operating activities	<u>\$ 678,081</u>	<u>\$ 1,786,741</u>	<u>\$ 14,010</u>	<u>\$ 19,604</u>
Noncash capital financing activities:				
Capital related payables at the end of 2024	\$ 94,917	\$ -	\$ -	\$ -
Capital related payables at the end of 2023	46,260	17,555	-	-

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Ambulance Fund	Nonmajor Enterprise Funds	Total
\$ 208,443	\$ 4,652	\$ 1,291,063
50,211	4,176	1,484,675
-	-	70,349
(42,378)	-	(30,081)
3,918	-	(5,233)
-	-	63,886
(2,286)	(314)	(82,905)
254,819	1,985	684,807
46,889	459	152,805
13,797	(123)	106,759
4,158	(120)	7,594
1,776	(85)	(7,248)
(134,307)	54	(242,630)
-	(320)	(320)
(509,008)	(2,944)	(1,010,483)
(38,229)	(256)	(98,586)
-	-	(65,233)
291,562	173	312,160
(1,533)	52	22,278
<u>\$ 147,832</u>	<u>\$ 7,389</u>	<u>\$ 2,653,657</u>

\$ - \$ - \$ 94,917
- - 63,815

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024

	Private Purpose Trust	Custodial
Assets:		
Equity in pooled cash and cash equivalents	\$ 15,967	\$ 9,990
Cash and cash equivalents in segregated accounts	-	98,759
Investments	60,000	-
Total assets	<u>75,967</u>	<u>108,749</u>
Net position:		
Held in trust	75,967	-
Restricted for organizations and other governments	-	108,749
Total net position	<u>\$ 75,967</u>	<u>\$ 108,749</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

	Private Purpose Trust	Custodial
Additions:		
Fines and forfeitures for other governments	\$ -	\$ 2,134,103
Fees for other organizations	- -	81,117
Interest	909	-
Total additions	<u>909</u>	<u>2,215,220</u>
Deductions:		
Fines and forfeitures distributions to other governments	- -	2,090,779
Fee distributions to organizations	- -	79,440
Endowments	2,199	-
Total deductions	<u>2,199</u>	<u>2,170,219</u>
Change in net position	(1,290)	45,001
Net position at beginning of year	77,257	63,748
Net position at end of year	<u>75,967</u>	<u>108,749</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE CITY

The City of Bellefontaine, (the “City”), is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The City was formed as a village in 1820 and incorporated in 1835. In 1900 it became a City and is presently a home rule municipal corporate under the laws of the State of Ohio.

The City has operates under a council-mayor form of government and provides the following services: public safety, public services, recreation and development. Education services are provided by the Bellefontaine City School District, which is a separate governmental entity and its financial statements are not included in these financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements 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 financial statements includes all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Component units are legally separate organizations 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 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 financial statements to be misleading or incomplete. Based upon the application of these criteria, the City has no component units.

The primary government of the City 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 and fire protection, ambulance services, planning, zoning, street maintenance and repairs, economic development, parks and recreation, airport, and water, sewer and garbage utilities. The City included in its financial statements the operations and balances of the Bellefontaine Municipal Court and the Park Commission. The City has not included the Bellefontaine City School District, which elects its own officials, and has no control over its operations. The preceding financial statements include all funds of the City (the primary government).

B. Basis of Presentation - Fund Accounting

The City’s 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 BELLEFONTAINE
LOGAN COUNTY, 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 or 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 proprietary 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.

Capital Improvement fund - This fund is used to account for monies assigned for the purpose of capital improvement. This fund is also used to pay principal and interest on OPWC loans for the purpose of improving the City.

Recreation Improvement fund - This fund was established in 2024 to account for monies received through bond proceeds which are restricted for the use of recreation improvement. The purpose of this fund is for the acquisition, construction, equipping and improvement of the City's municipal recreation facilities and equipment, including the Harmon Park re-construction, and the Hoffman Pool replacement project.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, 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. Proprietary funds are classified as enterprise funds.

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

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

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

Airport fund - This fund accounts for the activities of the City's airport.

Garbage fund - This fund accounts for the operations providing garbage waste removal to the residents and commercial users located within the City.

Ambulance fund - This fund accounts for the City's ambulance activities.

The City's nonmajor enterprise funds are used to account for parking meter and public utility trust operations.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's private-purpose trust funds account for resources legally held in trust. The City's custodial funds account for fines, fees and forfeitures collected and distributed to organizations or other governments.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

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

D. Measurement Focus

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

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

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 and outflows 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 a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty (60) days of year-end.

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

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents 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. For the City, see Notes 14 and 15 for deferred outflows of resources related to the City's net pension liability, and net OPEB liability, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, 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, 2024, but which were levied to finance 2025 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. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes, accrued interest, intergovernmental grants, and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, see Notes 14 and 15 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is 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

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The legal level of budgetary control is by department, and within each, appropriated for personal services. Council can amend the budget at the legal level of budgetary control through the passage of supplemental ordinances. Management can amend appropriations below this level without Council approval.

G. Cash and Cash Equivalents

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

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

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

During 2024, investments were limited to nonnegotiable certificates of deposit (CDs), negotiable CDs, STAR Ohio, and U.S. Government money market mutual funds. Investments are reported at fair value. Fair value is based on quoted market prices.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During 2024, interest revenue credited to the general fund amounted to \$139,477, which includes \$99,572 assigned from other City funds.

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.

For purpose of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments, to the extent that the investment was purchased from a specific fund.

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

An analysis of the City's depository accounts at year-end is provided in Note 4.

H. Inventories of Materials and Supplies

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

On the fund financial statements, reported material and supplies inventory is equally offset as a component of nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventory consists of expendable supplies held for consumption.

I. Capital Assets

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

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of roads, bridges, sidewalks, and other similar items. 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. In addition, assets having an estimated useful life of more than one year that are below the \$5,000 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/amortized over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation/amortized is computed using the straight-line method over the following useful lives:

Classification	Useful Life
Infrastructure	10-80 years
Buildings	40 years
Utility plant in service	40-80 years
Improvements other than buildings	20-50 years
Machinery, vehicles, furniture and equipment	5-20 years
Intangible right to use - leased equipment	5 years

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

J. 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.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

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

Bonus Days

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

K. Prepaid Items

Prepayments made to vendors for services that will benefit future periods beyond December 31, 2024 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Ordinance of City Council, which includes giving the City Auditor the authority to constrain monies for intended purposes.

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.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

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

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.

N. 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 Council and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items during 2024.

O. Estimates

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

P. Interfund Activity

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

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

Q. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. 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 adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for other grants and pension/OPEB.

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

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

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

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for the water, sewer, airport, garbage, ambulance, and parking meter enterprise funds. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting these descriptions are reported as nonoperating revenues and expenses.

S. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable/payable”. On the fund financial statements, receivables and payables resulting from long-term interfund loans are classified as “loans receivable/payable.” Receivables and payables for services provided by one fund to another fund are classified as “due to/from other funds.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. The City had an interfund balance of \$553,500 to report at December 31, 2024. This interfund balance is related to manuscript debt used to purchase a fire truck for the City. Refer to Note 5.B for more detail.

T. Pensions/Other Postemployment Benefits (OPEB)

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

U. 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.

V. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction and from contributions from governmental funds. During 2024, the City had no contributions of capital.

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”.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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 reported 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. Change Within the Financial Reporting Entity

For 2024, the City's Capital Improvement fund presentation was adjusted from nonmajor to major due to meeting the qualitative threshold for a major fund. This change is separately displayed in the financial statements.

For 2024, the City's American Rescue plan fund presentation was adjusted from major to nonmajor due to no longer meeting the qualitative threshold for a major fund. This change is separately displayed in the financial statements.

In March 2024, voters approved a 0.267% income tax levy restricted for parks and recreation operations and capital improvements. Therefore, the City's Park Department fund classification was adjusted from a component of the general fund to a nonmajor special revenue fund. This change is displayed in the financial statements.

C. 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 this change on net position at the beginning of the year for the governmental activities and business-type activities is separately displayed in the financial statements.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

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;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

A. Cash and Cash Equivalents in Segregated Accounts

At year end, the City had \$98,759 deposited with a financial institution for monies related to the Municipal Court which is reported as a custodial fund. This amount is not included in the City's depository balance below.

B. Deposits with Financial Institutions

At December 31, 2024, the carrying amount of all City deposits was \$4,019,397 and the bank balance of all City deposits was \$4,038,067. Of the bank balance, \$500,000 was covered by the FDIC, \$1,011,716 was covered by the Ohio Pooled Collateral System (OPCS), and the remaining \$2,526,351 was potentially exposed to custodial credit risk.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, the City's financial institutions were approved for a reduced collateral rate of 60 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

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

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	Investment Maturity				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
Negotiable CDs	\$ 19,663,478	\$ 244,790	\$ 3,681,458	\$ 973,562	\$ 1,413,829	\$ 13,349,839
U.S. government money market mutual funds	1,720,151	1,720,151	-	-	-	-
<i>Amortized Cost:</i> STAR Ohio	5,174,682	5,174,682	-	-	-	-
Total	\$ 26,558,311	\$ 7,139,623	\$ 3,681,458	\$ 973,562	\$ 1,413,829	\$ 13,349,839

The weighted average maturity of investments is 1.96 years.

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

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

Credit Risk: The negotiable CDs and the U.S. government money market were not rated. The negotiable CDs are covered by FDIC. The City has no investment policy dealing with investment credit risk beyond the requirements in State statutes. The City's investment policy limits investments to those authorized by State statute which restricts investments to those that are highly rated or backed by the enterprises of the United States Government. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. Credit ratings for STAR Ohio are from Standard & Poor's, while all other investment ratings are from Moody's. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific maturity, a specific obligor or a specific class or type of security.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The following table includes the percentage of each investment type held by the City at December 31, 2024:

<u>Investment type</u>	<u>Measurement</u>	
	<u>Value</u>	<u>% to Total</u>
Negotiable CDs	\$ 19,663,478	74.04
STAR Ohio	5,174,682	6.48
U.S. government money market mutual funds	1,720,151	19.48
Total	<u>\$ 26,558,311</u>	<u>100.00</u>

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

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

<u>Cash and cash equivalents per note</u>
Carrying amount of deposits \$ 4,019,397
Cash in segregated accounts 98,759
Investments <u>26,558,311</u>
Total <u>\$ 30,676,467</u>

<u>Cash and cash equivalents per statement of net position</u>
Governmental activities \$ 20,211,890
Business type activities 10,279,861
Private-purpose trust funds 75,967
Custodial funds <u>108,749</u>
Total <u>\$ 30,676,467</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A.** During 2024, the general fund transferred \$100,000 to the capital improvement fund, \$797,875 to the nonmajor governmental funds, and \$50,000 to the airport fund. Transfers were made to the Cemetery nonmajor special revenue fund in the amount of \$25,000 and Parks Department nonmajor special revenue fund in the amount of \$772,875.

During 2024, the ARPA nonmajor special revenue fund transferred \$4,553 to the general fund for revenue loss.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated on the government-wide financial statements.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- B.** In 2024 the City issued \$615,000 in manuscript debt from the sewer fund to the capital improvement fund for the purchase of a fire truck. In 2025 there will be a final debt service schedule available showing the repayment of principal and interest due to the sewer fund over the next 10 years. During 2024, the capital improvement fund made a payment of \$61,500 to the sewer fund and \$61,500 is scheduled to be repaid in 2025. The loan balance at December 31, 2024 consisted of the following individual long-term loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Sewer fund	Capital Improvement fund	\$ 553,500

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 Bellefontaine. 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, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2024 operations and the collection of delinquent taxes has been offset by deferred inflow 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 a deferred inflow.

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 and public utility property upon which 2024 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 283,630,030
Commercial/industrial/mineral	88,831,780
<u>Public utility</u>	
Real	281,990
Personal	<u>17,566,100</u>
Total assessed value	<u><u>\$ 390,309,900</u></u>

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 7 - INCOME TAXES

The City levies an income tax on the gross salaries, wages and other personal services compensation earned by residents of the City and to the earnings of nonresidents working within the City. The income tax rate is 1.333% for general operations and 0.267% is voter restricted for parks operations and related capital improvements. This results in a total income tax rate of 1.60%. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted a full credit for taxes paid, up to 0.666% which would be due the City, to other Ohio municipalities.

The receipts of the City income tax are accounted for in the general fund and parks department nonmajor special revenue fund. The administrative costs associated with the collection of income tax are accounted for in the general fund. Income tax receipts, net of related administrative costs, are disbursed, appropriated and allocated in accordance with Ordinance No. 15-74 as amended.

NOTE 8 - TAX ABATEMENTS

Under the authority of Ohio Revised Code Sections 3735.65 - 3735.70, the City established the Bellefontaine Community Reinvestment Area (CRA) program. Legislation established that the remodeling of existing and construction of the new structures within these CRAs constituted a public purpose for which real property tax exemptions may be granted. The specific tax being abated is the property tax. These taxes are abated through a reduction in assessed value.

Within the area, the percentage of any tax exemptions on the increase in the assessed valuation resulting from improvements to commercial or industrial real property and the terms of those exemptions shall be negotiated in advance of construction or remodeling occurring and shall be anywhere from 0% to 100%.

The period of exemption shall be negotiated and approved, on a project-by-project basis, shall: (a) not exceed fifteen years for existing commercial or industrial facilities; and (b) not exceed fifteen years for new commercial or industrial facilities.

Within the area, the percentage of any tax exemptions on the increase in the assessed value resulting from construction of or improvements to residential real property shall be as follows: (a) Fifty percent for five years for remodeling where the increase in fair market value is \$10,000 or greater; (b) one hundred percent for five years for new construction completed by the homeowner or developer of less than six single family houses and/or multi-unit residential structures containing three or less units under one roof, or a combination thereof, all of which are built within a single calendar year; or (c) one hundred percent for twelve years for new construction by a developer of six or more single family houses and/or multi-unit residential structures containing three or less units under one roof, or a combination thereof, all of which are built within a single calendar year.

The City will not be disclosing these abatement agreements individually. The City will also not be disclosing the individual company tax incentive payments pursuant to ORC 718.13.

Provisions for recapturing abated taxes - There are no provisions for recapturing abated taxes as each abatement is reviewed by the Tax Incentive Review Council. The Tax Incentive Review Council meets annually to review the exemptions and to determine whether the company is maintaining their end of the agreement. If an agreement is terminated by the Review Council, the assessed valuation of the property will be set at its fair market valuation with no additional exemption allowed.

The gross dollar amount by which the taxes were reduced to the City for 2024 was \$65,848.

NOTE 9 - RECEIVABLES

- A. Receivables at December 31, 2024 consisted of taxes, accounts (billings for user charged services), payment in lieu of taxes, accrued interest, and intergovernmental receivables. Receivables have been recorded to the extent that they are measurable at December 31, 2024.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 9 - RECEIVABLES - (Continued)

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

Governmental activities:

Income taxes	\$ 2,278,349
Property and other taxes	715,084
Accounts	210,093
Payment in lieu of taxes	272,816
Accrued interest	46,006
Due from other governments	943,787

Business-type activities:

Accounts	1,895,789
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Receivables have been disaggregated on the face of the financial statements. All receivables are expected to be collected within the subsequent year with the exception of the \$110,734 opioid settlement receivable which will be collected over the course of the settlement agreements.

B. Leases Receivable

For 2024, the airport fund recognized lease revenue as rental income, and interest revenue. The airport fund received \$592 in interest revenue in 2024.

The City entered into the following lease agreement as the lessor as follows:

<u>Lease Type</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
<i>Business-Type Activities:</i>				
Triple K Farms - Bellefontaine Regional Airport Farm (Land Lease)	1/1/2022	3	12/31/2024	Biannual

The City entered into a new airport farm land lease as lessor effective January 1, 2025, see Note 20 for detail.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

<u>Governmental activities:</u>	<u>Balance</u>	<u>12/31/23</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>	<u>12/31/24</u>
<i>Capital assets, not being depreciated/amortized:</i>						
Land	\$ 7,948,000	\$ -	\$ -	\$ -	\$ 7,948,000	\$ 7,948,000
Construction in progress	- -	172,535	- -	- -	172,535	172,535
Total capital assets, not being depreciated/amortized	<u>7,948,000</u>	<u>172,535</u>	<u>- -</u>	<u>- -</u>	<u>8,120,535</u>	<u>8,120,535</u>
<i>Capital assets, being depreciated/amortized:</i>						
Land improvements	6,305,627	208,385	- -	- -	6,514,012	6,514,012
Buildings	4,949,901	23,154	- -	- -	4,973,055	4,973,055
Building components	1,015,176	- -	- -	- -	1,015,176	1,015,176
Equipment	3,250,641	530,206	(39,820)	(39,820)	3,741,027	3,741,027
Furniture	171,373	- -	- -	- -	171,373	171,373
Vehicles	5,157,865	479,774	(76,095)	(76,095)	5,561,544	5,561,544
Infrastructure	22,036,699	- -	- -	- -	22,036,699	22,036,699
Infrastructure contributions	3,146,226	- -	- -	- -	3,146,226	3,146,226
Intangible right to use:						
Leased equipment	16,449	53,343	(16,449)	(16,449)	53,343	53,343
Total capital assets, being depreciated/amortized	<u>46,049,957</u>	<u>1,294,862</u>	<u>(132,364)</u>	<u>(132,364)</u>	<u>47,212,455</u>	<u>47,212,455</u>
<i>Less: accumulated depreciation/amortization:</i>						
Land improvements	(894,506)	(79,656)	- -	- -	(974,162)	(974,162)
Buildings	(3,167,116)	(76,893)	- -	- -	(3,244,009)	(3,244,009)
Building components	(433,261)	(77,359)	- -	- -	(510,620)	(510,620)
Equipment	(1,906,940)	(171,646)	35,846	35,846	(2,042,740)	(2,042,740)
Furniture	(137,285)	(2,906)	- -	- -	(140,191)	(140,191)
Vehicles	(2,955,970)	(156,630)	68,576	68,576	(3,044,024)	(3,044,024)
Infrastructure	(13,717,601)	(653,612)	- -	- -	(14,371,213)	(14,371,213)
Infrastructure contributions	(840,212)	(67,995)	- -	- -	(908,207)	(908,207)
Intangible right to use:						
Leased equipment	(14,804)	(11,559)	14,804	14,804	(11,559)	(11,559)
Total accumulated depreciation/amortization	<u>(24,067,695)</u>	<u>(1,298,256)</u>	<u>119,226</u>	<u>119,226</u>	<u>(25,246,725)</u>	<u>(25,246,725)</u>
Total capital assets, being depreciated/amortized, net	<u>21,982,262</u>	<u>(3,394)</u>	<u>(13,138)</u>	<u>(13,138)</u>	<u>21,965,730</u>	<u>21,965,730</u>
Governmental activities capital assets, net	<u>\$ 29,930,262</u>	<u>\$ 169,141</u>	<u>\$ (13,138)</u>	<u>\$ (13,138)</u>	<u>\$ 30,086,265</u>	<u>\$ 30,086,265</u>

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-type activities:</u>	<u>Balance</u>	<u>12/31/23</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>	<u>12/31/24</u>
<i>Capital assets, not being depreciated:</i>						
Land	\$ 2,028,393	\$ -	\$ -	\$ 2,028,393		
Construction in progress	245,150	509,177	(534,266)	220,061		
Total capital assets, not being depreciated	<u>2,273,543</u>	<u>509,177</u>	<u>(534,266)</u>	<u>2,248,454</u>		
<i>Capital assets, being depreciated:</i>						
Land improvements	10,907,506	35,181	-	10,942,687		
Buildings	14,322,416	995,698	-	15,318,114		
Building components	164,560	40,890	-	205,450		
Equipment	7,175,624	107,085	-	7,282,709		
Furniture	72,772	-	-	72,772		
Vehicles	2,828,512	367,304	-	3,195,816		
Infrastructure	23,848,516	-	-	23,848,516		
Infrastructure contributions	<u>2,206,978</u>	<u>-</u>	<u>-</u>	<u>2,206,978</u>		
Total capital assets, being depreciated	<u>61,526,884</u>	<u>1,546,158</u>	<u>-</u>	<u>63,073,042</u>		
<i>Less: accumulated depreciation:</i>						
Land improvements	(2,911,308)	(223,969)	-	(3,135,277)		
Buildings	(5,869,174)	(234,572)	-	(6,103,746)		
Building components	(79,753)	(7,772)	-	(87,525)		
Equipment	(4,705,930)	(308,435)	-	(5,014,365)		
Furniture	(59,233)	(2,405)	-	(61,638)		
Vehicles	(1,665,911)	(138,529)	-	(1,804,440)		
Infrastructure	(11,087,124)	(536,080)	-	(11,623,204)		
Infrastructure contributions	<u>(776,415)</u>	<u>(32,913)</u>	<u>-</u>	<u>(809,328)</u>		
Total accumulated depreciation	<u>(27,154,848)</u>	<u>(1,484,675)</u>	<u>-</u>	<u>(28,639,523)</u>		
Total capital assets, being depreciated, net	<u>34,372,036</u>	<u>61,483</u>	<u>-</u>	<u>34,433,519</u>		
Business-type activities capital assets, net	<u><u>\$ 36,645,579</u></u>	<u><u>\$ 570,660</u></u>	<u><u>\$ (534,266)</u></u>	<u><u>\$ 36,681,973</u></u>		

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

Legislative and executive	\$ 74,469
Judicial	46,625
Public safety	192,384
Health	12,285
Conservation and recreation	131,218
Public works	120,847
Transportation	<u>720,428</u>
Total depreciation expense - governmental activities	<u>\$ 1,298,256</u>

Business-type activities:

Water	\$ 329,847
Sewer	756,047
Airport	310,537
Garbage	33,857
Ambulance	50,211
Other nonmajor	<u>4,176</u>
Total depreciation expense - business-type activities	<u>\$ 1,484,675</u>

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**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 11 - LONG-TERM OBLIGATIONS

Due to 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 activity occurred in long-term obligations.

	Interest Rate	Restated Balance 12/31/23	Additions	Reductions	Balance 12/31/24	Due Within One Year
<u>Governmental activities:</u>						
<u>General obligation bonds:</u>						
2020 various purpose refunding bonds	1.25%	\$ 169,920	\$ -	\$ (41,904)	\$ 128,016	\$ 41,760
2024 recreation bonds	4.00-5.00%	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 315,000
Total bonds		<u>169,920</u>	<u>5,000,000</u>	<u>(41,904)</u>	<u>5,128,016</u>	<u>356,760</u>
<u>Direct borrowing loans:</u>						
OPWC roadway improvement	0%	\$ 117,319	\$ -	\$ (11,732)	\$ 105,587	\$ 11,732
OPWC Wispering Pines resurfacing	0%	\$ 149,557	\$ -	\$ (11,965)	\$ 137,592	\$ 11,965
Total loans		<u>266,876</u>	<u>-</u>	<u>(23,697)</u>	<u>243,179</u>	<u>23,697</u>
<u>Other long-term liabilities:</u>						
Leases payable		\$ 485	\$ 52,383	\$ (10,642)	\$ 42,226	\$ 10,470
Net pension liability		\$ 17,060,202	\$ 110,403	\$ (611,271)	\$ 16,559,334	\$ -
Net OPEB liability		\$ 1,015,711	\$ 15,892	\$ (103,312)	\$ 928,291	\$ -
Compensated absences *		\$ 2,371,848	\$ 361,107	\$ -	\$ 2,732,955	\$ 566,026
Total other long-term liabilities		<u>20,448,246</u>	<u>539,785</u>	<u>(725,225)</u>	<u>20,262,806</u>	<u>576,496</u>
Total governmental activities long-term liabilities		<u>\$ 20,885,042</u>	<u>\$ 5,539,785</u>	<u>\$ (790,826)</u>	<u>\$ 25,634,001</u>	<u>\$ 956,953</u>
			Unamortized premium		<u>284,677</u>	
			Total amount on statement of net position		<u>\$ 25,918,678</u>	

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

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

	Interest Rate	Restated Balance 12/31/23	Additions	Reductions	Balance 12/31/24	Due Within One Year
<u>Business-type activities:</u>						
<u>General obligation bonds:</u>						
2020 various purpose refunding bonds	1.25%	\$ 1,010,080	\$ -	\$ (249,096)	\$ 760,984	\$ 248,240
Total bonds		<u>1,010,080</u>	<u>-</u>	<u>(249,096)</u>	<u>760,984</u>	<u>248,240</u>
<u>Direct borrowing loans:</u>						
OPWC waterline replacement	0%	1,068	-	(712)	356	356
OPWC storm water drainage	0%	37,800	-	(8,400)	29,400	8,400
OPWC wastewater treatment plant upgrade	0%	<u>116,160</u>	<u>-</u>	<u>(14,520)</u>	<u>101,640</u>	<u>14,520</u>
Total loans		<u>155,028</u>	<u>-</u>	<u>(23,632)</u>	<u>131,396</u>	<u>23,276</u>
<u>Other long-term liabilities:</u>						
Net pension liability		4,144,960	-	(1,010,483)	3,134,477	-
Net OPEB liability		152,555	-	(98,586)	53,969	-
Compensated absences *		<u>1,065,404</u>	<u>-</u>	<u>(242,630)</u>	<u>822,774</u>	<u>141,478</u>
Total other long-term liabilities		<u>5,362,919</u>	<u>-</u>	<u>(1,351,699)</u>	<u>4,011,220</u>	<u>141,478</u>
Total business-type activities						
long-term liabilities		<u>\$ 6,528,027</u>	<u>\$ -</u>	<u>\$ (1,624,427)</u>	<u>\$ 4,903,600</u>	<u>\$ 412,994</u>

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

Net Pension Liability and Net OPEB Liability - See Notes 14 and 15 for details on the City's net pension liability and net OPEB liability, respectively. The City pays obligations related to employee compensation from the fund benefiting from their services.

OPWC Loans - In prior years, the City entered into agreements with the Ohio Public Works Commission (OPWC) for various construction projects. The loans are interest free and payable through 2036 by the capital improvement fund, the water fund, and the sewer fund. The loans in the water and sewer fund are payable from water and sewer fund revenues, respectively.

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

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

2020 Various Purpose Refunding Bonds - On September 3, 2020, the City issued \$2,054,000 in general obligation bonds to current refund the 2010 energy bonds (\$287,310 within the governmental funds and \$1,707,690 within the enterprise funds). The bonds were issued with an interest rate of 1.25%, compared to the refunded bonds having interest rates ranging from 2.0 to 3.75%. The issuance resulted in a cash flow savings of \$154,365 and an economic benefit of \$147,331. The bonds mature in 2027 and are retired through the general fund, water fund, sewer fund and airport fund. The bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment. Water and sewer revenue bonds are for utility construction projects. Revenues of the utility facilities have been pledged to repay these debts.

Leases Payable - During 2024, the City entered into two lease payable agreements for copiers and printers for the intangible right to use. The City also retired previous lease agreements during 2024 with a final principal payment of \$485. The lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. The City's lease liability for 2024 totaled \$42,226.

2024 Recreation Bonds - On December 18, 2024, the City issued \$5,000,000 in municipal recreation bonds. The bonds were issued at a premium of \$287,057. The bonds have interest rates ranging from 4.00%-5.00%. The bonds mature in 2044 and will be retired through the parks department nonmajor special revenue fund. The bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment. The bonds were issued for the acquisition, construction, equipping, and improving of the municipal recreation facilities and recreational equipment, including the re-construction of the Harmon Park, and the Hoffman Pool replacement project.

The annual requirements amortize long-term obligations outstanding as of December 31, 2024, are as follows:

Year Ended	OPWC Loans - Governmental Activities			OPWC Loans - Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 23,697	\$ -	\$ 23,697	\$ 23,276	\$ -	\$ 23,276
2026	23,696	-	23,696	22,920	-	22,920
2027	23,696	-	23,696	22,920	-	22,920
2028	23,697	-	23,697	18,720	-	18,720
2029	23,696	-	23,696	14,520	-	14,520
2030 - 2034	106,750	-	106,750	29,040	-	29,040
2035 - 2036	<u>17,947</u>	<u>-</u>	<u>17,947</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 243,179</u>	<u>\$ -</u>	<u>\$ 243,179</u>	<u>\$ 131,396</u>	<u>\$ -</u>	<u>\$ 131,396</u>

Year Ended	2020 Various Purpose Refunding Bonds - Governmental Activities			2020 Various Purpose Refunding Bonds - Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 41,760	\$ 1,600	\$ 43,360	\$ 248,240	\$ 9,513	\$ 257,753
2026	42,912	1,078	43,990	255,088	6,409	261,497
2027	<u>43,344</u>	<u>542</u>	<u>43,886</u>	<u>257,656</u>	<u>3,221</u>	<u>260,877</u>
Totals	<u>\$ 128,016</u>	<u>\$ 3,220</u>	<u>\$ 131,236</u>	<u>\$ 760,984</u>	<u>\$ 19,143</u>	<u>\$ 780,127</u>

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended	2024 Recreation Bonds - Governmental Activities			Leases Payable Governmental Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 315,000	\$ 222,378	\$ 537,378	\$ 10,470	\$ 749	\$ 11,219
2026	155,000	217,650	372,650	10,681	538	11,219
2027	160,000	209,900	369,900	10,897	322	11,219
2028	170,000	201,900	371,900	10,120	103	10,223
2029	180,000	193,400	373,400	58	-	58
2030-2034	1,035,000	823,500	1,858,500	-	-	-
2035-2039	1,325,000	537,250	1,862,250	-	-	-
2040-2044	1,660,000	204,600	1,864,600	-	-	-
Total	<u>\$ 5,000,000</u>	<u>\$ 2,610,578</u>	<u>\$ 7,610,578</u>	<u>\$ 42,226</u>	<u>\$ 1,712</u>	<u>\$ 43,938</u>

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 total debt margin was \$36,020,054 and the unvoted debt margin was \$21,467,045.

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 100% insured with a \$1,000 deductible. Settled claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year. All employees of the City are covered by a blanket bond, while certain individuals in policy making roles are covered by separate, higher limit bond coverage. The City pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries.

The rate is calculated based on accident history and administrative costs. Medical coverage is offered to employees.

Medical Mutual of Ohio manages the claims and absorbs the risk of loss

NOTE 13 - OTHER EMPLOYEE BENEFITS

The City accrues unpaid bonus, compensatory time and vacation as it is earned and certain portions of sick leave as payment becomes probable. Sick leave accumulates at the rate of 4.6 hours of sick leave for 80 hours of work completed. Sick leave may be converted into cash upon retirement with ten years of service at the rate of thirty-three percent for a maximum of 40 eight-hour workdays. Individuals leaving employment of the City prior to retirement or at retirement with less than three years of service lose their accumulated unpaid vested leave.

Vacation leave accumulates at a varying rate based upon years of service. No more than three years entitlement of vacation can be carried forward into the next calendar year unless the employee is unable to use his vacation due to the operational needs of the City. In the case of death, termination, or retirement, an employee (or his estate) is paid for the unused vacation up to a maximum of the three-years' entitlements accrual.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - 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 transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period.

The 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.

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.

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**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 intergovernmental payable on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 15 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.

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**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - 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	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	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.

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 BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - 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:

	<u>State and Local</u>
	<u>Traditional</u>
2024 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2024 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
 Total Employer	 <u>14.0 %</u>
 Employee	 <u>10.0 %</u>

* 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 was \$705,541 for 2024. Of this amount, \$80,868 is reported as an intergovernmental payable.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - 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 BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
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	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$881,486 for 2024. Of this amount, \$104,447 is reported as an intergovernmental payable.

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:

	<u>OPERS -</u>			
	<u>Traditional</u>	<u>OP&F</u>	<u>Total</u>	
Proportion of the net pension liability/asset prior measurement date	0.026491%	0.140853%		
Proportion of the net pension liability/asset current measurement date	<u>0.025577%</u>	<u>0.134532%</u>		
Change in proportionate share	<u>-0.000914%</u>	<u>-0.006321%</u>		
Proportionate share of the net pension liability	\$ 6,696,163	\$ 12,997,648	\$ 19,693,811	
Pension expense	754,549	1,293,781	2,048,330	

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - 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	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 109,443	\$ 417,262	\$ 526,705
Net difference between projected and actual earnings on pension plan investments	1,351,572	1,472,907	2,824,479
Changes of assumptions	-	821,437	821,437
Changes in employer's proportionate percentage/ difference between employer contributions	71,141	399,096	470,237
Contributions subsequent to the measurement date	705,541	881,486	1,587,027
Total deferred outflows of resources	<u>\$ 2,237,697</u>	<u>\$ 3,992,188</u>	<u>\$ 6,229,885</u>
 Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 145,366	\$ 145,366
Changes of assumptions	-	197,384	197,384
Changes in employer's proportionate percentage/ difference between employer contributions	134,191	703,749	837,940
Total deferred inflows of resources	<u>\$ 134,191</u>	<u>\$ 1,046,499</u>	<u>\$ 1,180,690</u>

\$1,587,027 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction/increase to the net pension liability/asset in the year ending December 31, 2025.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - 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 -		OP&F	Total
	Traditional			
2025	\$ 300,567	\$ 583,449	\$ 884,016	
2026	427,356	653,691	1,081,047	
2027	862,496	980,110	1,842,606	
2028	(192,454)	(132,458)	(324,912)	
2029	-	(22,353)	(22,353)	
Thereafter	-	1,764	1,764	
Total	<u>\$ 1,397,965</u>	<u>\$ 2,064,203</u>	<u>\$ 3,462,168</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.

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**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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
	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

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.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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:

	Current		
	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 10,541,561	\$ 6,696,163	\$ 3,497,911

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	<u>125.00 %</u>	

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 BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 14 - 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.

	Current		
	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 17,216,353	\$ 12,997,648	\$ 9,489,385

NOTE 15 - POSTEMPLOYMENT BENEFITS

Net OPEB Liability (Asset)

See Note 14 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 BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 15 - 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 <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	Any Age with 10 years of service credit <i>January 1, 2015 through December 31, 2021</i> 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	Any Age with 10 years of service credit <i>January 1, 2015 through December 31, 2021</i> 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.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

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

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 \$0 for 2024.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

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

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 \$20,826 for 2024. Of this amount, \$2,468 is reported as an intergovernmental payable.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)

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.

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

	OPERS	OP&F	Total
Proportion of the net OPEB liability/asset prior measurement date	0.026237%	0.140853%	
Proportion of the net OPEB liability current measurement date	<u>0.025413%</u>	<u>0.134532%</u>	
Change in proportionate share	<u>-0.000824%</u>	<u>-0.006321%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 982,260	\$ 982,260
Proportionate share of the net OPEB asset	(229,364)	-	(229,364)
OPEB expense	(26,603)	101,332	74,729

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**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)

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	\$ -	\$ 47,235	\$ 47,235
Net difference between projected and actual earnings on OPEB plan investments	137,743	72,535	210,278
Changes of assumptions	59,050	338,005	397,055
Changes in employer's proportionate percentage/ difference between employer contributions	4,270	120,128	124,398
Contributions subsequent to the measurement date	- -	20,826	20,826
Total deferred outflows of resources	\$ 201,063	\$ 598,728	\$ 799,791
 Deferred inflows of resources			
Differences between expected and actual experience	\$ 32,645	\$ 180,508	\$ 213,153
Changes of assumptions	98,596	632,551	731,147
Changes in employer's proportionate percentage/ difference between employer contributions	6,034	103,864	109,898
Total deferred inflows of resources	\$ 137,275	\$ 916,923	\$ 1,054,198

\$20,826 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.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Year Ending December 31:	OPERS	OP&F	Total
2025	\$ (7,557)	\$ 39,308	\$ 31,751
2026	10,635	(47,355)	(36,720)
2027	107,221	(29,130)	78,091
2028	(46,511)	(86,630)	(133,141)
2029	-	(92,808)	(92,808)
Thereafter	-	(122,406)	(122,406)
Total	<u>\$ 63,788</u>	<u>\$ (339,021)</u>	<u>\$ (275,233)</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 BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 15 - 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%
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 BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 15 - 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)	
		37.00 %	2.82 %
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:

	Current		
	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	\$ 126,050	\$ (229,364)	\$ (523,770)

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 15 - 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.

	Current Health Care Trend Rate		
	1% Decrease	Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ 238,886	\$ 229,364	\$ 218,555

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 BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 15 - 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 BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 15 - 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.

	Current		
	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,209,871	\$ 982,260	\$ 790,566

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 16 - CONTINGENCIES

A. Grants

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

B. Litigation

The City may be a defendant in several lawsuits, the outcome of which cannot be determined. It is the opinion of the City's Law Director that any judgment against the City would not have a material adverse effect on the City's financial position.

NOTE 17 - CONDUIT DEBT

The City has issued Hospital Facilities Revenue and Refunding Bonds and a Master Equipment Lease-Purchase and Sublease-Purchase agreement for financing the acquisition, construction and installation of certain Hospital Facilities and for the acquisition of equipment for the Mary Rutan Health Association of Logan County. The debt is secured by the property financed and is payable solely from payments received on the underlying mortgage loans. Upon repayment of the debt, ownership of the acquired facilities transfers to the Mary Rutan Health Association of Logan County, the entity served by the debt issuance. The City has made a limited commitment in relation to the revenue and refunding bonds and lease purchase agreement. Neither the City or State, nor any political subdivision thereof is obligated in any manner for repayment of the debt. Accordingly, the debt is not reported as a liability in the accompanying financial statements.

The original issuance for the Revenue Bonds in 2006, later refunded in 2012, was \$15,000,000. In addition, the original issuance for the Revenue Bonds in 2017 was \$11,000,000. As of December 31, 2024, the revenue bonds outstanding were \$1,563,377 and \$8,984,091 respectively.

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</u>	<u>Encumbrances</u>
General fund	\$	762,667
Capital Improvement fund		556,800
Other governmental		<u>1,071,885</u>
Total	\$	<u>2,391,352</u>

**CITY OF BELLEFONTAINE
LOGAN COUNTY, 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 other governmental funds are presented as follows:

Fund balance	General	Capital	Recreation	Nonmajor	Total
	Fund	Improvement Fund	Improvement Fund	Governmental Funds	Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ -	\$ -	\$ -	\$ 79,729	\$ 79,729
Prepayments	123,806	-	-	10,599	134,405
Total nonspendable	123,806	-	-	90,328	214,134
Restricted:					
Debt service	-	-	-	165,530	165,530
Judicial	-	-	-	1,938,702	1,938,702
Public safety	-	-	-	948,561	948,561
Health	-	-	-	200,663	200,663
Conservation and recreation	-	-	-	790,630	790,630
Economic development	-	-	-	600,666	600,666
Street maintenance and repair	-	-	-	1,052,930	1,052,930
Capital projects	-	-	5,000,000	2,448,639	7,448,639
Other	11,559	-	-	-	11,559
Total restricted	11,559	-	5,000,000	8,146,321	13,157,880
Committed:					
Legislative & executive	-	-	-	68,498	68,498
Total committed	-	-	-	68,498	68,498
Assigned:					
Legislative & executive	62,202	-	-	-	62,202
Economic development	3,311	-	-	-	3,311
Transportation	52,577	-	-	-	52,577
Capital projects	553,164	3,029,538	-	696,355	4,279,057
Subsequent year appropriations	1,700,410	-	-	-	1,700,410
Total assigned	2,371,664	3,029,538	-	696,355	6,097,557
Unassigned	1,294,916	-	-	-	1,294,916
Total fund balances	\$ 3,801,945	\$ 3,029,538	\$ 5,000,000	\$ 9,001,502	\$ 20,832,985

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

NOTE 20 - SUBSEQUENT EVENTS

The City issued \$5,000,000 in Municipal Recreation Bonds, series 2025 on January 8, 2025. The bond issuance is comprised of serial and term bonds maturing December 1, 2044. The bonds bear interest of 4.00%-5.00%.

The City entered into a noncancelable lease agreement effective January 1, 2025, and ending December 31, 2027, as a lessor with Triple K Farms to lease land for the Bellefontaine Regional Airport farm. The annual rent shall be \$64,904.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

	Budgeted Amounts		Actual Amounts		Variance with Final Budget - Over (Under) Actual Amounts	
	Original		Budgetary Basis			
	Final		Budgetary Basis			
Budgetary revenues:						
Income taxes	\$ 8,110,000	\$ 8,110,000	\$ 7,890,596	\$ (219,404)		
Property taxes	649,000	649,000	641,667	(7,333)		
Charges for services	50,000	50,000	32,000	(18,000)		
Licenses, permits and fees	138,450	138,450	214,186	75,736		
Fines and forfeitures	510,000	510,000	629,750	119,750		
Intergovernmental	870,500	870,500	685,913	(184,587)		
Investment income	220,000	220,000	139,670	(80,330)		
Contributions and donations	-	-	500	500		
Refunds and reimbursements	900,000	900,000	457,456	(442,544)		
Other	55,000	55,000	139,682	84,682		
Total budgetary revenues	11,502,950	11,502,950	10,831,420	(671,530)		
Budgetary expenditures:						
Current:						
General government:						
Legislative and executive	1,683,289	1,820,111	2,053,219	233,108		
Judicial	1,033,114	1,108,065	1,124,757	16,692		
Public safety	6,966,873	7,426,082	6,891,125	(534,957)		
Health	94,000	100,237	93,603	(6,634)		
Economic development	71,200	75,738	68,098	(7,640)		
Public works	424,506	450,910	396,239	(54,671)		
Transportation	737,288	766,969	445,412	(321,557)		
Capital outlay	1,682,439	1,771,934	1,343,008	(428,926)		
Debt service:						
Principal retirement	41,200	43,945	41,200	(2,745)		
Interest	2,700	2,880	2,700	(180)		
Total budgetary expenditures	12,736,609	13,566,871	12,459,361	(1,107,510)		
Budgetary excess of expenditures over revenues	(1,233,659)	(2,063,921)	(1,627,941)	435,980		
Budgetary other financing sources (uses):						
Sale of capital assets	15,000	15,000	50	(14,950)		
Transfers in	-	-	4,553	4,553		
Transfers (out)	(1,394,500)	(1,457,664)	(947,875)	509,789		
Total budgetary other financing sources (uses)	(1,379,500)	(1,442,664)	(943,272)	499,392		
Net change in fund balances	(2,613,159)	(3,506,585)	(2,571,213)	935,372		
Budgetary fund balance at beginning of year	2,979,485	2,979,485	2,979,485	-		
Prior year encumbrances appropriated	510,215	510,215	510,215	-		
Budgetary fund balance (deficit) at end of year	\$ 876,541	\$ (16,885)	\$ 918,487	\$ 935,372		

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF BELLEFOUNTAIN
LOGAN COUNTY, 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	0.025577000%	\$ 6,696,163	\$ 4,478,679	149.51%	79.01%
2023	0.026491000%	7,825,454	4,274,057	183.09%	75.74%
2022	0.025965000%	2,259,061	3,768,329	59.95%	92.62%
2021	0.025600000%	3,790,803	3,605,693	105.13%	86.88%
2020	0.026070000%	5,152,912	4,003,444	128.71%	82.17%
2019	0.026344000%	7,215,088	3,921,479	183.99%	74.70%
2018	0.026638000%	4,179,142	3,781,738	110.51%	84.66%
2017	0.026551000%	6,029,281	3,469,141	173.80%	77.25%
2016	0.026539000%	4,596,890	3,454,729	133.06%	81.08%
2015	0.026567000%	3,204,278	3,365,133	95.22%	86.45%

Calendar Year	Contributions in Relation to the Contractually Required Contributions		Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 705,541	\$ (705,541)	\$ -	\$ 5,039,579	14.00%
2023	627,015	(627,015)	-	4,478,679	14.00%
2022	598,368	(598,368)	-	4,274,057	14.00%
2021	527,566	(527,566)	-	3,768,329	14.00%
2020	504,797	(504,797)	-	3,605,693	14.00%
2019	560,482	(560,482)	-	4,003,443	14.00%
2018	549,007	(549,007)	-	3,921,479	14.00%
2017	491,626	(491,626)	-	3,781,738	13.00%
2016	416,297	(416,297)	-	3,469,142	12.00%
2015	414,567	(414,567)	-	3,454,725	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 BELLEFOUNTAINE
LOGAN COUNTY, 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	0.134532000%	\$ 12,997,648	\$ 3,867,552	336.07%	63.63%
2023	0.140853400%	13,379,708	3,910,016	342.19%	62.90%
2022	0.141930800%	8,867,015	3,655,763	242.55%	75.03%
2021	0.137125000%	9,347,962	3,420,066	273.33%	70.65%
2020	0.137489000%	9,261,994	3,484,984	265.77%	69.89%
2019	0.138950000%	11,341,992	3,261,277	347.78%	63.07%
2018	0.136664000%	8,387,687	3,193,277	262.67%	70.91%
2017	0.129007000%	8,171,174	2,730,714	299.23%	68.36%
2016	0.133363000%	8,579,335	2,720,166	315.40%	66.77%
2015	0.130512000%	6,761,050	2,620,598	258.00%	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
<i>Police and Fire:</i>					
2024	\$ 881,486	\$ (881,486)	\$ -	\$ 4,148,169	21.25%
2023	815,400	(815,400)	-	3,867,552	21.08%
2022	814,277	(814,277)	-	3,910,016	20.83%
2021	761,200	(761,200)	-	3,655,763	20.82%
2020	709,712	(709,712)	-	3,420,066	20.75%
2019	724,169	(724,169)	-	3,484,984	20.78%
2018	677,018	(677,018)	-	3,261,277	20.76%
2017	664,043	(664,043)	-	3,193,277	20.80%
2016	571,435	(571,435)	-	2,730,714	20.93%
2015	569,894	(569,894)	-	2,720,166	20.95%

(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 BELLEFOUNTAINE
LOGAN COUNTY, 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	0.025413400%	\$ (229,364)	\$ 4,478,679	5.12%	107.76%
2023	0.026237000%	165,430	4,274,057	3.87%	94.79%
2022	0.025683000%	(804,431)	3,768,329	21.35%	128.23%
2021	0.025920000%	(450,597)	3,605,693	12.50%	115.57%
2020	0.025707000%	3,550,805	4,003,444	88.69%	47.80%
2019	0.026042000%	3,395,262	3,921,479	86.58%	46.33%
2018	0.026200000%	2,845,127	3,781,738	75.23%	54.14%
2017	0.026032000%	2,629,421	3,469,141	75.79%	54.04%

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	\$ -	\$ -	\$ -	\$ 5,039,579	0.00%
2023	-	-	-	4,478,679	0.00%
2022	-	-	-	4,274,057	0.00%
2021	-	-	-	3,768,329	0.00%
2020	-	-	-	3,605,693	0.00%
2019	-	-	-	4,003,443	0.00%
2018	-	-	-	3,921,479	0.00%
2017	37,817	(37,817)	-	3,781,738	1.00%
2016	69,383	(69,383)	-	3,469,142	2.00%
2015	69,095	(69,095)	-	3,454,725	2.00%

(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 BELLEFOUNTAINE
LOGAN COUNTY, 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	0.134532000%	\$ 982,260	\$ 3,867,552	25.40%	51.89%
2023	0.140853400%	1,002,836	3,910,016	25.65%	52.59%
2022	0.141930800%	1,555,684	3,655,763	42.55%	46.86%
2021	0.137125000%	1,452,866	3,420,066	42.48%	45.42%
2020	0.137489000%	1,358,079	3,484,984	38.97%	47.08%
2019	0.138950000%	1,265,353	3,261,277	38.80%	46.57%
2018	0.136664000%	7,743,190	3,193,277	242.48%	14.13%
2017	0.129007000%	6,123,672	2,730,714	224.25%	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 and Fire:</i>					
2024	\$ 20,826	\$ (20,826)	\$ -	\$ 4,148,169	0.50%
2023	19,338	(19,338)	-	3,867,552	0.50%
2022	19,550	(19,550)	-	3,910,016	0.50%
2021	18,279	(18,279)	-	3,655,763	0.50%
2020	17,100	(17,100)	-	3,420,066	0.50%
2019	17,426	(17,426)	-	3,484,984	0.50%
2018	16,306	(16,306)	-	3,261,277	0.50%
2017	15,967	(15,967)	-	3,193,277	0.50%
2016	13,654	(13,654)	-	2,730,714	0.50%
2015	13,601	(13,601)	-	2,720,166	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 BELLEFONTAINE
LOGAN COUNTY, 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 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>
Budget basis	\$ (2,571,213)
Net adjustment for revenue accruals	710,924
Net adjustment for expenditure accruals	1,722
Net adjustment for other sources/uses	24,829
Funds budgeted elsewhere	128,925
Adjustments for encumbrances	<u>770,589</u>
GAAP Basis	<u>\$ (934,224)</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. This includes the Service Department fund, General Pension Reserve fund, BWC Trust fund, and the Self Insurance Trust fund.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, 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 BELLEFONTAINE
LOGAN COUNTY, 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.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

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

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.

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.

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

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

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

- 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.

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%.

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

City of Bellefontaine
Logan County
135 North Detroit Street
Bellefontaine, Ohio 43311

To the Members of Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bellefontaine, Logan County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Bellefontaine's basic financial statements, and have issued our report thereon dated July 24, 2025, wherein we noted as described in Note 3 to the financial statements, the City of Bellefontaine restated beginning net position as a result of a change in accounting principle by implementing 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 of Bellefontaine's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bellefontaine's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bellefontaine's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

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

Report on Compliance and Other Matters

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

City of Bellefontaine's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City of Bellefontaine's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The City of Bellefontaine'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 of Bellefontaine's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bellefontaine's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 24, 2025

**CITY OF BELLEFONTAINE
LOGAN COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2024**

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2024-001

Material Weakness – Financial Statement Presentation

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements.

Certain adjustments were made to the financial statements and note disclosures to properly state the City's activities related to the Park Department Fund, a nonmajor governmental fund.

A lack of detailed review over the period-end reporting could lead to financial statement or note disclosure adjustments, which if uncorrected, could result in a misrepresentation of the City's activity.

We recommend the City review the adjustment, and design and implement additional policies and procedures in order to provide a more detailed review of all manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. We also recommend the City consult with their auditors, the Auditor of State and/or further consult with an accounting firm to help ensure accurate financial reporting.

Client Response: The City has reviewed the adjustment and implemented additional procedures to ensure a more detailed review of all manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. Going forward, the City will review the financial statements in more detail to verify the correct reporting of each fund. The City will also consult with their auditors, the Auditor of State and/or further consult with an accounting firm to help ensure accurate financial reporting.

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF BELLEFONTAINE

LOGAN 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 1/8/2026

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

This report is a matter of public record and is available online at
www.ohioauditor.gov