



OHIO AUDITOR OF STATE  
**KEITH FABER**





**CITY OF CELINA  
MERCER COUNTY  
DECEMBER 31, 2024**

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MERCER COUNTY  
DECEMBER 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

City of Celina  
Mercer County  
225 North Main Street  
Celina, Ohio 45822

To the City Council:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2024, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62*, and GASB Statement No. 101 *Compensated Absences*. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

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

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

***Required Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State



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

November 21, 2025

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## CITY OF CELINA

Management's Discussion and Analysis  
For the Year Ended December 31, 2024  
Unaudited

The discussion and analysis of the City of Celina's financial performance provides an overview 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.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the City of Celina's financial position.

The statement of net position and the statement of activities provide information about the activities of the City as a whole, presenting both an aggregate and a longer-term view of the City.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the City's most significant funds individually and the City's nonmajor funds in a single column. The City's major funds are the General, Additional Income Tax Levy, American Rescue Plan, GO Debt Service, Street Improvement, Tax Increment Financing, Electric, Water, Sewer, and Stormwater funds.

### REPORTING THE CITY AS A WHOLE

The statement of net position and the statement of activities reflect how the City did financially during 2024. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the City's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the City as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the City's property tax base and the condition of the City's capital assets (buildings; streets; electric, water, sewer, and stormwater lines). These factors must be considered when assessing the overall health of the City.

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

- **Governmental Activities** - Most of the City's programs and services are reported here, including security of persons and property, public health, leisure time activities, community environment, basic utility services, transportation, and general government activities. These services are primarily funded by property taxes and income taxes and from intergovernmental revenues, including federal and state grants and other shared revenues.
- **Business-Type Activities** - These services are provided on a charge for services basis and are intended to recover all or most of the costs of the services provided. The City's electric, water, sewer, and stormwater services are reported here.

**CITY OF CELINA**  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2024  
 Unaudited

**REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

Fund financial statements provide detailed information about the City's major funds, the General, Additional Income Tax Levy, American Rescue Plan, GO Debt Service, Street Improvement, Tax Increment Financing, Electric, Water, Sewer, and Stormwater funds. While the City uses many funds to account for its financial transactions, these are the most significant.

**Governmental Funds** - The City's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the City's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided.

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 on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

**Proprietary Funds** - The City's enterprise funds use the accrual basis of accounting, the same as that used for the business-type activities on the government-wide financial statements.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds also use the accrual basis of accounting.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Table 1 provides a summary of the City's net position for 2024 and 2023.

Table 1  
 Net Position

	Governmental Activities		Business-Type Activities		Total	
	Restated*				Restated*	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and Other Assets	\$30,637,239	\$26,377,942	\$32,900,619	\$32,723,554	\$63,537,858	\$59,101,496
Net Pension Asset	32	18	47	27	79	45
Net OPEB Asset	88,015	0	126,660	0	214,675	0
Capital Assets, Net	40,411,854	38,686,532	51,313,002	53,003,420	91,724,856	91,689,952
Total Assets	71,137,140	65,064,492	84,340,328	85,727,001	155,477,468	150,791,493

(continued)

**CITY OF CELINA**  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2024  
 Unaudited

Table 1  
 Net Position  
 (continued)

	Governmental Activities		Business-Type Activities		Total	
	Restated*				Restated*	
	2024	2023	2024	2023	2024	2023
<b><u>Deferred Outflows of Resources</u></b>						
Pension	\$3,183,598	\$4,133,814	\$1,207,041	\$1,958,051	\$4,390,639	\$6,091,865
OPEB	421,575	695,121	120,184	293,261	541,759	988,382
Total Deferred Outflows of Resources	<u>3,605,173</u>	<u>4,828,935</u>	<u>1,327,225</u>	<u>2,251,312</u>	<u>4,932,398</u>	<u>7,080,247</u>
<b><u>Liabilities</u></b>						
Current and Other Liabilities	809,589	485,469	2,989,655	4,825,795	3,799,244	5,311,264
<b>Long-Term Liabilities</b>						
Pension	10,757,796	11,706,143	3,804,150	4,724,514	14,561,946	16,430,657
OPEB	613,210	712,508	0	96,204	613,210	808,712
Other Amounts	1,290,099	771,559	4,063,151	4,013,787	5,353,250	4,785,346
Total Liabilities	<u>13,470,694</u>	<u>13,675,679</u>	<u>10,856,956</u>	<u>13,660,300</u>	<u>24,327,650</u>	<u>27,335,979</u>
<b><u>Deferred Inflows of Resources</u></b>						
Pension	904,913	744,380	224,289	165,031	1,129,202	909,411
OPEB	655,401	722,971	72,822	32,648	728,223	755,619
Other Amounts	2,252,792	2,138,131	142,337	157,395	2,395,129	2,295,526
Total Deferred Inflows of Resources	<u>3,813,106</u>	<u>3,605,482</u>	<u>439,448</u>	<u>355,074</u>	<u>4,252,554</u>	<u>3,960,556</u>
<b><u>Net Position</u></b>						
Net Investment in Capital Assets	40,113,754	38,344,120	47,789,059	47,287,002	87,902,813	85,631,122
Restricted	10,850,052	12,197,584	126,707	1,250	10,976,759	12,198,834
Unrestricted	6,494,707	2,070,562	26,455,383	26,674,687	32,950,090	28,745,249
Total Net Position	<u>\$57,458,513</u>	<u>\$52,612,266</u>	<u>\$74,371,149</u>	<u>\$73,962,939</u>	<u>\$131,829,662</u>	<u>\$126,575,205</u>

**New Accounting Pronouncements/Restatements\***

Net position at December 31, 2023, in governmental activities was restated by \$478,127 to \$52,612,266. Property taxes receivable was overstated due to a miscalculation of outstanding delinquencies as explained in Note 3. Under GASB Statement No. 100, *Accounting Changes and Error Corrections*, this change is considered a correction of an error, and the effects of this restatement have been reflected in the 2023 column. For 2024, the City implemented GASB Statement No. 101 *Compensated Absences*. GASB Statement No. 100 does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements be restated for changes in accounting principle.

The implementation of GASB Statement No. 101 resulted in recognizing an additional compensated absences liabilities of \$693,193 in governmental activities and \$544,217 in business-type activities at January 1, 2024. These amounts also impacted beginning net position for the cumulative effect of additional compensated absences expense.

## CITY OF CELINA

Management's Discussion and Analysis  
For the Year Ended December 31, 2024  
Unaudited

### Governmental and Business-Type Activities

The net pension liability (asset) and the net OPEB liability (asset) reported by the City at December 31, 2024, are reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, end users of these financial statements 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 (asset), and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 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 or net OPEB liability. GASB Statements No. 68 and No. 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 Statements No. 68 and No. 75 require the net pension liability (asset) and the net OPEB liability (asset) to equal the City's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

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

**CITY OF CELINA**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2024  
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Most long-term liabilities have set repayment schedules or in the case of compensated absences (i.e. vacation and sick 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 pension benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the City. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension 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 Statements No. 68 and No. 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and the net OPEB liability (asset), respectively, not accounted for as deferred outflows/inflows.

Pension/OPEB changes noted in the above table reflect an overall decrease in deferred outflows and overall increase in deferred inflows. These changes are affected by changes in benefits, contribution rates, return on investments, and actuarial assumptions. The decrease in the net pension liability and net OPEB liability and increase in the net pension asset and net OPEB asset represent the City's proportionate share of the unfunded benefits.

For governmental activities, the increase in current and other assets was primarily due to an increase in cash and cash equivalents; generally, the result of the increase in income tax revenue and reduced spending in 2024. There was also an increase in municipal income taxes receivable as the economy continues to rebound. The increase in capital assets was mainly due to the completion of several street reconstruction projects, various ongoing projects (new public works building, Bryson Park restroom, and Mill Street reconstruction), and a new parking lot and basketball court (a capital contribution from an outside source) at Bryson Park, which explains the increase in invested in capital assets. The increase in current and other liabilities was due to outstanding contracts payable for the ongoing projects mentioned above. There was also an increase in liabilities for a deposit held by and made by Celina City School District to the City based on an agreement for future purchase of a building. The increase in other long-term liabilities was primarily due to the effect of GASB Statement No. 101 for compensated absences as mentioned above.

For business-type activities, the increase in current and other assets was due to an increase in cash and cash equivalents particularly in the water fund. There was a decrease in net capital assets overall primarily due to annual depreciation, however the City still reported completed and ongoing construction projects in 2024. The change in current and other liabilities was mainly due to the City fully retired the bond anticipation notes with American Municipal Powers, Inc (AMP Ohio) in 2024. The increase in other long-term liabilities was primarily due to the effect of GASB Statement No. 101 for compensated absences as mentioned above.

Table 2 reflects the change in net position for 2024 and 2023.

**CITY OF CELINA**  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2024  
 Unaudited

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023	2024	2023*
<b><u>Revenues</u></b>						
Program Revenues						
Charges for Services	\$1,487,560	\$1,426,411	\$30,772,728	\$32,671,712	\$32,260,288	\$34,098,123
Operating Grants, Contributions, and Interest	949,321	994,358	0	0	949,321	994,358
Capital Grants and Contributions	922,679	1,876,747	1,563	1,792,832	924,242	3,669,579
Total Program Revenues	<u>3,359,560</u>	<u>4,297,516</u>	<u>30,774,291</u>	<u>34,464,544</u>	<u>34,133,851</u>	<u>38,762,060</u>
General Revenues						
Property Taxes	516,074	409,731	0	0	516,074	409,731
Municipal Income Taxes	8,484,487	7,902,641	0	0	8,484,487	7,902,641
Payment in Lieu of Taxes	1,076,436	904,443	0	0	1,076,436	904,443
Other Local Taxes	607,749	585,342	0	0	607,749	585,342
Franchise Taxes	70,821	79,985	0	0	70,821	79,985
Grants and Entitlements not Restricted to Specific Programs	406,551	482,810	0	0	406,551	482,810
Investment Earnings and Other						
Interest	1,338,698	1,405,198	419,032	515,464	1,757,730	1,920,662
Other	<u>693,428</u>	<u>77,954</u>	<u>357,079</u>	<u>264,041</u>	<u>1,050,507</u>	<u>341,995</u>
Total General Revenues	<u>13,194,244</u>	<u>11,848,104</u>	<u>776,111</u>	<u>779,505</u>	<u>13,970,355</u>	<u>12,627,609</u>
Total Revenue	<u>16,553,804</u>	<u>16,145,620</u>	<u>31,550,402</u>	<u>35,244,049</u>	<u>48,104,206</u>	<u>51,389,669</u>
<b><u>Expenses</u></b>						
Security of Persons and Property	4,976,668	5,612,635	0	0	4,976,668	5,612,635
Public Health	186,871	125,532	0	0	186,871	125,532
Leisure Time Activities	1,546,506	1,445,417	0	0	1,546,506	1,445,417
Community Environment	22,581	3,000	0	0	22,581	3,000
Basic Utility Services	216,279	200,670	0	0	216,279	200,670
Transportation	2,570,064	2,460,046	0	0	2,570,064	2,460,046
General Government	2,056,746	2,888,214	0	0	2,056,746	2,888,214
Interest	7,183	13,500	0	0	7,183	13,500
Electric	0	0	23,435,514	23,593,786	23,435,514	23,593,786
Water	0	0	4,432,980	4,254,942	4,432,980	4,254,942
Sewer	0	0	1,945,207	2,129,277	1,945,207	2,129,277
Stormwater	0	0	215,740	216,701	215,740	216,701
Total Expenses	<u>11,582,898</u>	<u>12,749,014</u>	<u>30,029,441</u>	<u>30,194,706</u>	<u>41,612,339</u>	<u>42,943,720</u>
Excess of Revenues Over Expenses Before Transfers	4,970,906	3,396,606	1,520,961	5,049,343	6,491,867	8,445,949
Transfers	<u>568,534</u>	<u>717,958</u>	<u>(568,534)</u>	<u>(717,958)</u>	<u>0</u>	<u>0</u>
Increase in Net Position	5,539,440	4,114,564	952,427	4,331,385	6,491,867	8,445,949
Net Position Beginning of Year As Previously Reported*	52,612,266	48,497,702	73,962,939	69,631,554	126,575,205	118,129,256
Restatement - Change in Accounting Principle	<u>(693,193)</u>	<u>0</u>	<u>(544,217)</u>	<u>0</u>	<u>(1,237,410)</u>	<u>0</u>
Restated Net Position Beginning of Year	<u>51,919,073</u>	<u>48,497,702</u>	<u>73,418,722</u>	<u>69,631,554</u>	<u>125,337,795</u>	<u>118,129,256</u>
Net Position End of Year	<u>\$57,458,513</u>	<u>\$52,612,266</u>	<u>\$74,371,149</u>	<u>\$73,962,939</u>	<u>\$131,829,662</u>	<u>\$126,575,205</u>

## CITY OF CELINA

### Management's Discussion and Analysis For the Year Ended December 31, 2024 Unaudited

#### New Accounting Pronouncements/Restatements\*

Net position beginning of year in governmental activities was restated for corrections by \$478,127 to \$52,612,266 at December 31, 2023, and by \$499,073 to \$48,497,702 at December 31, 2022. Under GASB Statement No. 100, *Accounting Changes and Error Corrections*, this change is considered a correction of an error and the restatement has been reflected in the impacted 2023 and 2024 columns. This change impacted total general revenues (property taxes revenue understated by \$20,946 in 2023). The change was related to property taxes receivable, as explained in Note 3.

The above table also separately reflects the restatement for changes in accounting principles related to the implementation of GASB Statement No. 101 *Compensated Absences*. GASB Statement No. 100, *Accounting Changes and Error Corrections* does not require Management Discussion and Analysis information for years prior to the periods presented on the basic financial statements to be restated for changes in accounting principle. The 2023 information does not reflect activity related to the additional compensated absences expenses required under GASB Statement No. 101, *Compensated Absences* (See also explanation of new accounting pronouncements provided related to Net Position - Table 1 and explanation in Note 3). In the above table, beginning net position has been presented and provides separate identification of restatements for changes in accounting principles to better align with GASB Statement No. 101 requirements for Management and Discussion Analysis presentation and allows the restated net position beginning of year to articulate to the statement of activities.

#### Governmental and Business-Type Activities

For governmental activities, there was a 22 percent decrease in program revenues overall. The main decrease was in capital grants and contributions due to a large capital contribution from outside sources in the prior year for a new sport complex and playground equipment. Note, however, there was an increase in charges for services and operating grants and contributions, but the change was not significant. There was an increase in general revenues mainly in municipal income taxes (due to a healthy economy in 2024) and other revenues for reimbursements of prior year expenditures. The decrease in expenses was due to police and fire as well as general government operational expenses.

For business-type activities, there was a decrease in charges for services. There was also a decrease in capital grants and contributions for ARPA monies received and spent in water and storm water infrastructure in the prior year. The overall change in general revenues and expenses was not significant.

Table 3, indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

**CITY OF CELINA**  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2024  
 Unaudited

Table 3  
 Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Security of Persons and Property	\$4,976,668	\$5,612,635	\$4,285,684	\$4,929,347
Public Health	186,871	125,532	152,181	94,839
Leisure Time Activities	1,546,506	1,445,417	1,282,674	620,063
Community Environment	22,581	3,000	17,147	(3,232)
Basic Utility	216,279	200,670	216,279	200,670
Transportation	2,570,064	2,460,046	913,724	1,505,500
General Government	2,056,746	2,888,214	1,348,466	1,090,811
Interest	7,183	13,500	7,183	13,500
<b>Total Expenses</b>	<b>\$11,582,898</b>	<b>\$12,749,014</b>	<b>\$8,223,338</b>	<b>\$8,451,498</b>

General revenues provided for 71 percent of the costs of providing governmental services in 2024 (66 percent in 2023). The City's most significant revenue source is municipal income taxes. In 2023, the cost of the community environment program was offset by investment earnings and other interest revenue. The transportation program receives charges for services in the form of permissive motor vehicle license monies and operating grants in the form of State levied motor vehicle license fees and gas taxes.

#### GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund, the Additional Income Tax Levy Fund, American Rescue Plan, the GO Debt Service Fund, Street Improvement Fund, and Tax Increment Financing Fund.

Fund balance increased 36 percent in the General Fund primarily due to more revenues in municipal income taxes (as discussed previously) and other revenues for reimbursements from the Additional Income Tax Levy fund for prior year expenditures in police and fire. Note, as well, the amount that the General Fund transferred to other funds to subsidize their operations was back to comparable amounts that were transferred in the prior year.

For the Additional Income Tax Levy Fund, income tax revenues increased slightly from the prior year and overall expenditures increased for police and fire operations reimbursement to the General Fund and street operations reimbursements to the Street Improvement Fund. As a result, fund balance decreased approximately 76 percent.

The American Rescue Plan fund was a new fund that was created in 2021 to record activity of federal resource from the American Rescue Plan Act. All of the resources were fully spent in 2024.

There was no change in fund balance in the GO Debt Service Fund (transfers from the Tax Increment Financing Fund covered the debt payment for the year).

**CITY OF CELINA**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2024  
Unaudited

The increase in fund balance in the Street Improvement Fund is primarily due to a reimbursement from the Additional Income Tax Levy fund for prior year expenditures and transfers from the General Fund to subsidize the funds operation.

Fund balance increased in the Tax Increment Financing Fund. Revenues increased and expenditures decreased.

**BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS**

The City's enterprise funds are the Electric, Water, Sewer, and Stormwater funds.

Net position increased less than 1 percent in the Electric fund which was not significant. Total revenues continued to exceed expenses, thus the increase in net position; however, there was an operating loss in 2024.

Net position increased less than 1 percent in the Water Fund which was not significant. Revenues continued to exceed expenses, thus the slight increase in net position.

Net position increased over 7 percent in the Sewer Fund. Revenues continued to exceed expenses. As a result, an increase in net position.

Net position decreased 3 percent in the Stormwater fund. Both revenues and expenses were similar to the prior year; however there was a loss on disposal of a capital asset that occurred in 2024.

**BUDGETARY HIGHLIGHTS**

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by City officials and department heads and such other budgetary documents as are required by State statute, including the annual appropriations ordinance which is effective the first day of January. The City's most significant budgeted fund is the General Fund. For revenues, there was no change from the original budget to the final budget. The increase in actual revenues from the final budget were largely due to the conservative estimate for municipal income taxes, interest revenue, and other revenue. For expenditures, changes from the original budget to the final budget were mostly in the general government program. Actual expenditures were less than the final budgeted amounts for all programs due to conservative budgeting.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2024, was \$40,411,854 and \$51,313,002, respectively (net of accumulated depreciation). This investment in capital assets includes land improvements; construction in progress; buildings; streets; furniture and equipment; vehicles; and electric, water, sewer, and stormwater lines. The most significant additions for governmental activities include street resurfacing projects, construction of a new public works building, a new parking lot and basketball court (donated by outside sources) at Bryson Park, miscellaneous equipment, and vehicles. Disposals primarily consisted of vehicles. For business-type activities, the significant additions included construction of a building for public works, infrastructure improvements, and vehicles. Disposals included infrastructure, land improvements, and miscellaneous equipment. For further information on the City's capital assets, refer to Note 11 to the basic financial statements.

## CITY OF CELINA

### Management's Discussion and Analysis For the Year Ended December 31, 2024 Unaudited

Debt - At December 31, 2024, the City had a number of long-term obligations outstanding including \$250,000 in general obligation bonds, \$60,195 in OPWC loans, \$3,027,760 in OWDA loans, and \$29,745 in leases. Of this amount, \$3,199,587 will be repaid from business-type activities.

In addition to the debt outlined above, the City's long-term obligations also include the net pension/OPEB liability and compensated absences. For further information on the City's debt, refer to Note 20 to the basic financial statements.

## CURRENT ISSUES

The City of Celina continues to make significant investments in infrastructure and utility services to support long-term operational efficiency and community development. Several major capital improvement projects remain underway or have recently reached completion. Construction of the new public works facility is progressing on schedule, with site preparation and steel erection completed. The facility remains on track for full completion by November 30, 2025. The Bryson Park restroom facility has been finalized in 2025, with all inspections passed and closeout activities completed. Similarly, construction of the Westview Park restroom facility began in 2025 and is advancing steadily, with structural work completed and project completion anticipated by November 30, 2025.

The City's Mill Street Improvements project, which includes substantial underground utility and roadway reconstruction, continues to advance. Despite minor delays due to utility coordination, the project remains within scope and is scheduled to be completed by November 1, 2025. Other capital efforts include ongoing brick repair work at the City Administration Building and dugout renovations at Montgomery Field, where utility installation and structural work are underway.

In support of these infrastructure efforts, the Celina City Council enacted several ordinances that further long-term capital and operational goals. Ordinance 28-25-O authorized the City to enter into a \$377,300 agreement with Jones & Henry Engineers, Ltd. for the preliminary design of the Wastewater Treatment Plant expansion. The preliminary design—representing approximately 30% of final design—will allow the City to meet Ohio EPA permit requirements and more accurately plan for necessary upgrades aimed at eliminating wet-weather bypasses.

Additionally, through Ordinance 26-25-O, the City authorized the sale of approximately 15.69 acres of surplus property known as Miller Woods at Westview Park to the Mercer County Commissioners for \$157,000. This transaction supports a county-led application to the Clean Ohio Fund-Green Space Conservation Program.

Lastly, Ordinance 22-25-O approved a 2025–2027 fixed-volume energy supply agreement with American Municipal Power, Inc. (AMP), securing up to 5 megawatt hours per hour at a rate not to exceed \$70 per megawatt hour. This agreement helps stabilize future electric utility costs and supports long-term rate planning for the City's municipally owned electric utility.

**CITY OF CELINA**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2024  
Unaudited

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those interested in our City's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Brooke Shinn, Celina City Auditor, 225 N Main Street, Celina, Ohio 45822-1601.

City of Celina  
Statement of Net Position  
December 31, 2024

	Governmental Activities	Business-Type Activities*	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$25,646,891	\$25,839,559	\$51,486,450
Cash and Cash Equivalents with Fiscal Agents	0	125,160	125,160
Investments with Fiscal Agent	266,782	0	266,782
Accounts Receivable	61,900	2,957,444	3,019,344
Accrued Interest Receivable	156,752	49,715	206,467
Due from Other Governments	681,222	7,290	688,512
Municipal Income Taxes Receivable	1,349,383	0	1,349,383
Lease Receivable	101,885	142,337	244,222
Internal Balances	53,407	(53,407)	0
Prepaid Items	71,100	77,252	148,352
Materials and Supplies Inventory	50,706	3,755,269	3,805,975
Property Taxes Receivable	574,977	0	574,977
Payment in Lieu of Taxes Receivable	1,587,013	0	1,587,013
Notes Receivable	35,221	0	35,221
Net Pension Asset	32	47	79
Net OPEB Asset	88,015	126,660	214,675
Nondepreciable Capital Assets	13,958,995	1,335,115	15,294,110
Depreciable Capital Assets, Net	26,452,859	49,977,887	76,430,746
 Total Assets	 71,137,140	 84,340,328	 155,477,468
<b>Deferred Outflows of Resources</b>			
Pension	3,183,598	1,207,041	4,390,639
OPEB	421,575	120,184	541,759
 Total Deferred Outflows of Resources	 3,605,173	 1,327,225	 4,932,398
<b>Liabilities</b>			
Accrued Wages Payable	225,052	128,623	353,675
Accounts Payable	178,040	225,871	403,911
Contracts Payable	129,987	1,972,110	2,102,097
Retainage Payable	15,121	1,126	16,247
Due to Other Governments	110,989	122,266	233,255
Accrued Interest Payable	400	27,131	27,531
Deposits Held Payable/ Deposits Held and Due to Others	150,000	512,528	662,528
Long-Term Liabilities			
Due Within One Year	361,054	818,569	1,179,623
Due in More Than One Year	929,045	3,244,582	4,173,627
Net Pension Liability	10,757,796	3,804,150	14,561,946
Net OPEB Liability	613,210	0	613,210
 Total Liabilities	 13,470,694	 10,856,956	 24,327,650
<b>Deferred Inflows of Resources</b>			
Property Taxes	563,894	0	563,894
Payment in Lieu of Taxes	1,587,013	0	1,587,013
Leases	101,885	142,337	244,222
Pension	904,913	224,289	1,129,202
OPEB	655,401	72,822	728,223
 Total Deferred Inflows of Resources	 3,813,106	 439,448	 4,252,554

(continued)

City of Celina  
 Statement of Net Position  
 December 31, 2024  
 (continued)

	Governmental Activities	Business-Type Activities*	Total
<b>Net Position</b>			
Net Investment in Capital Assets	\$40,113,754	\$47,789,059	\$87,902,813
Restricted for			
Debt Service	32,607	0	32,607
Capital Projects	5,686,561	0	5,686,561
Other Purposes	4,775,396	0	4,775,396
Cemetery			
Expendable	17,441	0	17,441
Nonexpendable	250,000	0	250,000
Pension Plans	88,047	126,707	214,754
Unrestricted	<u>6,494,707</u>	<u>26,455,383</u>	<u>32,950,090</u>
Total Net Position	<u><u>\$57,458,513</u></u>	<u><u>\$74,371,149</u></u>	<u><u>\$131,829,662</u></u>

\*After deferred outflows and deferred inflows related to the change in internal proportionate share of pension related items have been eliminated.

See Accompanying Notes to the Basic Financial Statements

City of Celina  
Statement of Activities  
For the Year Ended December 31, 2024

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<b><u>Governmental Activities</u></b>				
Security of Persons and Property	\$4,976,668	\$645,440	\$18,086	\$27,458
Public Health	186,871	20,587	14,103	0
Leisure Time Activities	1,546,506	129,841	13,101	120,890
Community Environment	22,581	0	5,434	0
Basic Utility Services	216,279	0	0	0
Transportation	2,570,064	1,737	887,072	767,531
General Government	2,056,746	689,955	11,525	6,800
Interest	7,183	0	0	0
Total Governmental Activities	<u>11,582,898</u>	<u>1,487,560</u>	<u>949,321</u>	<u>922,679</u>
<b><u>Business-Type Activities</u></b>				
Electric	23,435,514	23,617,789	0	0
Water	4,432,980	4,428,715	0	1,563
Sewer	1,945,207	2,394,261	0	0
Stormwater	215,740	331,963	0	0
Total Business-Type Activities	<u>30,029,441</u>	<u>30,772,728</u>	<u>0</u>	<u>1,563</u>
Total	<u><u>\$41,612,339</u></u>	<u><u>\$32,260,288</u></u>	<u><u>\$949,321</u></u>	<u><u>\$924,242</u></u>
<b><u>General Revenues</u></b>				
Property Taxes Levied for General Purposes				
Property Taxes Levied for Police Pension				
Property Taxes Levied for Fire Pension				
Municipal Income Taxes for General Purposes				
Municipal Income Taxes for Other Purposes				
Payment in Lieu of Taxes				
Other Local Taxes				
Franchise Taxes				
Grants and Entitlements not Restricted to Specific Programs				
Investment Earnings and Other Interest				
Other				
Total General Revenues				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position Beginning of Year as Previously Reported				
Changes in Accounting Principle - See Note 3				
Error Correction - See Note 3				
Restated Net Position Beginning of Year				
Net Position End of Year				

See Accompanying Notes to the Basic Financial Statements

**Net (Expense) Revenue  
and Change in Net Position**

Governmental Activities	Business-Type Activities	Total
(\$4,285,684)	\$0	(\$4,285,684)
(152,181)	0	(152,181)
(1,282,674)	0	(1,282,674)
(17,147)	0	(17,147)
(216,279)	0	(216,279)
(913,724)	0	(913,724)
(1,348,466)	0	(1,348,466)
(7,183)	0	(7,183)
 <hr/>	 <hr/>	 <hr/>
(8,223,338)	0	(8,223,338)
 <hr/>	 <hr/>	 <hr/>
0	182,275	182,275
0	(2,702)	(2,702)
0	449,054	449,054
0	116,223	116,223
 <hr/>	 <hr/>	 <hr/>
0	744,850	744,850
 <hr/>	 <hr/>	 <hr/>
(8,223,338)	744,850	(7,478,488)
 <hr/>	 <hr/>	 <hr/>
381,470	0	381,470
67,302	0	67,302
67,302	0	67,302
5,656,500	0	5,656,500
2,827,987	0	2,827,987
1,076,436	0	1,076,436
607,749	0	607,749
70,821	0	70,821
406,551	0	406,551
1,338,698	419,032	1,757,730
693,428	357,079	1,050,507
 <hr/>	 <hr/>	 <hr/>
13,194,244	776,111	13,970,355
 <hr/>	 <hr/>	 <hr/>
568,534	(568,534)	0
 <hr/>	 <hr/>	 <hr/>
13,762,778	207,577	13,970,355
 <hr/>	 <hr/>	 <hr/>
5,539,440	952,427	6,491,867
 <hr/>	 <hr/>	 <hr/>
53,090,393	73,962,939	127,053,332
 <hr/>	 <hr/>	 <hr/>
(693,193)	(544,217)	(1,237,410)
(478,127)	0	(478,127)
 <hr/>	 <hr/>	 <hr/>
51,919,073	73,418,722	125,337,795
 <hr/>	 <hr/>	 <hr/>
<b>\$57,458,513</b>	<b>\$74,371,149</b>	<b>\$131,829,662</b>

City of Celina  
Balance Sheet  
Governmental Funds  
December 31, 2024

	General	Additional Income Tax Levy	American Rescue Plan	GO Debt Service	Street Improvement
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$5,975,197	\$484,640	\$0	\$32,607	\$8,225,109
Investments with Fiscal Agent	0	0	0	0	0
Accounts Receivable	31,056	0	0	0	0
Accrued Interest Receivable	153,600	0	0	0	0
Due from Other Governments	231,682	0	0	0	0
Municipal Income Taxes Receivable	900,357	449,026	0	0	0
Interfund Receivable	85,886	0	0	0	0
Lease Receivable	82,682	0	0	0	0
Prepaid Items	71,100	0	0	0	0
Materials and Supplies Inventory	19,606	0	0	0	0
Restricted Assets					
Equity in Pooled Cash and Cash Equivalents	43,204	0	0	0	0
Property Taxes Receivable	424,983	0	0	0	0
Payment in Lieu of Taxes Receivable	0	0	0	0	0
Notes Receivable	0	0	0	0	0
<b>Total Assets</b>	<b>\$8,019,353</b>	<b>\$933,666</b>	<b>\$0</b>	<b>\$32,607</b>	<b>\$8,225,109</b>
<b>Liabilities</b>					
Accrued Wages Payable	\$200,282	\$0	\$0	\$0	\$0
Accounts Payable	157,975	0	0	0	0
Contracts Payable	60,060	0	0	0	29,958
Retainage Payable	0	0	0	0	2,597
Due to Other Governments	50,463	0	0	0	0
Interfund Payable	0	0	0	0	0
Deposits Held Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b>468,780</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,555</b>
<b>Deferred Inflows of Resources</b>					
Property Taxes	416,792	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0	0
Leases	82,682	0	0	0	0
Unavailable Revenue	861,806	270,689	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>1,361,280</b>	<b>270,689</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance</b>					
Nonspendable	133,910	0	0	0	0
Restricted	0	662,977	0	32,607	0
Committed	400,000	0	0	0	8,192,554
Assigned	243,501	0	0	0	0
Unassigned (Deficit)	5,411,882	0	0	0	0
<b>Total Fund Balance</b>	<b>6,189,293</b>	<b>662,977</b>	<b>0</b>	<b>32,607</b>	<b>8,192,554</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$8,019,353</b>	<b>\$933,666</b>	<b>\$0</b>	<b>\$32,607</b>	<b>\$8,225,109</b>

See Accompanying Notes to the Basic Financial Statements

Tax Increment Financing	Other Governmental	Total Governmental Funds
\$5,666,960	\$5,069,174	\$25,453,687
0	266,782	266,782
	30,844	61,900
0	3,152	156,752
20,356	429,184	681,222
0	0	1,349,383
0	0	85,886
0	19,203	101,885
0	0	71,100
0	31,100	50,706
	150,000	193,204
0	149,994	574,977
1,587,013	0	1,587,013
0	35,221	35,221
<b>\$7,274,329</b>	<b>\$6,184,654</b>	<b>\$30,669,718</b>
\$0	\$24,770	\$225,052
0	20,065	178,040
33,169	6,800	129,987
11,918	606	15,121
0	60,526	110,989
0	32,479	32,479
0	150,000	150,000
	295,246	841,668
<b>45,087</b>		
0	147,102	563,894
1,587,013	0	1,587,013
0	19,203	101,885
20,356	395,840	1,548,691
	562,145	3,801,483
<b>1,607,369</b>		
0	281,100	415,010
5,621,873	3,539,167	9,856,624
0	1,606,905	10,199,459
0	0	243,501
0	(99,909)	5,311,973
	5,327,263	26,026,567
<b>5,621,873</b>		
<b>\$7,274,329</b>	<b>\$6,184,654</b>	<b>\$30,669,718</b>

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City of Celina  
 Reconciliation of Total Governmental Fund Balance  
 to Net Position of Governmental Activities  
 December 31, 2024

Total Governmental Fund Balance \$26,026,567

Amounts reported for governmental activities on the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 40,411,854

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Accounts Receivable	93,214
Accrued Interest Receivable	93,036
Due from Other Governments	542,390
Municipal Income Taxes Receivable	808,968
Delinquent Property Taxes Receivable	11,083
	1,548,691

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest Payable	(400)
General Obligation Bonds Payable	(120,000)
OPWC Loan Payable	(48,113)
Compensated Absences Payable	(1,121,986)
	(1,290,499)

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

Net Pension Asset	32
Deferred Outflows - Pension	3,183,598
Deferred Inflows - Pension	(904,913)
Net Pension Liability	(10,757,796)
Net OPEB Asset	88,015
Deferred Outflows - OPEB	421,575
Deferred Inflows - OPEB	(655,401)
Net OPEB Liability	(613,210)
	(9,238,100)

Net Position of Governmental Activities \$57,458,513

See Accompanying Notes to the Basic Financial Statements

City of Celina  
 Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Governmental Funds  
 For the Year Ended December 31, 2024

	General	Additional Income Tax Levy	American Rescue Plan	GO Debt Service	Street Improvement
<b>Revenues</b>					
Property Taxes	\$380,602	\$0	\$0	\$0	\$0
Municipal Income Taxes	5,457,823	2,728,900	0	0	0
Payment in Lieu of Taxes	0	0	0	0	0
Other Local Taxes	607,749	0	0	0	0
Charges for Services	431,482	0	0	0	0
Fees, Licenses, and Permits	79,068	0	0	0	0
Fines, Forfeitures, and Settlements	196,066	0	0	0	0
Intergovernmental	931,427	0	0	0	0
Leases	177	0	0	0	0
Investment Earnings and Other Interest	1,329,194	0	0	0	0
Other	<u>2,190,077</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,640,887</u>
<b>Total Revenues</b>	<b><u>11,603,665</u></b>	<b><u>2,728,900</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>2,640,887</u></b>
<b>Expenditures</b>					
Current:					
Security of Persons and Property	3,831,525	2,206,112	0	0	0
Public Health	93,003	0	0	0	0
Leisure Time Activities	85,295	0	0	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	216,216	0	1,563	0	0
Transportation	193,287	2,640,887	0	0	1,516,827
General Government	1,964,950	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	110,000	0
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,280</u>	<u>0</u>
<b>Total Expenditures</b>	<b><u>6,384,276</u></b>	<b><u>4,846,999</u></b>	<b><u>1,563</u></b>	<b><u>112,280</u></b>	<b><u>1,516,827</u></b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b><u>5,219,389</u></b>	<b><u>(2,118,099)</u></b>	<b><u>(1,563)</u></b>	<b><u>(112,280)</u></b>	<b><u>1,124,060</u></b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	0	112,280	1,728,000
Transfers Out	<u>(3,596,401)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>(3,596,401)</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>112,280</u></b>	<b><u>1,728,000</u></b>
Changes in Fund Balance	1,622,988	(2,118,099)	(1,563)	0	2,852,060
Fund Balance Beginning of Year	4,566,305	2,781,076	1,563	32,607	5,340,494
<b>Fund Balance End of Year</b>	<b><u>\$6,189,293</u></b>	<b><u>\$662,977</u></b>	<b><u>\$0</u></b>	<b><u>\$32,607</u></b>	<b><u>\$8,192,554</u></b>

See Accompanying Notes to the Basic Financial Statements

Tax Increment Financing	Other Governmental	Total Governmental Funds
\$0	\$134,298	\$514,900
0	0	8,186,723
1,076,436	0	1,076,436
0	0	607,749
0	146,597	578,079
0	0	79,068
0	147,267	343,333
39,158	887,596	1,858,181
0	5,437	5,614
0	89,922	1,419,116
<u>111,444</u>	<u>609,904</u>	<u>5,552,312</u>
<u>1,227,038</u>	<u>2,021,021</u>	<u>20,221,511</u>
0	983,003	7,020,640
0	94,070	187,073
148,975	1,488,717	1,722,987
0	22,581	22,581
0	0	217,779
13,308	844,162	5,208,471
0	55,746	2,020,696
<u>56,874</u>	<u>0</u>	<u>166,874</u>
<u>6,550</u>	<u>0</u>	<u>8,830</u>
<u>225,707</u>	<u>3,488,279</u>	<u>16,575,931</u>
<u>1,001,331</u>	<u>(1,467,258)</u>	<u>3,645,580</u>
6,873	1,861,528	3,708,681
(229,862)	0	(3,826,263)
(222,989)	1,861,528	(117,582)
778,342	394,270	3,527,998
<u>4,843,531</u>	<u>4,932,993</u>	<u>22,498,569</u>
<u>\$5,621,873</u>	<u>\$5,327,263</u>	<u>\$26,026,567</u>

City of Celina  
 Reconciliation of Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 of Governmental Funds to Statement of Activities  
 For the Year Ended December 31, 2024

Changes in Fund Balance - Total Governmental Funds	\$3,527,998
Amounts reported for governmental activities on the statement of activities are different because of the following:	
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current year.	
Capital Outlay - Nondepreciable Capital Assets	974,623
Capital Outlay - Depreciable Capital Assets	1,797,358
Capital Contributions	1,574,537
Depreciation	<u>(2,613,079)</u>
	1,733,439
The cost of the capital assets is removed from the capital asset account on the statement of net position when disposed of resulting in a loss on disposal of capital assets on the statement of activities.	
	(8,117)
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	
Delinquent Property Taxes	1,174
Municipal Income Taxes	297,764
Charges for Services	1,029
Fees, Licenses, and Permits	(2,257)
Fines, Forfeitures, and Settlements	(6,408)
Intergovernmental	(5,440)
Investment Earnings and Other Interest	6,048
Other	<u>(1,039)</u>
	290,871
Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.	
General Obligation Bonds Payable	160,000
OPWC Loan Payable	<u>6,874</u>
	166,874
Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB liability (asset) are reported as pension/OPEB expense on the statement of activities.	
Pension Expense	(933,641)
OPEB Expense	<u>(33,493)</u>
	(967,134)
Contractually required pension contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.	
Contractually Required Contributions - Pension	771,253
Contractually Required Contributions - OPEB	<u>14,830</u>
	786,083
Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position.	
	1,647
Compensated absences reported on the statement of net position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
	<u>7,779</u>
Change in Net Position of Governmental Activities	<u><u>\$5,539,440</u></u>

See Accompanying Notes to the Basic Financial Statements

City of Celina  
 Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b><u>Revenues</u></b>				
Property Taxes	\$378,116	\$378,116	\$380,602	\$2,486
Municipal Income Taxes	4,500,200	4,500,200	5,469,167	968,967
Other Local Taxes	585,000	585,000	602,316	17,316
Charges for Services	399,724	399,724	430,807	31,083
Fees, Licenses, and Permits	83,800	83,800	78,868	(4,932)
Fines, Forfeitures, and Settlements	217,268	217,268	192,430	(24,838)
Intergovernmental	754,306	754,306	973,915	219,609
Leases	3,800	3,800	3,800	0
Interest	300,000	300,000	968,866	668,866
Other	1,480,421	1,480,421	2,188,496	708,075
<b>Total Revenues</b>	<b>8,702,635</b>	<b>8,702,635</b>	<b>11,289,267</b>	<b>2,586,632</b>
<b><u>Expenditures</u></b>				
Current:				
Security of Persons and Property	4,592,470	4,737,697	3,832,501	905,196
Public Health	94,368	94,368	93,003	1,365
Leisure Time Activities	101,604	105,097	87,174	17,923
Community Environment	3,000	3,000	0	3,000
Basic Utility Services	262,661	288,631	220,449	68,182
Transportation	262,098	267,058	199,800	67,258
General Government	1,947,391	2,289,839	2,040,792	249,047
Other	120,000	195,333	84,757	110,576
<b>Total Expenditures</b>	<b>7,383,592</b>	<b>7,981,023</b>	<b>6,558,476</b>	<b>1,422,547</b>
Excess of Revenues Over Expenditures	1,319,043	721,612	4,730,791	4,009,179
<b><u>Other Financing Uses</u></b>				
Transfers Out	(1,307,385)	(4,150,563)	(3,596,401)	554,162
Changes in Fund Balance	11,658	(3,428,951)	1,134,390	4,563,341
Fund Balance Beginning of Year	4,889,031	4,889,031	4,889,031	0
Prior Year Encumbrances Appropriated	44,323	44,323	44,323	0
<b>Fund Balance End of Year</b>	<b>\$4,945,012</b>	<b>\$1,504,403</b>	<b>\$6,067,744</b>	<b>\$4,563,341</b>

See Accompanying Notes to the Basic Financial Statements

City of Celina  
 Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 Additional Income Tax Levy Special Revenue Fund  
 For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b><u>Revenues</u></b>				
Municipal Income Taxes	<u>\$2,250,000</u>	<u>\$2,250,000</u>	<u>\$2,734,487</u>	<u>\$484,487</u>
<b><u>Expenditures</u></b>				
Current:				
Security of Persons and Property	1,406,112	2,206,112	2,206,112	0
Transportation	<u>843,887</u>	<u>2,640,887</u>	<u>2,640,887</u>	<u>0</u>
Total Expenditures	<u>2,249,999</u>	<u>4,846,999</u>	<u>4,846,999</u>	<u>0</u>
Changes in Fund Balance	1	(2,596,999)	(2,112,512)	484,487
Fund Balance Beginning of Year	<u>2,597,152</u>	<u>2,597,152</u>	<u>2,597,152</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,597,153</u>	<u>\$153</u>	<u>\$484,640</u>	<u>\$484,487</u>

See Accompanying Notes to the Basic Financial Statements

City of Celina  
 Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 American Rescue Plan Special Revenue Fund  
 For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<u>Revenues</u>	\$0	\$0	\$0	\$0
<u>Expenditures</u>				
Current:				
Basic Utility	0	1,563	1,563	0
Changes in Fund Balance	0	(1,563)	(1,563)	0
Fund Balance Beginning of Year	<u>1,563</u>	<u>1,563</u>	<u>1,563</u>	0
Fund Balance End of Year	<u><u>\$1,563</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

See Accompanying Notes to the Basic Financial Statements

City of Celina  
Statement of Fund Net Position  
Enterprise Funds  
December 31, 2024

	Electric	Water	Sewer	Stormwater	Total
<b>Assets</b>					
<b>Current Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$10,962,540	\$5,566,006	\$7,846,612	\$951,873	\$25,327,031
Cash and Cash Equivalents with Fiscal Agent	125,160	0	0	0	125,160
Accounts Receivable	2,305,722	403,218	219,310	29,194	2,957,444
Accrued Interest Receivable	0	21,951	27,764	0	49,715
Due from Other Governments	3,410	1,998	1,882	0	7,290
Interfund Receivable	28,917	0	0	0	28,917
Lease Receivable	0	142,337	0	0	142,337
Prepaid Items	34,551	23,166	19,535	0	77,252
Materials and Supplies Inventory	2,628,303	1,055,556	58,395	13,015	3,755,269
 Total Current Assets	 16,088,603	 7,214,232	 8,173,498	 994,082	 32,470,415
<b>Non-Current Assets</b>					
<b>Restricted Assets</b>					
Equity in Pooled Cash and Cash Equivalents	512,528	0	0	0	512,528
Net Pension Asset	18	18	11	0	47
Net OPEB Asset	49,376	47,229	30,055	0	126,660
Nondepreciable Capital Assets	935,431	174,905	224,779	0	1,335,115
Depreciable Capital Assets, Net	16,320,351	25,079,956	4,675,933	3,901,647	49,977,887
 Total Non-Current Assets	 17,817,704	 25,302,108	 4,930,778	 3,901,647	 51,952,237
 Total Assets	 33,906,307	 32,516,340	 13,104,276	 4,895,729	 84,422,652
<b>Deferred Outflows of Resources</b>					
Pension	470,689	450,082	286,366	0	1,207,137
OPEB	45,629	45,214	29,341	0	120,184
 Total Deferred Outflows of Resources	 516,318	 495,296	 315,707	 0	 1,327,321
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accrued Wages Payable	50,026	49,127	29,470	0	128,623
Accounts Payable	141,627	66,816	10,140	7,288	225,871
Contracts Payable	1,890,565	34,352	47,193	0	1,972,110
Retainage Payable	0	217	909	0	1,126
Compensated Absences Payable	88,790	104,302	61,205	0	254,297
Due to Other Governments	44,517	55,841	21,908	0	122,266
Interfund Payable	53,555	17,213	11,556	0	82,324
Accrued Interest Payable	0	27,131	0	0	27,131
Lease Payable	0	29,745	0	0	29,745
General Obligation Bonds Payable	0	20,000	0	0	20,000
OPWC Loan Payable	0	12,082	0	0	12,082
OWDA Loans Payable	0	502,445	0	0	502,445
 Total Current Liabilities	 2,269,080	 919,271	 182,381	 7,288	 3,378,020
<b>Non-Current Liabilities</b>					
Deposits Held and Due to Others	512,528	0	0	0	512,528
General Obligation Bonds Payable	0	110,000	0	0	110,000
Net Pension Liability	1,482,975	1,418,495	902,680	0	3,804,150
OWDA Loans Payable	0	2,525,315	0	0	2,525,315
Compensated Absences Payable	176,130	268,494	164,643	0	609,267
 Total Non-Current Liabilities	 2,171,633	 4,322,304	 1,067,323	 0	 7,561,260
 Total Liabilities	 4,440,713	 5,241,575	 1,249,704	 7,288	 10,939,280

(continued)

City of Celina  
 Statement of Fund Net Position  
 Enterprise Funds  
 December 31, 2024  
 (continued)

	Electric	Water	Sewer	Stormwater	Total
<b><u>Deferred Inflows of Resources</u></b>					
Leases	\$0	\$142,337	\$0	\$0	\$142,337
Pension	72,676	91,741	59,968	0	224,385
OPEB	28,450	27,155	17,217	0	72,822
Total Deferred Inflows of Resources	<u>101,126</u>	<u>261,233</u>	<u>77,185</u>	<u>0</u>	<u>439,544</u>
<b><u>Net Position</u></b>					
Net Investment in Capital Assets	17,008,152	22,020,922	4,858,338	3,901,647	47,789,059
Restricted for					
Pension and OPEB Plans	49,394	47,247	30,066	0	126,707
Unrestricted	<u>12,823,240</u>	<u>5,440,659</u>	<u>7,204,690</u>	<u>986,794</u>	<u>26,455,383</u>
Total Net Position	<u><u>\$29,880,786</u></u>	<u><u>\$27,508,828</u></u>	<u><u>\$12,093,094</u></u>	<u><u>\$4,888,441</u></u>	<u><u>\$74,371,149</u></u>

See Accompanying Notes to the Basic Financial Statements

City of Celina  
 Statement of Revenues, Expenses,  
 and Changes in Fund Net Position  
 Enterprise Funds  
 For the Year Ended December 31, 2024

	Electric	Water	Sewer	Stormwater	Total
<b><u>Operating Revenues</u></b>					
Charges for Services	\$23,232,910	\$4,413,657	\$2,394,261	\$331,963	\$30,372,791
Lease	0	15,058	0	0	15,058
Other	131,437	97,778	119,864	0	349,079
<b>Total Operating Revenues</b>	<b>23,364,347</b>	<b>4,526,493</b>	<b>2,514,125</b>	<b>331,963</b>	<b>30,736,928</b>
<b><u>Operating Expenses</u></b>					
Personal Services	1,510,194	1,416,464	898,665	0	3,825,323
Materials and Supplies	20,602,716	1,754,793	725,160	63,147	23,145,816
Other	398,584	162,405	51,388	0	612,377
Depreciation	921,438	1,038,046	269,994	152,593	2,382,071
<b>Total Operating Expenses</b>	<b>23,432,932</b>	<b>4,371,708</b>	<b>1,945,207</b>	<b>215,740</b>	<b>29,965,587</b>
<b>Operating Income (Loss)</b>	<b>(68,585)</b>	<b>154,785</b>	<b>568,918</b>	<b>116,223</b>	<b>771,341</b>
<b><u>Non-Operating Revenues (Expenses)</u></b>					
Excise Taxes	384,879	0	0	0	384,879
Gain on Disposal of Capital Assets	8,000	0	0	0	8,000
Loss on Disposal of Capital Assets	(121,181)	(284,779)	(16,099)	(264,057)	(686,116)
Investment Earnings and Other Interest	0	146,970	272,062	0	419,032
Interest Expense	(2,582)	(61,272)	0	0	(63,854)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>269,116</b>	<b>(199,081)</b>	<b>255,963</b>	<b>(264,057)</b>	<b>61,941</b>
<b>Income (Loss) before Transfers and Contributions</b>	<b>200,531</b>	<b>(44,296)</b>	<b>824,881</b>	<b>(147,834)</b>	<b>833,282</b>
Transfers In	0	117,582	0	0	117,582
Capital Contributions	0	1,563	0	0	1,563
<b>Changes in Net Position</b>	<b>200,531</b>	<b>74,849</b>	<b>824,881</b>	<b>(147,834)</b>	<b>952,427</b>
<b>Beginning Net Position Previously Reported</b>	<b>29,815,207</b>	<b>27,675,640</b>	<b>11,435,817</b>	<b>5,036,275</b>	<b>73,962,939</b>
<b>Changes in Accounting Principle - See Note 3</b>	<b>(134,952)</b>	<b>(241,661)</b>	<b>(167,604)</b>	<b>0</b>	<b>(544,217)</b>
<b>Restated Net Position Beginning of Year</b>	<b>29,680,255</b>	<b>27,433,979</b>	<b>11,268,213</b>	<b>5,036,275</b>	<b>73,418,722</b>
<b>Net Position End of Year</b>	<b>\$29,880,786</b>	<b>\$27,508,828</b>	<b>\$12,093,094</b>	<b>\$4,888,441</b>	<b>\$74,371,149</b>

See Accompanying Notes to the Basic Financial Statements

City of Celina  
Statement of Cash Flows  
Enterprise Funds  
For the Year Ended December 31, 2024

	Electric	Water	Sewer	Stormwater	Total Enterprise Funds
<b>Increases (Decreases) in Cash and Cash Equivalents</b>					
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$23,617,491	\$4,631,976	\$2,531,621	\$343,736	\$31,124,824
Cash Received from Other Revenues	131,076	97,687	119,661	0	348,424
Cash Received from Leases	0	15,058	0	0	15,058
Cash Received from Utility Deposits	109,813	0	0	0	109,813
Cash Payments for Personal Services	(1,522,151)	(1,448,382)	(923,539)	0	(3,894,072)
Cash Payments for Materials and Supplies	(20,368,649)	(2,120,965)	(762,419)	(72,428)	(23,324,461)
Cash Payments for Other Expenses	(397,195)	(159,321)	(50,117)	0	(606,633)
Cash Payments for Deposits Refunded	(93,154)	0	0	0	(93,154)
Net Cash Provided by Operating Activities	1,477,231	1,016,053	915,207	271,308	3,679,799
<b>Cash Flows from Noncapital Financing Activities</b>					
Cash Received from Excise Taxes	384,879	0	0	0	384,879
Transfers In	0	117,582	0	0	117,582
Net Cash Provided by Noncapital Financing Activities	384,879	117,582	0	0	502,461
<b>Cash Flows from Capital and Related Financing Activities</b>					
Capital Grants	0	1,563	0	0	1,563
Principal Paid on General Obligation Bonds	0	(20,000)	0	0	(20,000)
Principal Paid on OPWC Loan	0	(24,162)	0	0	(24,162)
Principal Paid on OWDA Loans	0	(490,237)	0	0	(490,237)
Principal Paid on Leases	0	(28,523)	0	0	(28,523)
Principal Paid on Bond Anticipation Note	(1,938,834)	0	0	0	(1,938,834)
Interest Paid on General Obligation Bonds	0	(5,900)	0	0	(5,900)
Interest Paid on OWDA Loans	0	(56,911)	0	0	(56,911)
Interest Paid on Leases	0	(2,495)	0	0	(2,495)
Interest Paid on Bond Anticipation Note	(78,534)	0	0	0	(78,534)
Acquisition of Capital Assets	(725,632)	(228,716)	(90,830)	(15,310)	(1,060,488)
Net Cash Used for Capital and Related Financing Activities	(2,743,000)	(855,381)	(90,830)	(15,310)	(3,704,521)
<b>Cash Flows from Investing Activities</b>					
Interest	0	145,376	273,830	0	419,206
Net Cash Provided by Investing Activities	0	145,376	273,830	0	419,206
Net Increase (Decrease) in Cash and Cash Equivalents	(880,890)	423,630	1,098,207	255,998	896,945
Cash and Cash Equivalents Beginning of Year	12,481,118	5,142,376	6,748,405	695,875	25,067,774
Cash and Cash Equivalents End of Year	<u>\$11,600,228</u>	<u>\$5,566,006</u>	<u>\$7,846,612</u>	<u>\$951,873</u>	<u>\$25,964,719</u>

(continued)

City of Celina  
 Statement of Cash Flows  
 Enterprise Funds  
 For the Year Ended December 31, 2024  
 (continued)

	Electric	Water	Sewer	Stormwater	Total Enterprise Funds
<b><u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u></b>					
Operating Income (Loss)	(\$68,585)	\$154,785	\$568,918	\$116,223	\$771,341
<b><u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u></b>					
Depreciation	921,438	1,038,046	269,994	152,593	2,382,071
Changes in Assets and Liabilities:					
Decrease in Accounts Receivable	386,170	218,319	137,360	11,773	753,622
Increase in Due from Other Governments	(361)	(91)	(203)	0	(655)
Increase in Interfund Receivable	(1,589)	0	0	0	(1,589)
Increase in Prepaid Items	(13,054)	(11,410)	(7,779)	0	(32,243)
(Increase) Decrease in Materials and Supplies Inventory	79,636	(91,941)	(2,962)	(6,949)	(22,216)
Decrease in Net Pension Asset	1	2	1	0	4
Decrease in Net OPEB Asset	8,928	8,587	5,482	0	22,997
Increase in Accrued Wages Payable	9,958	7,554	5,037	0	22,549
Decrease in Accounts Payable	(59,341)	(138,959)	(39,067)	(2,332)	(239,699)
Increase (Decrease) in Contracts Payable	215,090	(135,963)	3,481	0	82,608
Increase in Retainage Payable	0	217	909	0	1,126
Decrease in Due to Other Governments	(7,360)	(1,289)	(1,195)	0	(9,844)
Increase in Interfund Payable	5,433	1,195	1,101	0	7,729
Increase in Deposits Held and Due to Others	16,659	0	0	0	16,659
Increase (Decrease) in Compensated Absences Payable	47,466	24,244	(3,641)	0	68,069
Increase in Net Pension Liability	138,722	138,365	90,115	0	367,202
Decrease in Deferred Outflows - Pension	173,241	165,707	105,004	0	443,952
Decrease in Deferred Outflows - OPEB	55,814	54,398	34,928	0	145,140
Decrease in Deferred Inflows - Pension	(361,641)	(349,431)	(210,202)	0	(921,274)
Decrease in Deferred Inflows - OPEB	(69,394)	(66,282)	(42,074)	0	(177,750)
Net Cash Provided by Operating Activities	<u><u>\$1,477,231</u></u>	<u><u>\$1,016,053</u></u>	<u><u>\$915,207</u></u>	<u><u>\$271,308</u></u>	<u><u>\$3,679,799</u></u>

**Non-Cash Capital Transactions**

At December 31, 2024, the Electric enterprise fund had payables related to the acquisition of capital assets, in the amount of \$247,630.

During 2024, the Electric enterprise fund received a trade in value of \$8,000 on a fully depreciated asset.

At December 31, 2023, the Electric enterprise fund had payables related to the acquisition of capital assets, in the amount of \$7,200.

At December 31, 2024, the Water enterprise fund had payables related to the acquisition of capital assets, in the amount of \$34,352.

At December 31, 2023, the Water enterprise fund had payables related to the acquisition of capital assets, in the amount of \$3,938.

At December 31, 2024, the Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of \$42,374

At December 31, 2023, the Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of \$3,937.

See Accompanying Notes to the Basic Financial Statements

City of Celina  
Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2024

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$19,319
Cash and Cash Equivalents in Segregated Accounts	<u>53,050</u>
Total Assets	72,369
<u>Liabilities</u>	
Due to Other Governments	<u>1,074</u>
<u>Net Position</u>	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$71,295</u></u>

See Accompanying Notes to the Basic Financial Statements

City of Celina  
Statement of Changes in Fiduciary Net Position  
Custodial Funds  
December 31, 2024

Additions

Licenses, Permits, and Fees for Others	\$10,155
Fines and Forfeitures for Other Governments	801,803
Other	133,926
<b>Total Additions</b>	<b><u>945,884</u></b>

Deductions

Licenses, Permits, and Fees Distributions to Others	8,715
Fines and Forfeitures Distributions to Other Governments	793,401
Distributions to Individuals	136,188
<b>Total Deductions</b>	<b><u>938,304</u></b>
<b>Net Increase in Fiduciary Net Position</b>	<b>7,580</b>
<b>Net Position Beginning of Year</b>	<b><u>63,715</u></b>
<b>Net Position End of Year</b>	<b><u>\$71,295</u></b>

See Accompanying Notes to the Basic Financial Statements

**City of Celina  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2024**

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**NOTE 1 - DESCRIPTION OF THE CITY OF CELINA AND THE REPORTING ENTITY**

**A. The City**

The City of Celina is a statutory municipal corporation operating under the laws of the State of Ohio. The City operates under a mayor-council form of government. Legislative power is vested in a seven member council and a council president, each elected to four-year terms. The Mayor is elected to a four-year term and is the chief executive officer of the City. All City officials, with the exception of the Safety-Service Director, are elected positions. The Safety-Service Director is appointed by the Mayor.

The City of Celina is divided into various departments and financial management and control systems. Services provided include police protection, fire protection, parks and recreation, street maintenance and repair, and electric, water, sewer, and stormwater services as well as a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation and control of these activities is provided by the City Council through the budgetary process and by the Mayor through administrative and managerial requirements and procedures.

**B. Reporting Entity**

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading.

The primary government of the City of Celina consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City, this includes all departments and activities that are directly operated by the elected City officials.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Celina in 2024.

The City of Celina participates in the Mercer County Community Improvement Corporation and the Mercer County Planning Commission, jointly governed organizations; and the Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program and the Ohio Plan Risk Management, insurance purchasing pools. These organizations are presented in Notes 23 and 24 to the basic financial statements.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

The City's basic financial statements consist of government-wide financial 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 in nature and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned 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 governmental program or business activity is self-financing or draws from the general revenues of the City.

**Fund Financial Statements**

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

**B. Fund Accounting**

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

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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

**Governmental Funds**

Governmental funds are those through which most governmental functions of the City 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 purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

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

**Additional Income Tax Levy Fund** - The Additional Income Tax Levy Fund accounts for municipal income tax resources restricted for police and fire operations as well as for improvements to streets, curbs, sidewalks, and alleys.

**American Rescue Plan Fund** – The American Rescue Plan Fund accounts for resources received from the federal government under the American Rescue Plan Act program restricted for costs associated with the City's response and recovery from the COVID-19 pandemic.

**GO Debt Service Fund** - The GO Debt Service Fund accounts for resources that are restricted for the payment of principal, interest, and fiscal charges on general obligation debt.

**Street Improvement Fund** - The Street Improvement Fund accounts for transfers and other sources committed for future street repairs and improvements.

**Tax Increment Financing Fund** - The Tax Increment Financing Fund accounts for payment in lieu of tax revenues restricted for infrastructure and recreational improvements and construction.

The other governmental funds of the City account for grants and other resources whose use is restricted, committed, or assigned for a particular purpose.

**Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

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

**Electric Fund** - This fund accounts for the provision of electric distribution to residential and commercial users within the City.

**Water Fund** - This fund accounts for the provision of water collection and distribution to residential and commercial users within the City.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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

Sewer Fund - This fund accounts for the provision of wastewater treatment service to residential and commercial users within the City.

Stormwater Fund - This fund accounts for the operation of the stormwater runoff system within the City.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications; pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary funds are custodial funds. Custodial funds are used to account for traffic fines remitted to the State of Ohio, the activity of the municipal court due to third-parties, and employee deductions not yet remitted to their specific vendors.

**C. Measurement Focus**

**Government-Wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities 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 and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects 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, includes a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary and fiduciary funds are accounted for using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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

For proprietary funds, the statement of revenues, expenses, and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects 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.

**D. Basis of Accounting**

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

**Revenues - Exchange and Nonexchange Transactions**

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from income taxes is recognized in the year in which the income is earned. 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: income taxes, charges for services, fines and forfeitures, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), grants, and investment earnings and other interest.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate sections for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide and enterprise funds statements of net position for pension and OPEB and explained in Notes 16 and 17 to the basic financial statements.

In addition to liabilities, the statement of financial position 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 consists of property taxes, payment in lieu of taxes, leases, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2024, but which were levied to finance 2025 operations. Payment in lieu of taxes represents a contractual promise to make payment of property taxes which reflect all or a portion of the taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflow for leases is related to leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes accrued interest, intergovernmental revenue including grants, municipal income taxes, delinquent property taxes, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. The details of these unavailable revenue are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities on page 23. Deferred inflows of resources related to pension and OPEB are reported on the government-wide and enterprise funds statements of net position and explained in Notes 16 and 17 to the basic financial statements.

**Expenses/Expenditures**

On the accrual basis, 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.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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

**E. Budgetary Process**

All funds, except custodial funds, are required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations ordinance is City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council at the fund, department, and object level for some funds and at the fund level for other funds. Budgetary allocations at the department and object level within these funds are made by the City Auditor.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the City prior to year end.

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

**F. Cash and Investments**

To improve cash management, cash received by the City, except cash held by fiscal agents, is pooled and invested. Individual fund integrity is maintained through City records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held separately for the City by fiscal agents and held with the City Treasurer are recorded as "Cash and Cash Equivalents with Fiscal Agents".

**City of Celina  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2024**

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

During 2024, the City invested in mutual funds, negotiable certificates of deposit, federal agency securities, private exempt funding corporation securities, Tennessee Valley Authority bonds, United States Treasury securities, commercial paper, and STAR Ohio. Investments are reported at fair value. Fair value is based on quoted market price or current share price. Commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year. 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 the 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 a 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 fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings and Other Interest earnings are allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Investment Earnings and Other Interest revenue credited to the general fund during 2024 amounted to \$1,329,194, which included \$1,113,446 assigned from other City funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

**G. Prepaid Items**

Payments made to vendors for services that will benefit 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 services are consumed.

**H. Inventory**

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption.

**City of Celina  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2024**

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

**I. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or are imposed by law through constitutional. Restricted assets in the general fund includes unclaimed monies legally required to be maintained until the end of a five-year holding period. Restricted assets in other governmental funds represent a deposit from Celina City School District for partial payment on the sale of a City building per the terms of a signed agreement.

Utility deposits from customers are classified as restricted assets on the statement of fund net position because their use is limited to the payment of unpaid utility bills or refunding of the deposit to the customer. Other restricted assets in the enterprise funds represent amounts held in trust by the pension plans for future benefits.

**J. Capital Assets**

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

All capital assets (except for intangible right-to-use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated, except for land, some land improvements, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. The City reports all infrastructure, including that acquired prior to 1980. Depreciation is computed using the straight-line method over the following useful lives:

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	15-40 years	15-40 years
Buildings	50-100 years	50-100 years
Improvements Other than Buildings	20-40 years	N/A
Streets	50-100 years	N/A
Electric, Water, Sewer, and Stormwater Lines	N/A	50-100 years
Furniture and Equipment	5-7 years	5-7 years
Vehicles	5-7 years	5-7 years
Intangible Assets – Software	5 years	5 years
Intangible Right to Use Lease - Equipment	10 years	10 years

The City is reporting intangible right to use assets related to lease assets. The lease asset includes equipment and represents non financial assets which are being utilized for a period of time through leases from another entity. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**K. Interfund Activity**

On fund financial statements, receivables and payables resulting from interfund loans and from interfund services provided and used are classified as “Interfund Receivables/Payables”. Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are presented as “Internal Balances”.

Deferred inflows of resources and deferred outflows of resources from the change in proportionate share related to pension/OPEB items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column on the government-wide statement of net position.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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

**L. Compensated Absences**

For the City, compensated absences includes leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The City does not offer noncash settlements. The City uses a first-in first-out flow assumption for compensated absences.

Liabilities should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates and is allowed to be carried over to subsequent years, and the leave is more likely than not to be used for time off or otherwise paid in cash. For the City, this leave includes sick and vacation time. However, the City also has certain compensated absences that are dependent upon the occurrence of a sporadic events that affects a relatively small proportion of employees. A liability for these types of leave is recognized when the leave commences. For the City this type of leave includes bereavement leave, military leave, personal leave, on-the-job injury leave, and court leave. Holiday leave taken on a specific date, not at the discretion of the employee is recognized as a liability when used. The liability for compensated absences includes salary related payments.

Liabilities for compensated absences are recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements.

**M. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the 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 are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. The 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 to pay those benefits. Long-term bonds and loans are recognized as a liability on the governmental fund financial statements when due.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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

**N. Net Position**

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Of the restricted net position, none has resulted from enabling legislation. Restricted net position for unclaimed monies represents amounts required to be maintained until the end of a five-year holding period offset by any estimated liability for payments to claimants. Net position restricted for other purposes includes activities for construction, repair, and maintenance of State highways and local streets, recreation, loans to local businesses, opioid settlement monies, and other revenues restricted for use by the municipal court and police department. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted net position for the pension plans represent the corresponding restricted asset amounts held in trust by the pension and OPEB plans for future benefits.

**O. Leases**

The City serves as both lessee and lessor in various non cancellable leases which are accounted for as follows:

Lessee - At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor - At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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

**P. 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 governmental funds. The classifications are as follows:

**Nonspendable** - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash. Nonspendable fund balance in the general fund includes unclaimed monies legally required to be maintained until the end of a five-year holding period offset by any estimated liability for payments to claimants.

**Restricted** - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation (City ordinance).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

**Committed** - The committed classification includes amounts that can be used only for the specific purposes determined by a formal action (ordinance) of City Council. The 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. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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 classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by City Council. The City Council has authorized the Safety-Service Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated and for an employee wellness program.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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

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 used only to report a deficit balance.

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

**Q. 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 electric, water, sewer, and stormwater services and lease revenue. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

**R. Capital Contributions**

Capital contributions arise from contributions of capital assets from outside sources and other funds.

**S. Interfund Transactions**

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

**T. Pension/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pension/OPEB, 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 retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement systems report investments at fair value.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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

**U. Estimates**

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

**NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE AND NET POSITION**

**A. Change in Accounting Principle**

For 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*. The City also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021* and GASB Statement No. 101, *Compensated Absences*.

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The City reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of GASB Statement No. 100 and GASB Implementation Guides 2021-1 and 2023-1 did not have any effect on beginning net position/fund balance.

GASB 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. For the City, GASB Statement No. 101 increased the compensated absences liability and the cumulative effects of compensated absences related expense on net position as shown on the table on the following page.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE AND NET POSITION** (continued)

**B. Restatement of Fund Balance and Net Position**

It was determined that taxes receivable and unrestricted net position were overstated in governmental activities by \$478,127 at December 31, 2023. Property taxes revenue and the change in net position were also overstated by the same amount. This overstatement resulted from a miscalculation of outstanding delinquencies.

The same error impacted taxes receivable and deferred inflows of resources, unavailable revenue on the balance sheet for governmental funds. This had no impact on fund balance.

The effects of these corrections of an error are shown in the table on the following page:

	Change in Accounting Principles		Error Correction	
	12/31/2023 As Previously Reported	GASB 101	Taxes Receivable	12/31/2023 As Restated
<b>Government-Wide</b>				
Governmental Activities	\$53,090,393	(\$693,193)	(\$478,127)	\$51,919,073
Business-Type Activities	73,962,939	(544,217)	0	73,418,722
<b>Total Primary Government</b>	<u>\$127,053,332</u>	<u>(\$1,237,410)</u>	<u>(\$478,127)</u>	<u>\$125,337,795</u>
<b>Governmental Funds</b>				
Major Funds:				
General Fund	\$4,566,305	\$0	\$0	\$4,566,305
Additional Income Tax Levy	2,781,076	0	0	2,781,076
American Rescue Plan	1,563	0	0	1,563
GO Debt Service	32,607	0	0	32,607
Street Improvement	5,340,494	0	0	5,340,494
Tax Increment Financing	4,843,531	0	0	4,843,531
All Other Governmental Funds	4,932,993	0	0	4,932,993
<b>Total Governmental Funds</b>	<u>\$22,498,569</u>	<u>\$0</u>	<u>\$0</u>	<u>\$22,498,569</u>
<b>Proprietary Funds</b>				
Enterprise Funds:				
Electric	\$29,815,207	(\$134,952)	\$0	\$29,680,255
Water	27,675,640	(241,661)	0	27,433,979
Sewer	11,435,817	(167,604)	0	11,268,213
Stormwater	5,036,275	0	0	5,036,275
<b>Total Business-Type Net Position</b>	<u>\$73,962,939</u>	<u>(\$544,217)</u>	<u>\$0</u>	<u>\$73,418,722</u>
<b>Fiduciary Fund</b>				
Custodial Fund:				
Other Custodial	<u>\$63,715</u>	<u>\$0</u>	<u>\$0</u>	<u>\$63,715</u>

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

At December 31, 2024, the Police Pension, Fire Pension, Urban and Community Forestry Grant special revenue funds and the Ohio Public Works Commission Grant and the CDBG capital projects fund had deficit fund balances, in the amounts of \$27,854, \$31,818, \$5,541, \$7,406, and \$27,290, respectively. These deficits are the result of recognition of payables in accordance with generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**B. Compliance**

The following funds had final appropriations in excess of estimated resources plus available balances for the year ended December 31, 2024.

Fund	Estimated Resources		
	Balance	Appropriations	Excess
Street Maintenance and Repair	\$2,196,347	\$2,324,500	\$128,153
Ohio Public Works Commission Grant	0	504,000	504,000
Jobs and Commerce Award Grant	0	100,000	100,000

The City will review appropriations to ensure they are within available balances.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual for the General Fund, the Additional Income Tax Levy, and the American Rescue Plan special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).

Adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis are as follows:

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** (continued)

	General	Additional Income Tax Levy	American Rescue Plan
GAAP Basis	<u>\$1,622,988</u>	<u>(\$2,118,099)</u>	<u>(\$1,563)</u>
<b><u>Increase (Decrease) Due To</u></b>			
Revenue Accruals:			
Accrued 2023, Received in Cash 2024	(49,611)	183,924	0
Accrued 2024, Net Yet Received in Cash	(260,926)	(178,337)	0
Expenditure Accruals:			
Accrued 2023, Paid in Cash 2024	(372,598)	0	0
Accrued 2024, Net Yet Paid in Cash	468,780	0	0
Cash Adjustments:			
Unrecorded Activity 2023	14,336	0	0
Unrecorded Activity 2024	(18,197)	0	0
Prepaid Items	(48,931)	0	0
Materials and Supplies	(951)	0	0
Encumbrances Outstanding at Year End (Budget Basis)	<u>(220,500)</u>	<u>0</u>	<u>0</u>
Budget Basis	<u><u>\$1,134,390</u></u>	<u><u>(\$2,112,512)</u></u>	<u><u>(\$1,563)</u></u>

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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

Active deposits are public deposits determined to be necessary to meet current demands upon the City treasury. Active deposits 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 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.

Protection of the City's 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.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

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

1. United States Treasury bills, bonds, notes, 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 obligation or security 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily and 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 division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (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).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

Investments

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

<u>Measurement/Investment</u>	<u>Measurement Amount</u>	<u>Less Than Six Months</u>	<u>Six Months to One Year</u>	<u>One Year to Two Years</u>	<u>More Than Two Years</u>
Fair Value - Level One Inputs					
Mutual Funds	\$127,800	\$127,800	\$0	\$0	\$0
Fair Value - Level Two Inputs					
Negotiable Certificates of Deposit	1,199,042	0	240,703	511,271	447,068
Federal Agricultural					
Mortgage Corporation Notes	1,136,650	0	0	384,280	752,370
Federal Farm Credit					
Bank Notes	8,055,475	239,657	829,789	236,055	6,749,974
Federal Home Loan					
Bank Notes	7,457,918	543,807	700,669	1,842,521	4,370,921
Federal Home Loan					
Mortgage Corporation					
Notes	1,397,109	0	1,397,109	0	0
Federal National					
Mortgage Association					
Notes	2,283,702	737,393	1,546,309	0	0
Private Exempt Funding					
Corporation Notes	231,254	0	0	0	231,254
Tennessee Valley Authority Bonds	857,633	0	0	0	857,633
United States Treasury					
Notes	13,908,059	1,229,191	763,021	3,279,484	8,636,363
Total Fair Value - Level					
Two Inputs	36,526,842	2,750,048	5,477,600	6,253,611	22,045,583
Amortized Cost					
Commercial Paper	1,026,125	1,026,125	0	0	0
Net Value Per Share					
STAR Ohio	9,765,609	9,765,609	0	0	0
Total Investments	\$47,446,376	\$13,669,582	\$5,477,600	\$6,253,611	\$22,045,583

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. The above chart identifies the City's recurring fair value measurements as of December 31, 2024. The City's mutual funds measured at fair value are valued using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the City.

The negotiable certificates of deposit are generally covered by FDIC insurance. The mutual funds, federal agency securities, private exempt funding corporation, Tennessee Valley Authority bonds, and U.S. Treasury securities carry a rating of Aaa by Moody's. The commercial paper carries a rating of P-1 by Moody's. STAR Ohio carries a rating of Aaam by Standard and Poor's. The City has no investment policy for credit risk beyond the requirements of State statute. Ohio law requires that mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization and that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization.

The City places no limit on the amount of its interim monies it may invest in a particular security. The following table indicates the percentage of each investment to the City's total portfolio.

	Fair Value	Percentage of Portfolio
Negotiable Certificates of Deposit	\$1,199,042	2.53%
Federal Agricultural Mortgage Corporation	1,136,650	2.40
Federal Farm Credit Bank	8,055,475	16.98
Federal Home Loan Bank	7,457,918	15.72
Federal Home Loan Mortgage Corporation	1,397,109	2.94
Federal National Mortgage Association	2,283,702	4.81
Private Exempt Funding Corporation	231,254	0.49
Tennessee Valley Authority	857,633	1.81
United States Treasury	13,908,059	29.31
Commercial Paper	1,026,125	2.16

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2024, consisted of accounts (billings for user charged services, including unbilled utility services and Opioid settlement monies); accrued interest; intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; interfund; leases; property taxes; payment in lieu of taxes; and notes. All receivables are considered collectible in full and within one year, except for the Opioid settlement monies, municipal income taxes, property taxes, leases, and notes. Municipal income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 7 - RECEIVABLES** (continued)

Notes receivable represents a low interest loan for a development project granted to an eligible City business under the Federal Community Development Block Grant program. The loan has an annual interest rate of 2.41 percent and is to be repaid over twenty years. Principal amount of \$5,396 was repaid during 2024. Notes outstanding at December 31, 2024, were \$35,221. Notes receivable, in the amount of \$29,695, will not be received within one year.

Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the City reported \$26,484 as an accounts receivable related to opioid settlement monies in the OneOhio Opioid Settlement special revenue fund in the accompanying financial statements. Collections of these settlement monies are expected to extend through 2038, with \$24,581 not expected to be collected within one year of the dates of the financial statements.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Major Funds	
General Fund	
Property Tax Allocation	\$25,484
Local Government	161,461
Ohio Attorney General	4,579
Mercer County	38,602
State of Ohio Bureau of Motor Vehicles	1,556
Total General Fund	<u>231,682</u>
Tax Incremental Financing	
Property Tax Allocation	20,356
Total Major Funds	<u>252,038</u>
Nonmajor Funds	
Street Maintenance and Repair	
Gasoline Tax	300,676
Motor Vehicle License Tax	59,961
Total Street Maintenance and Repair	<u>360,637</u>
State Highway	
Gasoline Tax	25,731
Motor Vehicle License Tax	6,743
Total State Highway	<u>32,474</u>

(continued)

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 7 - RECEIVABLES** (continued)

	<u>Amount</u>
Governmental Activities (continued)	
Nonmajor Funds (continued)	
Police Pension	
Property Tax Allocation	<u>\$4,497</u>
Fire Pension	
Property Tax Allocation	<u>4,497</u>
Permissive Motor Vehicle License	
Permissive Motor Vehicle License	<u>2,124</u>
Indigent Driver	
Indigent Driver	<u>607</u>
Ohio Urban and Community Forestry Grant	
Ohio Department of Natural Resources	<u>13,101</u>
Ohio Law Enforcement Body Armor Grant	
Ohio Attorney General	<u>4,447</u>
Ohio Public Works Commission Grant	<u>6,800</u>
Total Nonmajor Funds	<u>429,184</u>
Governmental Activities	<u><u>\$681,222</u></u>
Business Type Activities	<u>Amount</u>
Major Funds	
Electric	
Mercer County	<u>\$3,031</u>
Ohio Bureau of Workers' Compensation	<u>379</u>
Total Electric	<u>3,410</u>
Water	
Mercer County	<u>1,657</u>
Ohio Bureau of Workers' Compensation	<u>341</u>
Total Water	<u>1,998</u>
Sewer	
Mercer County	<u>1,657</u>
Ohio Bureau of Workers' Compensation	<u>225</u>
Total Sewer	<u>1,882</u>
Total Business Type Activities	<u><u>\$7,290</u></u>

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 7 - RECEIVABLES** (continued)

**Leases Receivable**

The City is reporting leases receivable of \$82,682 in the General Fund, \$19,203 in the Cemetery special revenue fund, and \$142,337 in the Water enterprise fund at December 31, 2024. These amounts represent the discounted future lease payments. The discount is being amortized using the interest method. For 2024, the City recognized lease revenue of \$177 and interest revenue of \$3,623 in the General Fund, lease revenue of \$5,437 and interest revenue of \$563 in the Cemetery special revenue fund, and recognized lease revenue of \$15,058 and interest revenue of \$2,903 in the Water enterprise fund related to lease payments received. These lease revenue amounts exclude short-term leases.

A description of the City's lease arrangements is as follows:

House and Land Leases - The City has entered into various lease agreements for house rental and land usage with multiple companies at varying years and terms as follows:

Company	Lease Commencement		Lease Ending		Payment Method
	Date	Years	Date		
RG Communications	2019	75	2094		Quarterly
St. John Lutheran Church	2024	4	2028		Monthly
T-Mobile	2022	11	2032		Monthly
Wabash Mutual Telephone	2021	5	2025		Monthly

A summary of future lease revenue is as follows:

Year	Governmental		Water	
	Principal	Interest	Principal	Interest
2025	\$5,329	\$4,471	\$17,339	\$4,714
2026	5,605	4,195	14,140	4,111
2027	5,895	3,905	14,638	3,613
2028	3,168	3,632	17,935	3,053
2029	221	3,579	18,567	2,421
2030-2034	1,262	17,739	59,718	3,246
2035-2039	1,568	17,432	0	0
2040-2044	1,949	17,051	0	0

(continued)

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 7 - RECEIVABLES** (continued)

Year	Governmental		Water	
	Principal	Interest	Principal	Interest
2045-2049	\$2,423	\$16,577	\$0	\$0
2050-2055	3,012	15,988	0	0
2056-2059	3,744	15,256	0	0
2060-2064	4,654	14,346	0	0
2065-2069	5,784	13,215	0	0
2070-2074	7,191	11,809	0	0
2075-2079	8,939	10,061	0	0
2080-2084	11,111	7,889	0	0
2085-2089	13,811	5,189	0	0
2090-2094	16,219	1,832	0	0
	<u>\$101,885</u>	<u>\$184,166</u>	<u>\$142,337</u>	<u>\$21,158</u>

**NOTE 8 - MUNICIPAL INCOME TAXES**

The City levies and collects an income tax of 1.5 percent based on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the 1 percent of the tax owed. There is no credit allowed on the additional .5 percent tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Of the total income tax collected, 1 percent is credited to the General Fund and .5 percent is credited to the Additional Income Tax special revenue fund and used to fund operations of the police and fire departments as well as for various public right-of-way improvements. The additional .5 percent began collections on January 1, 2016, and will be collected for a period of seven years. On May 2, 2022, voters approved to renew the additional .5 percent tax for another seven years beginning January 1, 2023 and ending December 31, 2029.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 9 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2024 represent the collection of 2023 taxes. Real property taxes received in 2024 were levied after October 1, 2023, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2024 represent the collection of 2023 taxes. Public utility real and tangible personal property taxes received in 2024 became a lien on December 31, 2022, were levied after October 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Celina. The County Auditor periodically remits to the City its portion of the taxes collected.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2024, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2024 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The full tax rate for all City operations for the year ended December 31, 2024, was \$2.30 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:

Category	Assessed Value
Real Estate	
Agricultural/Residential	\$211,760,680
Commercial/Industrial	40,033,750
Public Utility real	22,100
Public Utility Personal	1,174,650
Total	<u><u>\$252,991,180</u></u>

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 10 - PAYMENT IN LIEU OF TAXES**

According to State law, the City has established several tax incremental financing districts within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been exempted. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may, therefore, spread the costs of the improvements to a larger number of property owners.

**NOTE 11 - CAPITAL ASSETS**

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

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024
<b>Governmental Activities:</b>				
Nondepreciable Capital Assets				
Land	\$5,707,593	\$0	\$0	\$5,707,593
Land Improvements	7,933,047	0	0	7,933,047
Construction in Progress	1,000,073	1,588,239	(2,269,957)	318,355
Development in Progress	308,475	0	(308,475)	0
Total Nondepreciable Capital Assets	<u>14,949,188</u>	<u>1,588,239</u>	<u>(2,578,432)</u>	<u>13,958,995</u>
Depreciable Capital Assets				
Tangible Assets				
Land Improvements	4,307,634	570,811	0	4,878,445
Buildings	5,248,430	0	0	5,248,430
Improvements Other than Buildings	1,419,245	0	0	1,419,245
Streets	26,760,418	3,948,063	0	30,708,481
Furniture and Equipment	1,331,836	300,669	0	1,632,505
Vehicles	5,874,735	213,193	(24,861)	6,063,067
Total Tangible Assets	<u>44,942,298</u>	<u>5,032,736</u>	<u>(24,861)</u>	<u>49,950,173</u>
Intangible Assets				
Intangible Asset - Software	105,377	308,475	0	413,852
Total Depreciable Capital Assets	<u>45,047,675</u>	<u>5,341,211</u>	<u>(24,861)</u>	<u>50,364,025</u>

(continued)

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 11 - CAPITAL ASSETS** (continued)

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024
Governmental Activities (continued):				
Less Accumulated Depreciation/Amortization for Depreciation				
Land Improvements	(\$1,391,490)	(\$177,901)	\$0	(\$1,569,391)
Buildings	(1,075,594)	(151,243)	0	(1,226,837)
Improvements Other than Buildings	(1,256,662)	(40,157)	0	(1,296,819)
Streets	(13,535,180)	(1,617,304)	0	(15,152,484)
Furniture and Equipment	(742,184)	(140,036)	0	(882,220)
Vehicles	(3,287,036)	(361,428)	12,244	(3,636,220)
Total Depreciation	<u>(21,288,146)</u>	<u>(2,488,069)</u>	<u>12,244</u>	<u>(23,763,971)</u>
Amortization				
Intangible Assets				
Intangible Asset - Software	(22,185)	(125,010)	0	(147,195)
Total Accumulated Depreciation/Amortization	<u>(21,310,331)</u>	<u>(2,613,079)</u>	<u>12,244</u>	<u>(23,911,166)</u>
Total Depreciable Capital Assets, Net	<u>23,737,344</u>	<u>2,728,132</u>	<u>(12,617)</u>	<u>26,452,859</u>
Governmental Activities				
Capital Assets, Net	<u>\$38,686,532</u>	<u>\$4,316,371</u>	<u>(\$2,591,049)</u>	<u>\$40,411,854</u>

During 2024, governmental activities accepted capital contributions of capital assets from outside sources and business-type activities, in the amounts of \$888,421 and \$686,116, respectively.

In 2024, the City signed an agreement with the Celina City School District (the School District) for selling a City building for \$500,000. The School District is going to pay the City in 3 installments over the next three years with the final payment on or before June 30, 2026. The sale was not closed at December 31, 2024. Based upon GASB Statement No. 62, the sale has not been consummated. A sale is not considered consummated until all parties are bound by the terms of the contract; all consideration has been exchanged; any permanent financing for which the seller is responsible has been arranged; and all conditions precedent to closing have been performed. Even though there is a signed agreement in place, all of these conditions are not expected to be met until the sale is closed. Sales that are not consummated follow the deposit method of accounting. Under the deposit method of accounting, the City should not recognize a receivable or a gain. At December 31, 2024, the City had received \$150,000 as payment from the School District as payment from this agreement. Following this deposit method of accounting, the \$150,000 is reported as a deposits held payable on the accompanying financial statements. At December 31, 2024, the building still belongs to the City and is reflected in the capital asset table above.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 11 - CAPITAL ASSETS** (continued)

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024
<b>Business-Type Activities:</b>				
Nondepreciable Capital Assets				
Land	\$368,946	\$0	\$0	\$368,946
Construction in Progress	1,332,301	688,571	(1,054,703)	966,169
Total Nondepreciable Capital Assets	<u>1,701,247</u>	<u>688,571</u>	<u>(1,054,703)</u>	<u>1,335,115</u>
Depreciable Capital Assets (continued)				
Tangible Assets				
Land Improvements	206,690	72,500	(72,500)	206,690
Buildings	39,670,983	0	0	39,670,983
Electric, Water, Sewer, and Stormwater Lines	51,268,803	1,193,767	(745,373)	51,717,197
Furniture and Equipment	1,236,939	417,556	0	1,654,495
Vehicles	3,961,137	60,078	(29,354)	3,991,861
Total Tangible Assets	<u>96,344,552</u>	<u>1,743,901</u>	<u>(847,227)</u>	<u>97,241,226</u>
Intangible Assets				
Intangible Asset - Software	55,874	0	0	55,874
Intangible Right to Use				
Lease Assets				
Intangible Right to Use - Equipment	116,638	0	0	116,638
Total Intangible Assets	<u>172,512</u>	<u>0</u>	<u>0</u>	<u>172,512</u>
Total Depreciable Capital Assets	<u>96,517,064</u>	<u>1,743,901</u>	<u>(847,227)</u>	<u>97,413,738</u>
Less Accumulated Depreciation/Amortization				
Depreciation				
Land Improvements	(151,091)	(10,334)	0	(161,425)
Buildings	(16,425,306)	(880,274)	0	(17,305,580)
Electric, Water, Sewer, and Stormwater Lines	(25,998,737)	(1,129,839)	131,757	(26,996,819)
Furniture and Equipment	(550,745)	(132,982)	0	(683,727)
Vehicles	(2,053,922)	(216,978)	29,354	(2,241,546)
Total Depreciation	<u>(45,179,801)</u>	<u>(2,370,407)</u>	<u>161,111</u>	<u>(47,389,097)</u>
Amortization				
Intangible Assets				
Intangible Asset - Software	(11,762)	0	0	(11,762)
Intangible Right to Use				
Lease Assets				
Intangible Right to Use - Equipment	(23,328)	(11,664)	0	(34,992)
Total Intangible Assets	<u>(35,090)</u>	<u>(11,664)</u>	<u>0</u>	<u>(46,754)</u>
Total Accumulated Depreciation/Amortization	<u>(45,214,891)</u>	<u>(2,382,071)</u>	<u>161,111</u>	<u>(47,435,851)</u>
Total Depreciable Capital Assets, Net	<u>51,302,173</u>	<u>(638,170)</u>	<u>(686,116)</u>	<u>49,977,887</u>
Business-Type Activities				
Capital Assets, Net	<u>\$53,003,420</u>	<u>\$50,401</u>	<u>(\$1,740,819)</u>	<u>\$51,313,002</u>

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 11 - CAPITAL ASSETS** (continued)

The value of all right to use lease assets at the end of 2024 was \$116,638 with an accumulated amortization of \$34,992.

Depreciation expense was charged to governmental functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>
Governmental Activities		
Security of Persons and Property	\$372,355	\$0
Leisure Time Activities	350,410	0
Transportation	1,718,829	0
General Government	46,475	125,010
Total Depreciation Expense - Governmental Activities	<u>\$2,488,069</u>	<u>\$125,010</u>

**NOTE 12 - INTERFUND RECEIVABLES/PAYABLES**

At December 31, 2024, the General Fund had an interfund receivable, in the amount of \$85,886; \$32,331 from providing cash flow resources to other governmental funds and \$53,555 from the Electric enterprise fund for the City's portion of the kilowatt hour tax. The entire amount is expected to be repaid within one year.

The Electric enterprise fund had an interfund receivable, in the amount of \$28,917, for services provided by the Electric enterprise fund, in the amount of \$148 to the other governmental funds, in the amount of \$17,213 to the Water enterprise fund, and in the amount of \$11,556 to the Sewer enterprise fund. The entire amount is expected to be repaid within one year.

**NOTE 13 - RISK MANAGEMENT**

**A. Property and Liability**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the City contracted with the Ohio Plan Risk Management, an insurance purchasing pool, for the following coverage:

Type of Coverage	Coverage	Deductible
Property (building and contents)	\$114,549,952	\$2,500-\$10,000
General Liability - Aggregate	8,000,000	0
Public Officials Liability - Aggregate	8,000,000	5,000
Law Enforcement Liability - Aggregate	8,000,000	5,000
Employees Benefit Liability - Aggregate	8,000,000	0
Automobile Liability	6,000,000	0

**City of Celina  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2024**

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

There has been no significant reduction in insurance coverage from 2023 and no insurance settlement has exceeded insurance coverage during the last three years.

Each participant of Ohio Plan Risk Management enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant. The firm of Hylant Administrative Services provides administrative, cost control, and actuarial services to the Plan.

**B. Employee Medical Benefits**

The City currently uses Medical Mutual for health insurance, Eye Med for vision insurance, and Superior Dental Care for dental insurance.

**C. Workers' Compensation**

For 2024, the City participated in the Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program (Program), an insurance purchasing pool. The intent of the Program is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the Program. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Program. Each participant pays its workers' compensation premium to the State based on the rate for the Program rather than its individual rate.

Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Program. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity redistribution" arrangement ensures that each participant shares equally in the overall performance of the Program. Participation in the Program is limited to participants that can meet the Program's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the Program.

**NOTE 14 - SIGNIFICANT CONTRACTUAL COMMITMENTS**

The City has several outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2024:

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 14 - SIGNIFICANT CONTRACTUAL COMMITMENTS** (continued)

Vendor	Outstanding Balance
Access Engineering	\$256,500
Altec Industries, Inc.	194,763
Birmingham Control Systems	92,990
Core & Main LP	103,025
Heyne Construction, Inc.	208,512
Jones & Henry Engineers	48,842
Kalida Truck Equipment, Inc.	111,500
Knapheide Truck and Equipment	39,982
Mercer County Commissioners	100,776
Miller Contracting Group, Inc.	2,186,300
Motorola Solutions	28,116
Motorola Solutions Lockbox	37,254
Mull & Weithman Architects, Inc.	77,000
PEPCO	35,224
Rush Truck Center	117,265
Shinn Bros. Inc	3,690,000
Stoneco, Inc.	30,000
Sunbelt Solomon Services	192,270
T&R Electric Supply Co., Inc.	217,336
<b>Total</b>	<b><u>\$7,767,655</u></b>

All of the remaining commitment amounts were encumbered at year end. The amount of \$129,987 in contracts payable, has been capitalized in governmental activities and the amount of \$324,356 in contracts payable, had been capitalized in business-type activities. At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2025 are as follows:

General Fund	\$220,500
Street Improvement	2,220,479
Other Governmental Funds	<u>2,281,643</u>
<b>Total</b>	<b><u>\$4,722,622</u></b>

**NOTE 15 - ASSET RETIREMENT OBLIGATION**

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their waste water treatment facilities. Any ARO associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS**

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

**Net Pension Liability (Asset) /Net OPEB Liability (Asset)**

The net pension liability (asset) and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculations are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* 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*. The remainder of this note includes the required pension disclosures. See Note 17 for the required OPEB disclosures.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

**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, 2024, the Combined Plan was consolidated into the Traditional Pension Plan, as approved by the legislature in House Bill 33. The Traditional Pension Plan includes members of the legacy Combined Plan, a hybrid defined benefit/defined contribution plan which was closed to new members effective January 1, 2022. New members are no longer able to select the Combined Plan and current members are no longer able to make a plan change to the Combined Plan. The Combined Plan was consolidated into the Traditional Pension Plan effective January 1, 2024, as a separate division. No changes were made to the benefit design features of the Combined Plan as part of this consolidation so that members in this plan will experience no changes. The City's 2024 net pension liability (asset) for OPERS is measured as of December 31, 2023, and reflects the Traditional Plan and the Combined Plan as two separate plans. The City's 2025 financial statements will reflect the effects of the Combined Plan being consolidated into the Traditional Pension Plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
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
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
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
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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.

Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

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

**City of Celina**  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

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 percent. 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 percent.

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 percent 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:

**City of Celina**  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

	State and Local		Public Safety	Law Enforcement
	Traditional	Combined		
<b>2024 Statutory Maximum Contribution Rates</b>				
Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	10.0 %	**	***
<b>2024 Actual Contribution Rates</b>				
Employer:				
Pension ****	14.0 %	12.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	2.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

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

\*\*\*\* 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.

For 2024, the City's contractually required contribution was \$615,661 for the traditional plan, \$13 for the combined plan and \$19,894 for the member-directed plan. Of these amounts, \$49,407 is reported as an intergovernmental payable for the traditional plan, \$0 for the combined plan, and \$1,597 for the member-directed plan.

**City of Celina**  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

**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.opf.org](http://www.opf.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 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (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 3.0 percent 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 3.0 percent 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.

**City of Celina**  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

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

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

	<u>Police</u>	<u>Firefighters</u>
<b>2024 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2024 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<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 \$518,827 for 2024. Of this amount, \$59,129 is reported as an intergovernmental payable.

**Pension Liability (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 of the City's defined benefit pension plans:

**City of Celina**  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.02462800%	0.00002600%	0.08398630%	
Prior Measurement Date	<u>0.02621900%</u>	<u>0.00001900%</u>	<u>0.09143620%</u>	
Change in Proportionate Share	<u>-0.00159100%</u>	<u>0.00000700%</u>	<u>-0.00744990%</u>	
Proportionate Share of the:				
Net Pension Liability	\$6,447,710	\$0	\$8,114,236	\$14,561,946
Net Pension Asset	\$0	\$79	\$0	\$79
Pension Expense	\$481,099	\$4,868	\$700,806	\$1,186,773

2024 pension expense for the member-directed defined contribution plan was \$19,894. The aggregate pension expense for all pension plans was \$1,206,667 for 2024.

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

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$105,382	\$3	\$260,491	\$365,876
Changes of assumptions	0	3	512,811	512,814
Net difference between projected and actual earnings on pension plan investments	1,301,423	13	919,514	2,220,950
Changes in proportion and differences between City contributions and proportionate share of contributions	0	22,979	133,519	156,498
City contributions subsequent to the measurement date	<u>615,661</u>	<u>13</u>	<u>518,827</u>	<u>1,134,501</u>
Total Deferred Outflows of Resources	<u><u>\$2,022,466</u></u>	<u><u>\$23,011</u></u>	<u><u>\$2,345,162</u></u>	<u><u>\$4,390,639</u></u>

**City of Celina**  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$0	\$8	\$90,749	\$90,757
Changes of assumptions	0	0	123,225	123,225
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>273,285</u>	<u>27</u>	<u>641,908</u>	<u>915,220</u>
Total Deferred Inflows of Resources	<u><u>\$273,285</u></u>	<u><u>\$35</u></u>	<u><u>\$855,882</u></u>	<u><u>\$1,129,202</u></u>

\$1,134,501 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2025	\$108,336	\$4,865	\$269,592	\$382,793
2026	380,008	4,864	339,647	724,519
2027	830,493	4,678	559,453	1,394,624
2028	(185,317)	4,235	(140,426)	(321,508)
2029	0	3,439	(56,132)	(52,693)
Thereafter	<u>0</u>	<u>882</u>	<u>(1,681)</u>	<u>(799)</u>
Total	<u><u>\$1,133,520</u></u>	<u><u>\$22,963</u></u>	<u><u>\$970,453</u></u>	<u><u>\$2,126,936</u></u>

**Actuarial Assumptions - OPERS**

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

**City of Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

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 key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent 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 percent 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 11.2 percent for 2023.

**City of Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	<u>5.00</u>	<u>3.46</u>
Total	<u><u>100.00%</u></u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 6.9 percent 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 City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

**City of Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$10,150,430	\$6,447,710	\$3,368,125
OPERS Combined Plan	(48)	(79)	(105)

**Actuarial Assumptions - OP&F**

The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. 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 the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2023, are presented below.

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of
	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustment	2.2 percent simple per year

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 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

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

**City of Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

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 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

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 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 2.0x

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 Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 16 - DEFINED BENEFIT PENSION PLANS** (continued)

Discount Rate - For 2023, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to 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. To illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$10,747,910	\$8,114,236	\$5,924,080

**NOTE 17 - DEFINED BENEFIT OPEB PLANS**

See Note 16 for a description of the net OPEB liability (asset).

**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.

**City of Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 17 - DEFINED BENEFIT OPEB PLANS** (continued)

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.

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; or

**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; or

**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:

**City of Celina**  
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**NOTE 17 - DEFINED BENEFIT OPEB PLANS** (continued)

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

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

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

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

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

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 percent 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 percent 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 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

**City of Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 17 - DEFINED BENEFIT OPEB PLANS** (continued)

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 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. 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 two percent 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 4.0 percent. 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 \$6,507 for 2024. Of this amount, \$522 is reported as an intergovernmental payable.

**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.

**City of Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 17 - DEFINED BENEFIT OPEB PLANS** (continued)

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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**Funding Policy** - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent 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 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$12,161 for 2024. Of this amount, \$1,397 is reported as an intergovernmental payable.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS** (continued)

**OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of 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 (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.02378600%	0.08398630%	
Prior Measurement Date	0.02501300%	0.09143620%	
Change in Proportionate Share	<u>-0.00122700%</u>	<u>-0.00744990%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$0	\$613,210	\$613,210
Net OPEB Asset	\$214,675	\$0	\$214,675
OPEB Expense	(\$13,624)	\$41,342	\$27,718

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

**City of Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)**

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$0	\$29,487	\$29,487
Changes of assumptions	55,268	211,012	266,280
Net difference between projected and actual earnings on OPEB plan investments	128,924	45,282	174,206
Changes in proportion and differences between City contributions and proportionate share of contributions	7,689	45,429	53,118
City contributions subsequent to the measurement date	<u>6,507</u>	<u>12,161</u>	<u>18,668</u>
Total Deferred Outflows of Resources	<u><u>\$198,388</u></u>	<u><u>\$343,371</u></u>	<u><u>\$541,759</u></u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$30,555	\$112,690	\$143,245
Changes of assumptions	92,282	394,893	487,175
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>566</u>	<u>97,237</u>	<u>97,803</u>
Total Deferred Inflows of Resources	<u><u>\$123,403</u></u>	<u><u>\$604,820</u></u>	<u><u>\$728,223</u></u>

\$18,668 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2025	(\$1,071)	\$4,193	\$3,122
2026	12,725	(38,844)	(26,119)
2027	100,357	(26,784)	73,573
2028	(43,533)	(61,511)	(105,044)
2029	0	(62,861)	(62,861)
Thereafter	<u>0</u>	<u>(87,803)</u>	<u>(87,803)</u>
Total	<u><u>\$68,478</u></u>	<u><u>(\$273,610)</u></u>	<u><u>(\$205,132)</u></u>

**City of Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 17 - DEFINED BENEFIT OPEB PLANS** (continued)

**Actuarial Assumptions - OPERS**

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation
Single Discount Rate	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent 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 percent 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.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS** (continued)

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 14.0 percent for 2023.

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. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u><u>100.00%</u></u>	

**City of Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 17 - DEFINED BENEFIT OPEB PLANS** (continued)

**Discount Rate** - A single discount rate of 5.70 percent 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 percent. 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 percent and a municipal bond rate of 3.77 percent. (Fidelity Index's "20-Year Municipal GO AA Index") 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 Asset to Changes in the Discount Rate** - The following table presents the City's proportionate share of the net OPEB asset calculated using the single discount rate of 5.70 percent, as well as what the City's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(4.70%)	(5.70%)	(6.70%)
City's proportionate share of the net OPEB liability (asset)	\$117,979	(\$214,675)	(\$490,229)

**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 liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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 percent. 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 percent in the most recent valuation.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 17 - DEFINED BENEFIT OPEB PLANS** (continued)

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
City's proportionate share of the net OPEB asset	(\$223,588)	(\$214,675)	(\$204,560)

**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.

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

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement rate	4.07 percent
Prior measurement rate	4.27 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2038

**City of Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 17 - DEFINED BENEFIT OPEB PLANS** (continued)

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 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

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

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 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

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 OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 16.

Discount Rate - For 2023, the total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

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. To illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.07 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07 percent), or one percentage point higher (5.07 percent), than the current rate:

**City of Celina**  
**Notes to the Basic Financial Statements**  
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**NOTE 17 - DEFINED BENEFIT OPEB PLANS** (continued)

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$755,304	\$613,210	\$493,538

**NOTE 18 - COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. City employees earn and accumulate vacation at varying rates depending on length of service. All current policies credits vacation leave on the employee's anniversary date. Employees are paid 100 percent of earned unused vacation leave upon termination.

Sick leave is earned at various rates as defined by City policy and union contracts. Upon retirement, employees are entitled to the value of their accumulated unused sick leave at varying percentages to a maximum of eighty to one hundred twenty days based on City policy and union contracts.

**NOTE 19 - NOTES PAYABLE**

	Interest Rate	Balance December 31,		Balance December 31,	
		2023	Additions	2024	Reductions
<b>Business-Type Activities</b>					
General Obligation Bond Anticipation					
Notes from Direct Borrowings					
Enterprise Funds					
Electrical System Improvement	4.00%	\$1,938,834	\$0	\$1,938,834	\$0

According to Ohio law, notes can be issued in anticipation of bond proceeds and levies or for up to 50 percent of anticipated revenue collections. The liability for all notes is presented in the fund receiving the proceeds. All of the City's bond anticipation notes are backed by the full faith and credit of the City of Celina.

Bond anticipation noted in the Electric enterprise fund, in the amount of \$1,938,834, were issued on January 24, 2023, through a direct borrowing with AMP Ohio for a new electrical building. The note matured on January 23, 2024.

**City of Celina**  
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**NOTE 20 - LONG-TERM OBLIGATIONS**

The City's long-term obligations activity for the year ended December 31, 2024, was as follows:

	Interest Rate	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year
<b>Governmental Activities</b>						
General Obligation Bonds						
2010 Various Purpose Improvement	2-4%	\$170,000	\$0	\$50,000	\$120,000	\$55,000
General Obligation Bonds from Direct Placements						
Bryson Park Phase Three	4.10	110,000	0	110,000	0	0
Total General Obligation Bonds		<u>280,000</u>	<u>0</u>	<u>160,000</u>	<u>120,000</u>	<u>55,000</u>
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employees Retirement System		3,020,590	0	377,030	2,643,560	0
Ohio Police and Fire Pension Fund		8,685,553	0	571,317	8,114,236	0
Total Net Pension Liability		<u>11,706,143</u>	<u>0</u>	<u>948,347</u>	<u>10,757,796</u>	<u>0</u>
Net OPEB Liability						
Ohio Public Employees Retirement System		61,509	0	61,509	0	0
Ohio Police and Fire Pension Fund		650,999	0	37,789	613,210	0
Total Net OPEB Liability		<u>712,508</u>	<u>0</u>	<u>99,298</u>	<u>613,210</u>	<u>0</u>
OPWC Loan Payable from Direct Borrowings	0	54,987	0	6,874	48,113	6,873
Compensated Absences		1,129,765	0	7,779	1,121,986	299,181
Total Other Long-Term Obligations		<u>13,603,403</u>	<u>0</u>	<u>1,062,298</u>	<u>12,541,105</u>	<u>306,054</u>
Total Governmental Activities		<u><u>\$13,883,403</u></u>	<u><u>\$0</u></u>	<u><u>\$1,222,298</u></u>	<u><u>\$12,661,105</u></u>	<u><u>\$361,054</u></u>
 <b>Business-Type Activities</b>						
General Obligation Bonds						
2010 Various Purpose	2-4%	\$150,000	\$0	\$20,000	\$130,000	\$20,000
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employees Retirement System		4,724,514	0	920,364	3,804,150	0
Net OPEB Liability						
Ohio Public Employees Retirement System		96,204	0	96,204	0	0
OPWC Loan Payable from Direct Borrowings	0	36,244	0	24,162	12,082	12,082
OWDA Loans Payable from Direct Borrowings	3.25-4.99	3,517,997	0	490,237	3,027,760	502,445
Lease Payable	4.2	58,268	0	28,523	29,745	29,745
Compensated Absences		795,495	68,069	0	863,564	254,297
Total Other Long Term Obligations		<u>9,228,722</u>	<u>68,069</u>	<u>1,559,490</u>	<u>7,737,301</u>	<u>798,569</u>
Total Business-Type Activities		<u><u>\$9,378,722</u></u>	<u><u>\$68,069</u></u>	<u><u>\$1,579,490</u></u>	<u><u>\$7,867,301</u></u>	<u><u>\$818,569</u></u>

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

Governmental Activities General Obligation Bonds

In 2010, the City issued general obligation bonds, in the original amount of \$2,830,000, to retire bond anticipation notes issued for recreational, street, water, sewer, and stormwater improvements. These bonds will fully mature in 2030. The bonds will be paid with transfers from the Tax Incremental Financing capital projects fund and the Water enterprise fund.

The bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2025 through 2029 (with the balance of \$15,000 to be paid at stated maturity on December 1, 2030), at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

Year	Amount
2025	\$55,000
2026	10,000
2027	10,000
2028	15,000
2029	15,000

In 2019, the City issued general obligation bonds through a direct placement, in the amount of \$550,000, for improvements to Bryson Park. The bonds matured on March 8, 2024. The bonds were paid from the GO Debt Service fund.

OPWC Loan Payable

On August 11, 2011, the City obtained an interest free loan from a direct borrowing from the Ohio Public Works Commission, in the original amount of \$137,465, for the construction of Buckeye Street. The loan was issued for a twenty year period, with final maturity in 2031. The loan is to be repaid from the Tax Incremental Financing capital projects fund.

In the event of default on the loan, (1) OPWC may apply late fees of 8 percent per year, (2) loans more than sixty days late will be turned over to the Attorney General's office for collection and, as provided by law, OPWC may require that the payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amount shall, at OPWC's option, become immediately due and payable.

Business-Type Activities General Obligation Bonds

The general obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment to the extent resources are not available from the applicable enterprise fund to make principal and interest payments. The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

In 2010, the City issued general obligation bonds, in the original amount of \$500,000, to retire bond anticipation notes issued for water improvements. These bonds will fully mature in 2030. The bonds will be paid from the Water enterprise fund.

**City of Celina  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2024**

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**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

The bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption, in part by lot, on December 1, in each of the years 2025 through 2029 (with the balance of \$25,000 to be paid at stated maturity on December 1, 2030), at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date according to the following schedule:

<u>Year</u>	<u>Amount</u>
2025	\$20,000
2026	20,000
2027	20,000
2028	20,000
2029	25,000

**OPWC Loan Payable**

On August 26, 2002, the City obtained an interest free loan from a direct borrowing from the Ohio Public Works Commission, in the amount of \$483,243, for the construction of a 1.5 million gallon water tower and the installation of a twenty inch water line. The loan is to be repaid from the Water enterprise fund.

In the event of default on the loan, (1) OPWC may apply late fees of 8 percent per year, (2) loans more than sixty days late will be turned over to the Attorney General's office for collection and, as provided by law, OPWC may require that the payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amount shall, at OPWC's option, become immediately due and payable.

The OPWC loan will be paid solely from the net revenues of the Water enterprise fund. Annual principal payments on the loan are expected to require less than 100 percent of these net revenues in future years. The total principal remaining on the OPWC loan is \$12,082. Principal for the current year and total net revenues were \$24,162, and \$1,192,831, respectively.

**OWDA Loans Payable**

On April 11, 2005, the City obtained a loan from a direct borrowing from the Ohio Water Development Authority, in the amount of \$1,878,426, for the design of the granular activated carbon process. On August 13, 2007, the City increased this loan to include the construction of the granular activated carbon process system. The total loan amount was \$8,542,544.

On June 25, 2015, the City obtained a loan from a direct borrowing from the Ohio Water Development Authority, for the construction of an industrial park water tower. The total amount of the loan was \$2,351,631.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

In the event of default on the loans, (1) the amount of the default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within thirty days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to OWDA, and (3) for each additional thirty days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

The OWDA loans are to be repaid from the net revenues of the Water enterprise fund. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues in future years. The total principal and interest remaining on the OWDA loans are \$3,027,760 and \$111,186, respectively. Principal and interest for the current year and total net revenues were \$547,148 and \$1,192,831, respectively.

**Leases**

The City has an outstanding agreement to lease equipment. On August 22, 2022, the City entered into lease agreement for the use of equipment, in the amount of \$116,638 for business type activities. The agreement has an interest rate of 4.2 percent. The City is paying the lease in equal annual payments over a four year period.

The future lease payments were discounted based on the interest rate implicit in the lease or using the City's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of principal and interest amounts for the remaining lease is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2025	<u>\$29,745</u>	<u>\$1,274</u>

**Net Pension/OPEB Liability**

There is no repayment schedule for the net pension/OPEB liability; however, employer pension contributions are paid from the General Fund, the Police Pension and Fire Pension special revenue funds, and the Electric, Water, and Sewer enterprise funds. For additional information related to the net pension/OPEB liability, see Notes 16 and 17 to the basic financial statements.

Increases and decreases to compensated absences are presented net on the above table.

The City's legal debt margin was \$26,363,354 at December 31, 2024.

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

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

Year	General Obligation Bonds		From Direct Borrowings
	Principal	Interest	OPWC Loan
2025	\$55,000	\$4,800	\$6,873
2026	10,000	2,600	6,873
2027	10,000	2,200	6,873
2028	15,000	1,800	6,873
2029	15,000	1,200	6,874
2030-2031	15,000	600	13,747
	<u>\$120,000</u>	<u>\$13,200</u>	<u>\$48,113</u>

The City's future annual debt service requirements payable from the business-type activities are as follows:

Year	2010 Various Purpose General Obligation Bonds		From Direct Borrowings		
	Principal	Interest	OPWC Loan	OWDA Loans	Interest
2025	\$20,000	\$5,200	\$12,082	\$502,445	\$45,641
2026	20,000	4,400	0	515,055	34,001
2027	20,000	3,600	0	528,078	21,980
2028	20,000	2,800	0	541,528	9,564
2029	25,000	2,000	0	117,581	0
2030-2034	25,000	1,000	0	587,905	0
2035-2036	0	0	0	235,168	0
	<u>\$130,000</u>	<u>\$19,000</u>	<u>\$12,082</u>	<u>\$3,027,760</u>	<u>\$111,186</u>

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 21 - 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 the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

Fund Balance	Additional				
	General	Income Tax Levy	American Rescue Plan	GO Debt Service	Street Improvement
<b>Nonspendable for:</b>					
Prepaid Items	\$71,100	\$0	\$0	\$0	\$0
Materials and Supplies					
Inventory	19,606	0	0	0	0
Unclaimed Monies	43,204	0	0	0	0
<b>Total Nonspendable</b>	<b>133,910</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Restricted for:</b>					
Police and Fire Operations and Street Construction and Maintenance	0	662,977	0	0	0
Debt Retirement	0	0	0	32,607	0
Capital Improvements	0	0	0	0	0
<b>Total Restricted</b>	<b>0</b>	<b>662,977</b>	<b>0</b>	<b>32,607</b>	<b>0</b>
<b>Committed to:</b>					
Economic Development	400,000	0	0	0	0
Street Construction and Maintenance	0	0	0	0	8,192,554
<b>Total Committed</b>	<b>400,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,192,554</b>
<b>Assigned for:</b>					
Wellness Program	104,433	0	0	0	0
Unpaid Obligations	139,068	0	0	0	0
<b>Total Assigned</b>	<b>243,501</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Unassigned</b>	<b>5,411,882</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Fund Balance</b>	<b>\$6,189,293</b>	<b>\$662,977</b>	<b>\$0</b>	<b>\$32,607</b>	<b>\$8,192,554</b>

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 21 - FUND BALANCE** (continued)

Fund Balance	Tax Increment Financing	Other Governmental Funds	Total
<b>Nonspendable for:</b>			
Prepaid Items	\$0	\$0	\$71,100
Materials and Supplies			
Inventory	0	31,100	50,706
Unclaimed Monies	0	0	43,204
Cemetery	0	250,000	250,000
<b>Total Nonspendable</b>	<b>0</b>	<b>281,100</b>	<b>415,010</b>
<b>Restricted for:</b>			
Street Construction and Maintenance	5,621,873	1,788,035	7,409,908
Cemetery	0	22,043	22,043
Economic Development and Rehabilitation	0	151,864	151,864
Police and Fire Operations	0	303,009	303,009
Police and Fire Operations and Street Construction and Maintenance	0	0	662,977
Drug Enforcement	0	17,812	17,812
Court Operations	0	1,240,719	1,240,719
Recreation	0	18	18
Debt Retirement	0	0	32,607
Opioid Settlement	0	15,667	15,667
<b>Total Restricted</b>	<b>5,621,873</b>	<b>3,539,167</b>	<b>9,856,624</b>
<b>Committed to:</b>			
Economic Development	0	0	400,000
Police and Fire Operations	0	1,097,332	1,097,332
Recreation	0	509,573	509,573
Street Construction and Maintenance	0	0	8,192,554
<b>Total Committed</b>	<b>0</b>	<b>1,606,905</b>	<b>10,199,459</b>
<b>Assigned for:</b>			
Wellness Program	0	0	104,433
Unpaid Obligations	0	0	139,068
<b>Total Assigned</b>	<b>0</b>	<b>0</b>	<b>243,501</b>
<b>Unassigned (Deficit)</b>	<b>0</b>	<b>(99,909)</b>	<b>5,311,973</b>
<b>Total Fund Balance</b>	<b>\$5,621,873</b>	<b>\$5,327,263</b>	<b>\$26,026,567</b>

**City of Celina**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2024**

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**NOTE 22 - INTERNAL BALANCES AND TRANSFERS**

The City uses an internal proportionate share to allocate its net pension/OPEB liability (asset) and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the government-wide statement of net position thus allowing the total column to present the change in proportionate share for the City as a whole.

Eliminations made in the business-type activities column related to pension include deferred outflows of resources and deferred inflows of resources, in the amount of \$96.

During 2024, the General Fund made transfers to the Street Improvement, Tax Incremental Financing, and other governmental funds, in the amounts of \$1,728,000, \$6,873, and \$1,861,528, respectively, to move receipts as debt payments became due and to subsidize various programs in other funds. The Tax Increment Financing Fund made transfers to the GO Debt Service debt service fund and the Water enterprise fund, in the amounts of \$112,280 and \$117,582, respectively, to move receipts as debt payments became due.

**NOTE 23 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Mercer County Community Improvement Corporation**

The Mercer County Community Improvement Corporation (Corporation) was designated as an agency of Mercer County for industrial, commercial, distribution, and research development in Mercer County. The seventeen members of the Corporation consist of representatives from the County, the City, and villages within the county, along with additional appointments as established by the bylaws. The Corporation received land in 2013 from the City of Celina, with a value of \$18,300, for the benefit of a company. The Corporation adopts its own budget, authorizes expenditures, hires and fires staff, and currently relies on Mercer County to finance deficits. Financial information can be obtained from the Mercer County Community and Economic Development, Courthouse, Celina, Ohio 45822.

**B. Mercer County Planning Commission**

The City participates in the Mercer County Planning Commission (Commission) which is a statutorily created political subdivision of the State. The Commission is jointly governed among Mercer County, and the municipalities and townships within the County. The Commission makes studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services within the County. Financial information can be obtained from the Mercer County Auditor, Courthouse, Celina, Ohio 45822.

**City of Celina  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2024**

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**NOTE 24 - INSURANCE PURCHASING POOLS**

**A. Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program**

The City is a participant in the Ohio Municipal League City Equity Pooling Workers' Compensation Group Rating Program (Program), an insurance purchasing pool. The Program's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance officers, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as coordinator of the Program. Each year, the participants pay an enrollment fee to the Program to cover the costs of administering the program.

**B. Ohio Plan Risk Management**

The City participates in the Ohio Plan Risk Management (Plan), an insurance purchasing pool consisting of various entities in the State of Ohio. The intent of the Plan is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the Plan. Membership in the Plan is by written application subject to the approval of the Plan Manager. Financial information may be obtained from the Ohio Plan Risk Management, 811 Madison Avenue, 11<sup>th</sup> Floor, P.O. Box 2083, Toledo, Ohio 43603-2083.

**NOTE 25 - CONTINGENT LIABILITIES**

**A. Litigation**

The City is party to legal proceedings. However, no liability has been accrued since the ultimate disposition of these claims and legal proceedings has yet to be determined and the amount of liability, if any, is not measurable.

**B. Federal and State Grants**

For the period January 1, 2024, to December 31, 2024, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

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

	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.02462800%	0.02621900%	0.02878100%	0.02685600%
City's Proportionate Share of the Net Pension Liability	\$6,447,710	\$7,745,104	\$2,504,062	\$3,976,789
City's Covered Payroll	\$4,053,800	\$4,064,300	\$4,149,071	\$3,782,507
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	159.05%	190.56%	60.35%	105.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%

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

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017	2016	2015
0.02695400%	0.02683200%	0.02621500%	0.02574400%	0.02613500%	0.02644500%
\$5,327,641	\$7,348,741	\$4,112,626	\$5,846,025	\$4,526,912	\$3,189,562
\$3,791,721	\$3,619,200	\$3,464,223	\$3,327,958	\$3,252,764	\$3,242,133
140.51%	203.05%	118.72%	175.66%	139.17%	98.38%
82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

City of Celina  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Asset  
 Ohio Public Employees Retirement System - Combined  
 Last Seven Years (1)

	2024	2023	2022	2021
City's Proportion of the Net Pension Asset	0.00002600%	0.00001900%	0.00001500%	0.01333100%
City's Proportionate Share of the Net Pension Asset	\$79	\$45	\$59	\$38,482
City's Covered Payroll	\$125	\$93	\$71	\$58,750
City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	63.20%	48.39%	83.10%	65.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	144.55%	137.14%	169.88%	157.67%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

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

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018
0.01404000%	0.02081200%	0.02287000%
\$29,277	\$23,273	\$31,135
\$62,500	\$88,857	\$93,662
46.84%	26.19%	33.24%
145.28%	126.64%	137.28%

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

	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.08398630%	0.09143620%	0.09354180%	0.08945610%
City's Proportionate Share of the Net Pension Liability	\$8,114,236	\$8,685,553	\$5,843,951	\$6,098,303
City's Covered Payroll	\$2,393,017	\$2,477,300	\$2,362,829	\$2,155,056
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	339.08%	350.61%	247.33%	282.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.63%	62.90%	75.03%	70.65%

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

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017	2016	2015
0.09308470%	0.09520500%	0.09417900%	0.09086300%	0.09427600%	0.09363010%
\$6,270,683	\$7,771,244	\$5,780,190	\$5,755,171	\$6,064,840	\$4,850,430
\$2,195,308	\$2,108,561	\$2,048,843	\$1,929,038	\$1,888,076	\$1,832,511
285.64%	368.56%	282.12%	298.34%	321.22%	264.69%
69.89%	63.07%	70.91%	68.36%	66.77%	71.71%

City of Celina  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)  
 Ohio Public Employees Retirement System  
 Last Eight Years (1)

	2024	2023	2022	2021
City's Proportion of the Net OPEB Liability (Asset)	0.02378600%	0.02501300%	0.02735900%	0.02584800%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$214,675)	\$157,713	(\$856,926)	(\$460,504)
City's Covered Payroll	\$4,199,124	\$4,163,168	\$4,238,492	\$3,909,157
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-5.11%	3.79%	-20.22%	-11.78%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017
0.02594200%	0.02612700%	0.03686000%	0.02525000%
\$3,583,264	\$3,406,343	\$4,002,725	\$2,550,336
\$3,918,596	\$3,784,107	\$3,614,810	\$3,489,416
91.44%	90.02%	110.73%	73.09%
47.80%	46.33%	54.14%	54.04%

City of Celina  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net OPEB Liability  
 Ohio Police and Fire Pension Fund  
 Last Eight Years (1)

	2024	2023	2022	2021
City's Proportion of the Net OPEB Liability	0.08398630%	0.09143620%	0.09354180%	0.08945610%
City's Proportionate Share of the Net OPEB Liability	\$613,210	\$650,999	\$1,025,298	\$947,803
City's Covered Payroll	\$2,393,017	\$2,477,300	\$2,362,829	\$2,155,056
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	25.62%	26.28%	43.39%	43.98%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	51.89%	52.59%	46.90%	45.40%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017
0.09308470%	0.09520500%	0.09417900%	0.09086300%
\$919,466	\$866,987	\$5,336,050	\$4,313,062
\$2,195,308	\$2,108,561	\$2,048,843	\$1,929,038
41.88%	41.12%	260.44%	223.59%
47.08%	46.57%	14.13%	15.96%

City of Celina  
 Required Supplementary Information  
 Schedule of the City's Contributions  
 Ohio Public Employees Retirement System  
 Last Ten Years (1)

	2024	2023	2022	2021
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$615,661	\$567,532	\$569,002	\$580,870
Contributions in Relation to the Contractually Required Contribution	<u>(615,661)</u>	<u>(567,532)</u>	<u>(569,002)</u>	<u>(580,870)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$4,397,579	\$4,053,800	\$4,064,300	\$4,149,071
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net Pension Asset - Combined Plan</b>				
Contractually Required Contribution	\$13	\$15	\$13	\$10
Contributions in Relation to the Contractually Required Contribution	<u>(13)</u>	<u>(15)</u>	<u>(13)</u>	<u>(10)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$108	\$125	\$93	\$71
Pension Contributions as a Percentage of Covered Payroll	<u>12.04%</u>	<u>12.00%</u>	<u>13.98%</u>	<u>14.08%</u>
<b>Net OPEB Liability - OPEB Plan (1)</b>				
Contractually Required Contribution	\$6,507	\$4,750	\$3,951	\$3,574
Contributions in Relation to the Contractually Required Contribution	<u>(6,507)</u>	<u>(4,750)</u>	<u>(3,951)</u>	<u>(3,574)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll (2)	\$4,596,617	\$4,199,124	\$4,163,168	\$4,238,492
OPEB Contributions as a Percentage of Covered Payroll	<u>0.14%</u>	<u>0.11%</u>	<u>0.09%</u>	<u>0.08%</u>

(1) Beginning in 2016, OPERS used one trust as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(2) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017	2016	2015
\$529,551	\$530,841	\$506,688	\$450,349	\$399,355	\$390,331
<u>(529,551)</u>	<u>(530,841)</u>	<u>(506,688)</u>	<u>(450,349)</u>	<u>(399,355)</u>	<u>(390,331)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$3,782,507	\$3,791,721	\$3,619,200	\$3,464,223	\$3,327,958	\$3,252,764
<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>13.00%</u></u>	<u><u>12.00%</u></u>	<u><u>12.00%</u></u>
 \$8,225	 \$8,750	 \$12,440	 \$12,176	 \$12,970	 \$8,867
<u>(8,225)</u>	<u>(8,750)</u>	<u>(12,440)</u>	<u>(12,176)</u>	<u>(12,970)</u>	<u>(8,867)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$58,750	\$62,500	\$88,857	\$93,662	\$108,083	\$73,892
<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>13.00%</u></u>	<u><u>12.00%</u></u>	<u><u>12.00%</u></u>
 \$2,716	 \$2,575	 \$3,042	 \$37,856	 \$70,856	
<u>(2,716)</u>	<u>(2,575)</u>	<u>(3,042)</u>	<u>(37,856)</u>	<u>(70,856)</u>	
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	
\$3,909,157	\$3,918,596	\$3,784,107	\$3,614,810	\$3,489,416	
<u><u>0.07%</u></u>	<u><u>0.07%</u></u>	<u><u>0.08%</u></u>	<u><u>1.05%</u></u>	<u><u>2.03%</u></u>	

City of Celina  
 Required Supplementary Information  
 Schedule of the City's Contributions  
 Ohio Police and Fire Pension Fund  
 Last Ten Years

	2024	2023	2022	2021
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$518,827	\$509,358	\$526,224	\$504,919
Contributions in Relation to the Contractually Required Contribution	<u>(518,827)</u>	<u>(509,358)</u>	<u>(526,224)</u>	<u>(504,919)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$2,432,370	\$2,393,017	\$2,477,300	\$2,362,829
Contributions as a Percentage of Covered Payroll	21.33%	21.29%	21.24%	21.37%
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$12,161	\$11,965	\$12,387	\$11,814
Contributions in Relation to the Contractually Required Contribution	<u>(12,161)</u>	<u>(11,965)</u>	<u>(12,387)</u>	<u>(11,814)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$2,432,370	\$2,393,017	\$2,477,300	\$2,362,829
Contributions as a Percentage of Covered Payroll Covered Payroll	0.50%	0.50%	0.50%	0.50%

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017	2016	2015
\$461,636	\$467,776	\$449,546	\$435,658	\$411,762	\$403,914
<u>(461,636)</u>	<u>(467,776)</u>	<u>(449,546)</u>	<u>(435,658)</u>	<u>(411,762)</u>	<u>(403,914)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$2,155,056	\$2,195,308	\$2,108,561	\$2,048,843	\$1,929,038	\$1,888,076
21.42%	21.31%	21.32%	21.26%	21.35%	21.39%
\$10,775	\$10,977	\$10,542	\$10,244	\$9,645	\$9,440
<u>(10,775)</u>	<u>(10,977)</u>	<u>(10,542)</u>	<u>(10,244)</u>	<u>(9,645)</u>	<u>(9,440)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$2,155,056	\$2,195,308	\$2,108,561	\$2,048,843	\$1,929,038	\$1,888,075
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

City of Celina  
 Notes to the Required Supplementary Information  
 For the Year Ended December 31, 2024

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**Changes in Assumptions - OPERS Pension - Traditional Plan**

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019 through 2021	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:	
2024	2.3 percent, simple through 2024, then 2.05 percent, simple
2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple 7.50 to 5.00 percent

City of Celina  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2024

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Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent 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 percent 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 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 these tables.

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**Changes in Assumptions - OPERS Pension - Combined Plan**

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

City of Celina  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2024

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	2022	2019 through 2021	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retire	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retir	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

Since 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

#### **Changes in Assumptions - OP&F Pension**

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

	Beginning in 2018	2017 and Prior
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	See Below	See Below
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
	productivity increase rate of 0.5 percent	
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For 2017 and prior the investment rate of return was 8.25 percent. Beginning in 2018, the OP&F Board adopted a change in the investment rate of return, changing it from 8.25 percent for 2017 and prior to 8 percent. Beginning in 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022 and forward.

City of Celina  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2024

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Beginning in 2023, 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 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, 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 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, 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.

Prior to 2023, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Prior to 2023, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

City of Celina  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2024

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**Changes in Assumptions - OPERS OPEB**

Wage Inflation:	
Beginning in 2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
Beginning in 2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2024	3.77 percent
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2024	5.70 percent
2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2024	5.50 percent, initial 3.5 percent, ultimate in 2038
2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

City of Celina  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2024

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**Changes in Assumptions - OP&F OPEB**

Blended Discount Rate:

2024	4.07 percent
2023	4.27 percent
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

In 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent beginning in 2022.

**Changes in Benefit Terms - OPERS OPEB**

On January 15, 2020, 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 2021.

**Changes in Benefit Terms - OP&F OPEB**

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

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

City of Celina  
Mercer County  
225 North Main Street  
Celina, Ohio 45822

To the City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Celina, Mercer County, (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 21, 2025, wherein, we noted that the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections- an Amendment of GASB Statement No. 62*, and GASB Statement No. 101 *Compensated Absences*.

***Report on Internal Control Over Financial Reporting***

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

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

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

City of Celina  
Mercer County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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

KEITH FABER  
Ohio Auditor of State



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

November 21, 2025

# OHIO AUDITOR OF STATE KEITH FABER



CITY OF CELINA

MERCER 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 12/30/2025

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

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