

**CITY OF KETTERING  
MONTGOMERY COUNTY**



**SINGLE AUDIT**

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





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

Members of Council  
City of Kettering  
3600 Shroyer Road  
Kettering, Ohio 45429

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

**May 16, 2025**

**This page intentionally left blank.**



**CITY OF KETTERING  
MONTGOMERY COUNTY  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**TABLE OF CONTENTS**

| <b><u>TITLE</u></b>  | <b><u>PAGE</u></b>   |
|--|----------------------|
| Independent Auditor's Report.....  | Under separate cover |
| Prepared by Management:  |                      |
| Annual Comprehensive Financial Report .....  | Under separate cover |
| Schedule of Expenditures of Federal Awards .....   | 1                    |
| Notes to the Schedule of Expenditures of Federal Awards .....  | 2                    |
| Independent Auditor's Report on Internal Control Over<br>Financial Reporting and on Compliance and Other Matters<br>Required by <i>Government Auditing Standards</i> .....   | 3                    |
| Independent Auditor's Report on Compliance with Requirements<br>Applicable to Each Major Federal Program and on Internal Control Over Compliance<br>and on the Schedule of Expenditures of Federal Awards Required by The Uniform Guidance ..... | 5                    |
| Schedule of Findings and Questioned Costs .....  | 8                    |
| Schedule of Prior Audit Findings and Questioned Costs .....  | 9                    |

**This page intentionally left blank.**

CITY OF KETTERING, OHIO  
Schedule of Expenditures of Federal Awards  
For the year ended December 31, 2024

| Federal Grantor/Pass Through<br>Grantor/Program Title                                    | Grant or Pass-Through<br>Number | Federal<br>Assistance<br>Listing<br>Number | Passed<br>Through to<br>Subrecipients | Expenditures |
|--|---------------------------------|--|---------------------------------------|--------------|
| <u>Department of Housing and Urban Development</u>                                       |                                 |  |                                       |              |
| Direct programs:   |                                 |  |                                       |              |
| CDBG - Entitlement/Special Purpose Grants Cluster  |                                 |  |                                       |              |
| Community Development Block Grants/Entitlement Grants - House Revolving Loan Fund        | N/A                             | 14.218                                     | \$ -                                  | \$ 16,652    |
| Community Development Block Grants/Entitlement Grants                                    | B-23-MC-39-0011                 | 14.218                                     | 144,452                               | 654,652      |
| Community Development Block Grants/Entitlement Grants                                    | B-20-MW-39-0011                 | 14.218                                     | 17,400                                | 42,545       |
| Total CDBG - Entitlement/Special Purpose Grants Cluster                                  |                                 |  | 161,852                               | 713,849      |
| Passed through the Ohio Department of Development:                                       |                                 |  |                                       |              |
| HOME Investment Partnerships Program - Community Housing Impact and Preservation Program | A-C-21-2HL-2                    | 14.239                                     | 0                                     | 10,019       |
| HOME Investment Partnerships Program - Community Housing Impact and Preservation Program | A-C-23-2HL-2                    | 14.239                                     | 0                                     | 21,983       |
| HOME Investment Partnerships Program - Community Housing Impact and Preservation Program | A-C-23-2HL-4                    | 14.239                                     | 0                                     | 238          |
| Total HOME Investment Partnerships Program   |                                 |  | 0                                     | 32,240       |
| Total Department of Housing and Urban Development  |                                 |  | 161,852                               | 746,089      |
| <u>Department of Transportation</u>  |                                 |  |                                       |              |
| Passed through the State of Ohio Department of Transportation:                           |                                 |  |                                       |              |
| Highway Planning and Construction  | PID 114100                      | 20.205                                     | 0                                     | 513,578      |
| Highway Planning and Construction  | PID 105950                      | 20.205                                     | 0                                     | 108,182      |
| Highway Planning and Construction  | PID 110254                      | 20.205                                     | 0                                     | 695,435      |
| Highway Planning and Construction  | PID 110255                      | 20.205                                     | 0                                     | 264,000      |
| Highway Planning and Construction  | PID 116012                      | 20.205                                     | 0                                     | 336,433      |
| Total Highway Planning and Construction  |                                 |  | 0                                     | 1,917,628    |
| Passed through the City of Dayton, Ohio:   |                                 |  |                                       |              |
| Highway Safety Cluster   |                                 |  |                                       |              |
| National Priority Safety Program   | OVI-2024-DaytonPD-00002         | 20.616                                     | 0                                     | 16,727       |
| Total Highway Safety Cluster   |                                 |  | 0                                     | 16,727       |
| Total Department of Transportation   |                                 |  | 0                                     | 1,934,355    |
| <u>Department of the Treasury</u>  |                                 |  |                                       |              |
| Passed through the Board of County Commissioners of Montgomery County:                   |                                 |  |                                       |              |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds                               | LED-2023-203665                 | 21.027                                     | 0                                     | 91,212       |
| Passed through the Board of County Commissioners of Montgomery County:                   |                                 |  |                                       |              |
| COVID-19 Emergency Rental Assistance Program   | 2101060201/0520                 | 21.023                                     | 0                                     | 66,153       |
| Total Department of the Treasury   |                                 |  | 0                                     | 157,365      |
| TOTAL - ALL FEDERAL PROGRAMS   |                                 |  | \$ 161,852                            | \$ 2,837,809 |

See accompanying notes to the Schedule of Expenditures of Federal Awards

**CITY OF KETTERING, OHIO  
MONTGOMERY COUNTY**

**Notes to the Schedule of Expenditures of Federal Awards  
2 CFR 200.510(b)(6)  
For the Year Ended December 31, 2024**

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

The City has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D – SUBRECIPIENTS**

The City passes certain federal awards received from the Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note B describes, the City reports expenditures of federal awards to subrecipients on the modified accrual basis. The City was a pass-through entity of CDBG funds to five subrecipients: Miami Valley Fair Housing Board for \$30,000, County Corp for \$26,029, 4C For Children for \$13,423, We Care Arts for \$17,400, and Miami Valley Community Action Partnership for \$75,000.

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

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

Honorable Mayor, City Council,  
and City Manager  
City of Kettering, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Kettering, Ohio (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 20, 2025. We noted the City adopted new accounting guidance in Government Accounting Standards Board (GASB) Statement No. 101, Compensated Absences.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
Dayton, Ohio  
March 20, 2025

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

Honorable Mayor, City Council,  
and City Manager  
City of Kettering, Ohio

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

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

We have audited the City of Kettering, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## **Report on Internal Control over Compliance**

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



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

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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 20, 2025, which contained unmodified opinions on those financial statements, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
Dayton, Ohio  
March 20, 2025

**CITY OF KETTERING, OHIO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**2 CFR § 200.515**  
**Year Ended December 31, 2024**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted?

No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

No

Identification of major federal programs:

Highway Planning and Construction AL # 20.205

Dollar threshold used to distinguish between Type A and Type B Programs

\$750,000

Auditee qualified as low-risk auditee?

Yes

**Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**CITY OF KETTERING**  
**December 31, 2024**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**UNIFORM GUIDANCE**

The City of Kettering had no prior audit findings or questioned costs.

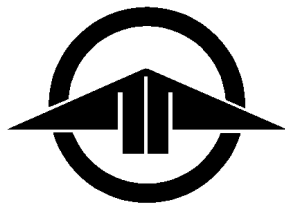
**CITY OF KETTERING, OHIO**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2024**



Prepared by:  
Department of Finance  
Nancy H. Gregory, CPA, Director



CITY OF KETTERING

# CITY OF KETTERING, OHIO

i

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

### TABLE OF CONTENTS

|   | Page |
|---|------|
| INTRODUCTORY SECTION  |      |
| Letter of Transmittal   | iii  |
| City Officials  | vii  |
| Department of Finance Staff   | viii |
| City Organizational Chart   | ix   |
| Certificate of Achievement for Excellence in Financial Reporting                              | x    |
| FINANCIAL SECTION   |      |
| Independent Auditor's Report  | 2    |
| Management's Discussion and Analysis  | 5    |
| Basic Financial Statements:   |      |
| Government-wide Financial Statements:   |      |
| Statement of Net Position   | 12   |
| Statement of Activities   | 13   |
| Fund Financial Statements:  |      |
| Fund Balance Sheets - Governmental Funds  | 14   |
| Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities | 17   |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds         | 18   |
| Statement of Net Position - Proprietary Funds   | 20   |
| Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds               | 21   |
| Statement of Cash Flows - Proprietary Funds   | 22   |
| Statement of Fiduciary Net Position - Fiduciary Funds   | 23   |
| Statement of Changes in Fiduciary Net Position - Fiduciary Funds                              | 23   |
| Notes to the Basic Financial Statements   | 24   |
| Required Supplementary Information:   |      |
| Schedule of the City's Proportionate Share of the Net Pension Liability - OP&F                | 54   |
| Schedule of the City's Proportionate Share of the Net Pension Liability - OPERS               | 54   |
| Schedule of City Contributions for Net Pension Liability - OP&F                               | 55   |
| Schedule of City Contributions for Net Pension Liability - OPERS                              | 55   |
| Schedule of the City's Proportionate Share of the Net OPEB Liability - OP&F                   | 56   |
| Schedule of the City's Proportionate Share of the Net OPEB Liability - OPERS                  | 56   |
| Schedule of City Contributions to OPEB - OP&F   | 57   |
| Schedule of City Contributions to OPEB - OPERS  | 57   |
| Budget (GAAP Budget) to Actual Comparison Schedule - General Fund                             | 58   |
| Budget (GAAP Budget) to Actual Comparison Schedule - Street Maintenance Fund                  | 60   |
| Budget (GAAP Budget) to Actual Comparison Schedule - Parks Recreation and Cultural Arts Fund  | 61   |
| Budget (GAAP Budget) to Actual Comparison Schedule - Fraze Pavilion Fund                      | 62   |
| Budget (GAAP Budget) to Actual Comparison Schedule - Community Development Fund               | 63   |
| Budget (GAAP Budget) to Actual Comparison Schedule - Emergency Medical Fund                   | 64   |
| Notes to the Required Supplementary Information   | 65   |

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**TABLE OF CONTENTS - CONTINUED**

|  | <b>Page</b> |
|--|-------------|
| <b>SUPPLEMENTAL DATA</b>   |             |
| Nonmajor Special Revenue Funds:  |             |
| Combining Balance Sheet  | 72          |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances-<br>Schedule of Budget and Actual (GAAP Budget) | 73          |
| Debt Service Fund:   |             |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Schedule of Budget and<br>Actual (GAAP Budget)           | 76          |
| Capital Projects Fund:   |             |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Schedule of Budget and<br>Actual (GAAP Budget)           | 77          |
| Detailed Schedule of Expenditures Compared to Budget (GAAP Budget)   | 78          |
| Internal Service Funds:  |             |
| Combining Statement of Net Position  | 79          |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Position   | 80          |
| Combining Statement of Cash Flows  | 81          |
| Custodial Funds:   |             |
| Combining Statement of Net Position  | 82          |
| Combining Statement of Changes in Net Position   | 82          |
| Miscellaneous Schedules:   |             |
| Debt Schedule  | 83          |

|  | <b>Schedule</b> |    |
|--|-----------------|----|
| <b>STATISTICAL SECTION</b>   |                 |    |
| Net Position by Category Last Ten Years  | 1               | 86 |
| Changes in Net Position Last Ten Years   | 2               | 87 |
| Fund Balances, Governmental Funds Last Ten Years                                     | 3               | 88 |
| Changes in Fund Balances, Governmental Funds Last Ten Years                          | 4               | 89 |
| Income Tax by Payer Type and Income Tax Rate Last Ten Years                          | 5               | 90 |
| Percentages of Income Tax by Payer Type for Top Ten Payers Current and Ten Years Ago | 6               | 90 |
| Ratios of Outstanding Debt by Type and Legal Debt Margins Last Ten Years             | 7               | 91 |
| Direct and Overlapping Debt  | 8               | 92 |
| Demographic and Economic Statistics Last Ten Years                                   | 9               | 92 |
| Principal Employers Current Year and Ten Years Ago                                   | 10              | 93 |
| City Government Employees by Function/Program Last Ten Years                         | 11              | 93 |
| Operating Indicators by Function/Program Last Ten Years                              | 12              | 94 |
| Capital Asset and Infrastructure Statistics by Function/Program Last Ten Years       | 13              | 94 |

## **INTRODUCTORY SECTION**





March 20, 2025

Honorable Mayor, Members of City Council  
and Citizens of Kettering, Ohio:

The Annual Comprehensive Financial Report for the City of Kettering for the year ended December 31, 2024, is hereby submitted. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City provides various services including police and fire protection, parks, recreation and cultural arts, street maintenance, planning, zoning and other general governmental services. The City does not maintain utility operations. Montgomery County, Greene County, Beavercreek, Centerville, Kettering, Sugarcreek and West Carrollton School Districts, Miami Conservancy District, Miami Valley Regional Transit Authority, Ohio Police and Fire Pension Fund and the Ohio Public Employees Retirement System have not met the established criteria for inclusion in the reporting entity and are excluded from this report. In addition, the City is one of twenty-one local cities involved in a public entity risk pool, Miami Valley Risk Management Association, Inc. This separate entity does not meet the established criteria for inclusion in the reporting entity and, accordingly is not included in the City's financial report.

## HISTORY AND BACKGROUND

Kettering was established as a village in 1952. Three years later, it achieved City status, adopted a Home Rule Charter and approved the Council/Manager form of government. The City of Kettering was named for its most outstanding citizen, Charles F. Kettering, a well-known philanthropist and inventor. Kettering invented the automotive self-starter, and the "Bug," the world's first robot plane.

The City operates under a Council/Manager form of government with a Mayor and six City Council

members elected on a non-partisan basis for a term of four years. Kettering is known as a leader in many areas of municipal government, including financial reporting, fire and EMS services, police services, parks, recreation and cultural arts programs, intergovernmental cooperation and successfully structured volunteer programs. Kettering citizens are known for their community spirit and involvement. In fact, Kettering is commonly known as the "City of Volunteers."

The quality of living in any city can be measured best by the satisfaction of the residents with the services they receive. In Kettering, people like what they find. Our most recent citizen survey showed that 95% of residents are satisfied with Kettering as a place to live.

## ECONOMIC CONDITION AND OUTLOOK

The City of Kettering structures its operations and decision-making in a manner that emphasizes economic stability, even during uncertain times. For example, the City implemented mandatory filing of municipal income tax for all residents ages eighteen and older effective for tax years beginning January 1, 2012. This move has resulted in the establishment of a more accurate tax base allowing for efficient follow up and improved delinquency collections for our largest source of general fund revenue. The 2024 income tax revenue was flat primarily due to fluctuations in estimated payments with decreased receipts from business filings as well as increased credit rollover requests. The growth of future income tax receipts will continue to result from employees working within the City's boundaries and businesses continuing to remain or expand in Kettering. The City continues to focus the efforts of our Economic Development Department on attracting new employers with the potential for growth and longevity.

The diversity of Kettering's employment base also serves to diminish the overall impact of declines in employment whether from general economic conditions such as a recession, a relocation of a business or general employment changes. The business base ranges from some major employers headquartered in Kettering to many midsize companies specializing in technology or professional

services down to smaller family owned businesses. Kettering's largest employers include Kettering Medical Center (KMC) the flagship facility of the Kettering Health Network (KHN) and Reynolds & Reynolds. KMC employs more than 3,570. Most recently, KHN opened two new facilities to make healthcare easier for residents and visitors. An On Demand Care Center opened in the Town & Country Shopping Center offering same day, affordable care. The \$1.2 million, 3,200 square foot location employs six full time positions in the heart of Kettering. KHN also opened its Years Ahead Center on East Stroop Road. The 14,000 square foot, \$5.6 million medical office building focuses on senior care and houses more than 30 jobs. Services include primary care and internal medicine, behavioral health and educational classes, as well as X-ray and labs with more than 20 exam rooms. Reynolds & Reynolds, a fortune 1000 company based in Dayton since 1866, is a market leader delivering information technology, software solutions and professional services that support automobile retailing. The company employs 1,390 at its Miami Valley Research Park campus. Other major employers in the city include Kettering City Schools, Alternate Solutions Health Network, Solvita, and a number of engineering firms, computer hardware and software companies, and service related businesses. While we have seen growth in employment in certain sectors, we continue to be proactive in the area of economic development to attract new employers to Kettering. One ongoing example is the effort to market the Tenneco facility as the company completed the closure of its operations in Kettering at the end of 2023, affecting 600 jobs. However, the 940,000 square foot manufacturing facility is marketable, and multiple potential buyers have shown interest.

The City's success in adding to our tax base is evident in a number of projects. Home to two of Kettering's top five employers, the Miami Valley Research Park (MVRP) has grown significantly since the City acquired over 300 acres of undeveloped land in 2017. Solvita, formerly Community Tissue Services, completed construction on a 132,000 square foot expansion at its Miami Valley Research Park (MVRP) location. The \$50 million project doubled the facility's footprint and initially created an additional 200 – now almost 700 jobs - primarily in the manufacturing and support fields at the company's Center for Tissue Innovation. Life Connection of Ohio (LCO) purchased 9 acres also at the Miami Valley Research Park for a new headquarter facility. LCO is a non-profit organization that has promoted and facilitated organ donation for

more than 30 years. The 30,000 square foot expansion will allow their workforce to nearly double in 5 years, with the annual payroll is expected to increase from \$5 million to about \$9 million. LCO took occupancy in early 2022 with almost 100 employees. The location also allows LCO to work in close proximity with more businesses in the industry such as Solvita. Resonetics, LLC completed an expansion in 2022 on 3 acres of land purchased from the City. The medical device business created 95 full-time jobs with the help of local and JobsOhio assistance. The business currently has 147 employees in a 20,000 square foot facility on now 4.5 acres in the College Drive building it first occupied in 2013. Cleveland based developer Industrial Commercial Properties (ICP) purchased 5 buildings and 40 acres in Miami Valley Research Park in 2020. The company transformed the buildings into Class A office space with building renovations, aesthetic improvements, and new signage, bringing numerous new tenants to the Park. The office building at 1900 Founders Boulevard has 150,000 square feet of space and will house up to 900 new Air Force employees. The City also sold 9 acres in Miami Valley Research Park in 2024 to the Dayton Regional STEM School for a new elementary facility. The 60,000 square-foot building will accommodate 400 students initially and create 25 faculty jobs. Kettering Business Park (KBP) is another area of continued success in the area of economic development. Solvita continued its expansion with the purchase of two buildings vacated by Synchrony in 2020. The acquisition provides an additional 400,000 square feet of new space to expand warehouse capacity, improve efficiencies and further its potential as a global leader in the production of life-saving and life-enhancing allografts. Outside of our major business parks, Kettering saw several new businesses open in 2024 including Socialite Café, Fyzical Therapy and Balance Center, Rum Runners Café, Wiseway Supply, Biggby Coffee, Dayton Optometric, Flying Ace Car Wash and Five Grain Noodles.

During 2024, the City's Economic Development Manager continued working with the Community Development Manager to offer the Microenterprise Loan Program. The program awards forgivable loans to Kettering businesses to fund equipment, inventory, fixed assets, marketing and promotion, or other necessary improvements. To be eligible for the funding, the applicant must be located in Kettering; a registered taxpayer and current on tax payments; and a designated microenterprise, defined as a business with five or fewer employees, one of whom is the owner of the business.

Infrastructure investment and community development are also priorities for the City. One significant example is the continued implementation of the plan developed by the Wilmington Pike Improvement Committee to regenerate investment and spur economic development initially along the Wilmington Pike corridor. Two programs that have contributed to revitalization of Wilmington Pike are now citywide. The Demolition Program provides financial assistance to commercial and residential property owners to assist with the demolition of structures and clearing of sites for purposes of redevelopment. The Façade and Site Improvement Program allows business owners to apply for a grant, up to \$25,000, to assist with making improvements to the physical appearance of the property and ensuring conformance to city codes. The City of Kettering is also committed to supporting residential development to ensure families looking for affordable homes with modern amenities have options in Kettering. In August 2024, residents moved into two new Kettering apartment buildings at 3233 Woodman Drive. The Lofts and The Senior Village are two apartment buildings constructed on the site of a former AT&T building. The \$22 million project created 103 units. The Lofts offer general workforce occupancy affordable housing, while The Senior Village offers housing to those 55 and older. The City's Community Development division continues to facilitate programs for providing quality housing to Kettering homeowners. These programs include financial assistance for first time home buyers, emergency repairs, and comprehensive updates. The City will continue to act as a catalyst for reinvestment and redevelopment throughout our community in future years.

The City continues to make capital improvements a high priority each year. The City invested \$12.7 million in capital improvements citywide, including \$4.4 million in outside funding. These expenditures for improvements to and maintenance of the City's infrastructure includes roadways, traffic controls, streetscape, drainage, parks and recreations facilities and other City facilities. Some improvements to City amenities included the start of construction of a new Research Park bike path connector that will provide links to trails from Centerville to Dayton and the completion of Gentile Nature Park, the City's 22<sup>nd</sup> park with an investment of \$2.48 million.

Kettering participates in ED/GE, a revenue sharing program that includes about thirty communities in Montgomery County. Money from the program is distributed to the communities for economic

development projects after an application for funds is filed and a board of local officials for the communities reviews and approves the projects. The City has benefited significantly in the past from this program and will continue to apply for future funds as eligible opportunities become available. The ED/GE program was to expire after 2019. However, a new agreement has extended the program for an additional ten years.

A significant area of emphasis for this organization is long term financial planning. This includes preparation of a five-year capital improvement program and a long-range financial forecast. Additional Long Term Financial Policies are in the City's 2025 Budget message. These policies include the development each year of a balanced budget where the appropriations for any given year shall not exceed the sum of available cash balances, less reserves, plus revenues to be received during the year. In addition, current year operating expenditures and debt service obligations shall be covered using current year operating revenues. In the area of debt, the City shall not issue long-term debt to pay for current operations.

The City's focus on economic development combined with the existing variety of businesses located within Kettering are significant factors affecting the future economic strength of this community. Promoting Kettering as a good place to do business for new businesses, as well as existing businesses, will continue to be one of our highest priorities.

For a more in-depth analysis of the City's current economic condition, please see the Management Discussion and Analysis (MD&A) portion of the report starting on page 5 of the Financial Section.

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of

controls should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

**Budgetary Controls.** The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of the General Fund, Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund are included in the annual appropriated budget. For more detailed budget information, please see the Notes to the Required Supplementary Information on page 65 of this report.

## OTHER INFORMATION

**Independent Audit.** The basic financial statements of the City of Kettering were audited by Plattenburg & Associates, Inc. Certified Public Accountants. See page 2 of the Financial Section of this report for their unmodified opinion.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Kettering, Ohio for its annual comprehensive financial report for the fiscal year ended December 31, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Kettering has received a Certificate of Achievement for the last 42 consecutive years (fiscal years ended 1982-2023). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA. In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning January 1, 2024. The City of Kettering has received a Distinguished Budget Presentation Award for the last 40 consecutive years (fiscal years beginning 1986-2025). In order to receive this award, the City must publish a budget document that meets program

criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

**Acknowledgements.** A note of sincere appreciation is extended to the many conscientious people who have contributed so much of their time and effort to the preparation of this report. The Finance Department staff, in particular Assistant Finance Director Randall R. Harper and Financial Analyst Rachel F. Dexter, are to be commended for their commitment to professional excellence as exemplified by the contents of this report. Finally, contributions to the financial condition of the City of Kettering by the Mayor, members of City Council, Assistant City Manager and Department Directors cannot be overemphasized. Their guidance and support represent invaluable factors necessary for the City to continue to manage the financial affairs and reporting requirements of municipal government within the Kettering Community.

Respectfully submitted,



Matthew H. Greeson  
City Manager



Nancy H. Gregory, CPA  
Director of Finance

## **CITY OF KETTERING, OHIO**

### CITY OFFICIALS

Peggy Lehner, Mayor  
Jacque Fisher, Vice Mayor  
Lisa Duvall  
Jyl Hall  
Bob Scott  
Bryan Suddith  
Shane Sullivan

### CITY MANAGER

Matthew H. Greeson

### INDEPENDENT AUDITORS

Plattensburg & Associates, Inc.  
Certified Public Accountants

---

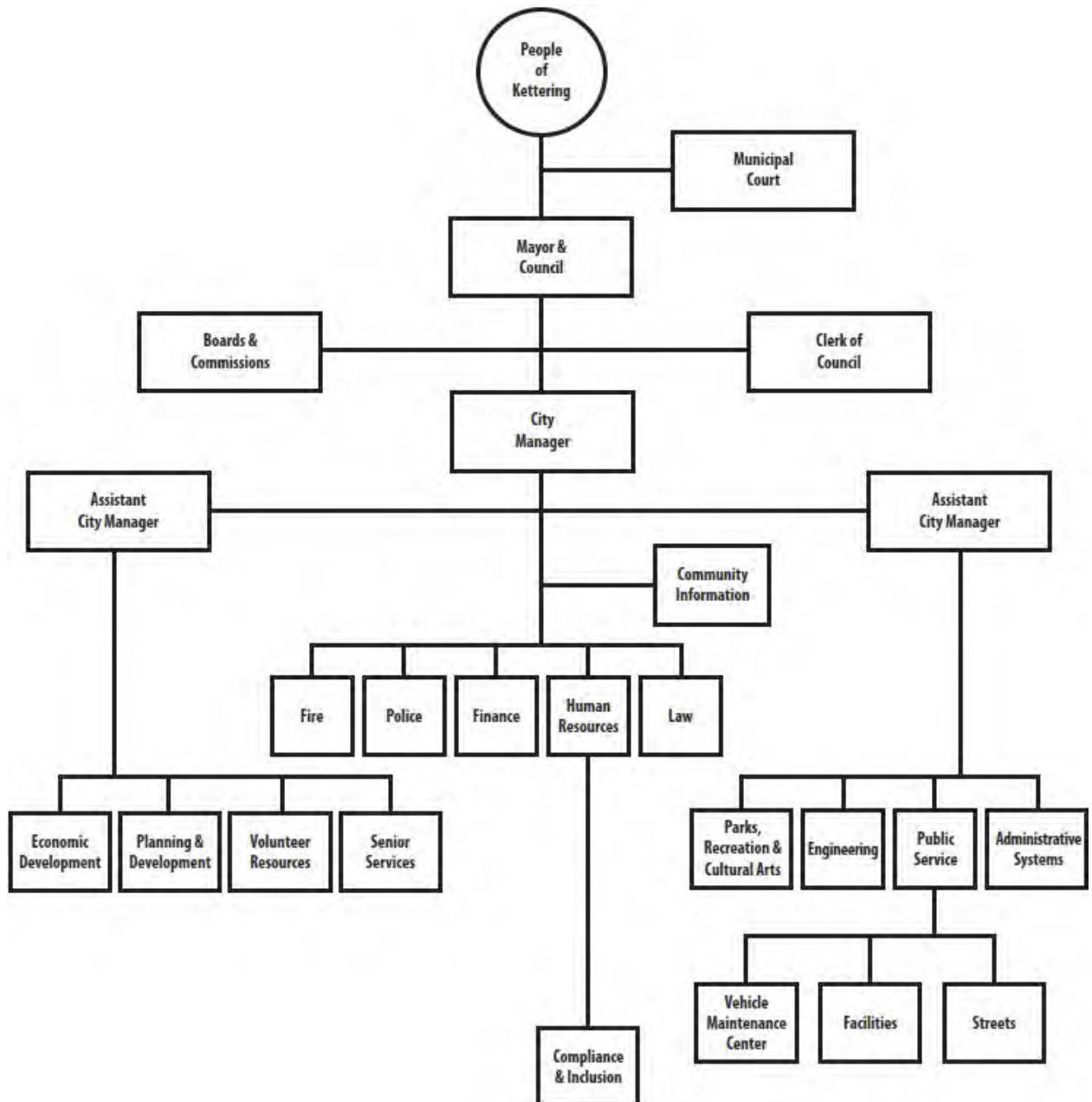
## CITY OF KETTERING, OHIO

### DEPARTMENT OF FINANCE

#### STAFF

|                         |                                   |
|-------------------------|-----------------------------------|
| Nancy H. Gregory, CPA   | Finance Director                  |
| Randall R. Harper, CPA  | Assistant Finance Director        |
| Kelly M. O'Connell, CPA | Budget Manager                    |
| Estelle O. Gibson, CPA  | Purchasing Manager                |
| Sharin L. Snively       | Tax Manager                       |
| Tracy L. Roesle         | Administrative Assistant II       |
| Marcy K. Bare, CPA      | Financial Analyst                 |
| Rachel F. Dexter, CPA   | Financial Analyst                 |
| Lynn A. Blumenschein    | Finance Technician II - Part-Time |
| Kimberly M. Koogler     | Finance Technician II             |
| Christopher E. Cottrill | Finance Technician II             |
| Matthew H. Keele        | Finance Technician II             |
| Tanner K. Higgins       | Finance Technician II             |
| Noelle C. Novack        | Finance Technician II             |
| Laura M. Zeck           | Finance Technician II             |
| Alyson Countryman       | Finance Technician II             |
| Julie M. Byerly         | Finance Technician I              |
| Joyce A. Foley          | Finance Technician I              |
| Kerry J. Rimstidt       | Finance Technician I - Part-Time  |
| Maria L. Colbert        | Finance Technician I              |
| Victoria L. Adams       | Finance Clerk                     |

## City of Kettering 2024 Organizational Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Kettering  
Ohio**

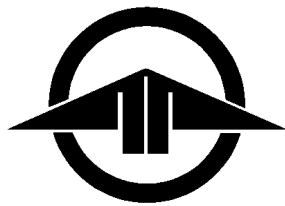
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morill*

Executive Director/CEO





CITY OF KETTERING

## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor, City Council,  
and City Manager  
City of Kettering, Ohio

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

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Kettering, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 17 to the financial statements, during 2024, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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, budgetary comparison information and schedules of pension information and other postemployment information to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of bonds and notes, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules and the schedule of bonds and notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 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.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
Dayton, Ohio  
March 20, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

Our discussion and analysis of the City of Kettering's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2024.

## FINANCIAL HIGHLIGHTS

1. As a result of implementing GASB Statement No. 101, *Compensated Absences*, the total net position of Governmental Activities at December 31, 2023 was restated from \$200,041,450 to \$190,938,791 a decrease of \$9,102,659. Total net position for 2024 increased \$2,017,934 or 1.1% from the restated net position at December 31, 2023. The majority of these increases are the result of an increase in general revenues net of GASB 68/75 pension and OPEB-related reporting. See "THE CITY AS A WHOLE" on page 6 for details.
2. Total revenues decreased 1.0% while total expenses increased 2.9%, in the Statement of Activities.
3. Operating grants decreased \$897,260 or 19.1%.
4. Capital grants and contributions decreased \$1,588,734 or 30.0%.
5. Income taxes decreased \$1,294,387 or 2.3%, in the Statement of Activities.
6. Investment earnings increased \$219,014 or 4.7%.
7. Total costs of services increased 2.9%, while net costs of services increased 6.5%.
8. The General Fund reported an increase in fund balance of \$3,836,630.
9. The Capital Projects fund reported a decrease in fund balance of \$1,759,632.

## USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 12 and 13) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 14. For governmental funds, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts in a fiduciary capacity, holding assets solely for the benefit of other governments, organizations, or individuals.

### Reporting the City as a Whole

#### *The Statement of Net Position and the Statement of Activities*

Our analysis of the City as a whole begins on page 6. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that help answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position. You can think of the City's net position (the difference between assets, deferred outflows and liabilities, deferred inflows) as one way to measure the City's financial health. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base, the condition of the City's roads, the condition of the City's neighborhoods, and the reputation of the public schools to assess the overall health of the City.

### Reporting the City's Most Significant Funds

#### *Fund Financial Statements*

Our analysis of the City’s major funds begins on page 10. The fund financial statements begin on page 14 and provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the Finance Director establishes many other funds to help control and manage money for particular purposes or to show that the City is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Housing and Urban Development). The City’s two kinds of funds, governmental and proprietary, use different accounting approaches.

- **Governmental funds** — Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation provided in the fund financial statements.
- **Proprietary funds** — The City uses internal service funds (a component of proprietary funds) to report activities that provide supplies and services for the City’s other programs and activities. An example of an internal service fund would be the City’s Administrative Operations Fund, which accounts for activities of the Vehicle Maintenance Center, the Print Shop, and others. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

## The City as Trustee

### *Reporting the City’s Fiduciary Responsibilities*

The City is the trustee, or fiduciary, for assets that — because of a trust arrangement — can be used only for the trust beneficiaries. All of the City’s fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on page 23. We exclude these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## THE CITY AS A WHOLE

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City’s net position for 2024 compared to 2023:

**TABLE 1**  
**NET POSITION**

|                                  | 2024          | 2023          |
|----------------------------------|---------------|---------------|
| Current and other assets         | \$137,008,209 | \$132,582,780 |
| Capital assets                   | 197,961,299   | 193,819,167   |
| Total assets                     | 334,969,508   | 326,401,947   |
| Deferred outflows of resources   | 34,549,681    | 43,842,550    |
| Long-term debt outstanding       | (36,198,713)  | (27,175,307)  |
| Net pension and OPEB liability   | (108,391,454) | (110,862,130) |
| Other liabilities                | (10,300,027)  | (9,391,822)   |
| Total liabilities                | (154,890,194) | (147,429,259) |
| Deferred inflows of resources    | (21,672,270)  | (22,773,788)  |
| Net position:                    |               |               |
| Net investment in capital assets | 176,575,494   | 170,773,444   |
| Restricted                       | 8,949,136     | 6,835,196     |
| Unrestricted                     | 7,432,095     | 22,432,810    |
| Total net position               | \$192,956,725 | \$200,041,450 |

The largest impacts on the City's financial statement in 2024 had absolutely no impact on the City's financial condition; GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". GASB 68/75 required the City to recognize a net pension/OPEB liability of \$108.4 million. For reasons discussed below, this liability serves only to distort the true financial position of the City. Users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the Net OPEB asset and deferred outflows related to pension and OPEB. The resulting net position would be \$274,138,339 which is \$81.2 million more than the net position reported.

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

Under the standards required by GASB 68 and GASB 75, the net pension liability and the net OPEB liability equal the City's proportionate share of each plan's collective:

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

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

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

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

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



**TABLE 2**  
**CHANGES IN NET POSITION**

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| Revenues  |                      |                      |
| Program revenues:   |                      |                      |
| Charges for services  | \$11,434,088         | \$10,965,665         |
| Operating grants and contributions  | 3,796,521            | 4,693,781            |
| Capital grants and contributions  | 3,715,632            | 5,304,366            |
| General revenues:   |                      |                      |
| Income taxes  | 55,890,034           | 57,184,421           |
| Property taxes  | 9,709,238            | 8,535,249            |
| Other local taxes and state shared<br>revenues not restricted to programs | 5,360,121            | 5,487,220            |
| Investment earnings   | 4,841,967            | 4,622,953            |
| Other general revenue   | 4,818,532            | 3,783,836            |
| Total revenues  | <u>99,566,133</u>    | <u>100,577,491</u>   |
| Program expenses:   |                      |                      |
| General government  | 17,548,433           | 19,384,399           |
| Police  | 21,608,072           | 21,102,681           |
| Fire  | 20,673,818           | 20,010,928           |
| Public works  | 17,512,843           | 16,043,550           |
| Leisure services  | 19,357,438           | 17,670,973           |
| Interest on long-term debt  | 847,595              | 571,792              |
| Total expenses  | <u>97,548,199</u>    | <u>94,784,323</u>    |
| Increase (decrease) in net position                                       | 2,017,934            | 5,793,168            |
| Net position beginning  | 200,041,450          | 194,248,282          |
| Restatement for change in accounting principles                           | (9,102,659)          |                      |
| Net position beginning, as restated                                       | <u>190,938,791</u>   | <u>194,248,282</u>   |
| Net position ending   | <u>\$192,956,725</u> | <u>\$200,041,450</u> |

The information necessary to restate 2023 beginning balances and the related compensated absences program expense amounts for the effects of the initial implementation of GASB Statement No. 101, *Compensated Absences*, is not reasonably available. Therefore, 2023 program expenses are not adjusted from previously reported amounts and the accumulated effect of the restatement for the change in accounting principal totaling a negative \$9,102,659 is netted against the 2024 beginning net position. For 2024 the City produced a 1.1% increase over the restated beginning net position. Revenues generated were \$99.6 million and expenses from all programs were \$97.5 million resulting in an increase in net position for the year of \$2,017,934. The unrestricted net position — the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements — decreased \$15,000,715. As stated above, the requirement that the City recognize a pension/OPEB liability of over \$108.4 million distorts the City's net position and unrestricted net position.

Explanations for the larger fluctuations between years are as follows:

- Income tax revenues decreased \$1.3 million primarily due to fluctuations in estimated payments with decreased income tax receipts from businesses and an increase in credit rollover requests.
- Operating grants and contributions decreased due to a \$2.5 million of Emergency Rental Assistance grant revenue in 2023 that completed in 2024 with minimal activity.
- Capital grants and contributions decreased due to the completion of building improvements for the Rosewood Arts Center renovation project in 2023.
- Investment earnings increased primarily due to required fair market value accounting adjustments to the City's investment holdings and earnings rates are becoming more favorable.
- The general government program expenditures decreased due to the \$2.5 million Emergency Rental Assistance grant payments in 2023 that completed in 2024 with minimal activity. The police, fire, public works, and leisure

services program expenditures all increased primarily due a \$1.1 million net expenses over revenues in the Internal Services funds and an increase in depreciation expense.

The following table presents the cost of each of the City's four largest programs – police, fire, public works and leisure services – as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

**TABLE 3**  
**GOVERNMENTAL ACTIVITIES**

|                  | Total Cost of Services |                     | Net Cost of Services |                     |
|------------------|------------------------|---------------------|----------------------|---------------------|
|                  | <u>2024</u>            | <u>2023</u>         | <u>2024</u>          | <u>2023</u>         |
| Police           | \$21,608,072           | \$21,102,681        | \$21,469,415         | \$20,982,308        |
| Fire             | 20,673,818             | 20,010,928          | 18,179,503           | 17,602,067          |
| Public works     | 17,512,843             | 16,043,550          | 12,619,932           | 12,090,449          |
| Leisure services | 19,357,438             | 17,670,973          | 11,679,585           | 9,331,897           |
| All others       | 17,548,433             | 19,384,399          | 13,805,928           | 13,241,998          |
|                  | <u>\$96,700,604</u>    | <u>\$94,212,531</u> | <u>\$77,754,363</u>  | <u>\$73,248,719</u> |

Total costs of services for 2024 increased by \$2,488,073 while net costs of services increased by \$4,505,644. The increase in total costs of services is due to a combination of increased depreciation expense and a negative \$1.1 million change in net position in Internal Services funds that are allocated to Governmental Activities expenditures. The additional \$2 million increase in net costs of services is due to a \$2 million decrease in program income primarily from the completion of the Rosewood renovation capital grant in 2023. Other operational fluctuations in Total Cost of Services and Net Cost of Services are explained below after Table 4.

As explained on page 7, the provisions of GASB Statements 75 and 68 distort the true financial position of the City. The same provisions require the City to recognize a pension/OPEB adjustment that increased expenses by \$3.5 million in 2024 and increased expenses by \$3.3 million in 2023. As a result, it is difficult to ascertain the true operational cost of services and the change in cost of services from year to year. The chart below shows total costs of services and net cost of services by function with the GASB Statements 75 and 68 pension and OPEB costs removed.

**TABLE 4**  
**GOVERNMENTAL ACTIVITIES - GASB 75 & 68 PENSION/OPEB COSTS REMOVED**

|                  | Total Cost of Services |                     | Net Cost of Services |                     |
|------------------|------------------------|---------------------|----------------------|---------------------|
|                  | <u>2024</u>            | <u>2023</u>         | <u>2024</u>          | <u>2023</u>         |
| Police           | \$20,605,006           | \$19,116,618        | \$20,466,349         | \$18,996,245        |
| Fire             | 18,973,084             | 17,862,384          | 16,478,769           | 15,453,523          |
| Public works     | 17,416,866             | 16,370,618          | 12,523,955           | 12,417,517          |
| Leisure services | 19,051,089             | 17,767,293          | 11,373,236           | 9,428,217           |
| All others       | 17,129,364             | 19,750,372          | 13,386,859           | 13,607,971          |
|                  | <u>\$93,175,409</u>    | <u>\$90,867,285</u> | <u>\$74,229,168</u>  | <u>\$69,903,473</u> |

As shown in Table 4, by excluding the GASB 75 and GASB 68 pension/OPEB costs, total costs of services for 2024 increased by \$2,308,124 while net costs of services increased by \$4,325,695. Both these increases are due to a combination of transactions as mentioned above under Table 3.

The capital asset activity for the year was not as high as prior year. Capital asset additions totaled \$17.1 million compared to \$19.0 million in 2023. 2024's largest additions included nearly \$7.4 million in street improvements. Total net capital assets for 2024 were \$197,961,299. Of this total, \$11,877,897 was not being depreciated and the capital assets being depreciated totaled \$381,040,676 with accumulated depreciation of \$194,957,274.

At December 31, 2024, the City had various debt issues outstanding, which included \$18,650,000 of general obligation bonds, \$1,298,405 of a lease obligation, and \$218,268 of promissory notes. As of December 31, 2024, the City's net general obligation bonded debt of \$19,069,966 was well below the legal limit of \$180,425,490 and total debt per capita equaled \$356.

For more detail on capital asset and long-term debt activity, refer to note 8 and note 13 respectively in the Notes to the Basic Financial Statements.

## THE CITY'S FUNDS

As the City completed the year, its governmental funds (as presented in the balance sheets on pages 14 and 15) reported a combined fund balance of \$95.0 million, which is 2.5% higher than last year's total of \$92.7 million.

In 2013 the City received a one-time estate tax distribution of over \$42 million dollars. In the past, The City has relied on revenues derived from Ohio's estate tax to pay for capital improvements in the city. The Ohio General Assembly abolished the estate tax effective in 2013. In prior years, on average, the City received \$3,000,000 per year that was placed in the Capital Projects fund. Consistent with established policy and past practice of using estate tax revenues to fund capital projects and in response to the abolishment of the estate tax, City Council passed legislation in 2013 to commit the \$40 million to the Capital Projects fund. The legislation states that the funds are to be expended for future capital improvement projects at a rate of \$3,000,000 per year until the \$40 million is exhausted.

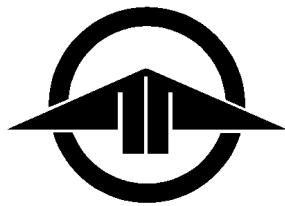
The City's General Fund experienced a \$2,732,368, or 3.7% overall increase in revenues for 2024. At the same time, expenditures increased by \$4,809,722 or 9.4%, and transfers out decreased by \$3,238,621 or 15.4%. The City's General Fund balance increased in 2024 by \$3,836,630. The increase in property taxes accounts for the majority of the increase in total revenues. Property tax revenue increased 27.0% due to a \$3.8 million or 28.1% increase in Kettering's property values as a result of the triannual reappraisal completed in 2023. See note 4 for details on the assessed property values. Transfers out to the Capital Projects fund decreased in comparison to 2023 due to the timing and size of projects. A majority of the \$4.8 million increase in General Fund expenditures is attributed to \$1.2 million in capital equipment in fire and \$1.6 million for new leased equipment in police expenditures during 2024.

Parks, Recreation & Cultural Arts fund experienced a slight increase in revenues and expenditures roughly in the same proportions as additional programs are offered along with charging a program fee. Frazee Pavilion revenues decreased 5.4% due to a strategic selection of performances to balance expenditures. Community Development Fund experienced a decrease in expenditures of 35.8% due to the City awarded additional federal revolving loan grants during 2023 for increased program opportunities and not as large of new awards during 2024. The Emergency Medical fund had a \$207,966 increase in revenues as 2024 is the first full-year with the increased rates approved mid-2023. Debt Service fund experienced a slight decrease in revenues and expenditures roughly in the same proportions, while the property tax rate was reduced to compensate for the increased property values. Expenditures in the Capital Projects fund decreased by \$5.6 million or 31.4% due to the timing of larger projects. The reduction of the fund balance in the Capital Projects fund is due to the planned use of estate tax revenues of \$3,000,000 per year as detailed above. The Other Special Revenue Governmental Funds saw a decrease in revenues and expenditures roughly in the same proportions as the federal Emergency Rental Assistance grant completed in 2024 with minimal activity in 2024 compared to \$2.5 million in expenditures in 2023. There were no other material changes to the major funds in 2024.

There was a significant variance between General fund actual expenditures and final budgeted expenditures for "Transfers to other funds". Because of lower than expected expenditures in the Capital Projects Fund, the required transfers were reduced.

Presented in Schedule 10 in the Statistical Section, the City's previously reported seventh largest employer Spectrum began closing down operations by mid-2024. However, the overall impact of the loss of withholding from this employer was minimized due to the diversity of Kettering's employment base.

This financial report is designed to provide our citizens and other interested parties with an overview of the City's finances and to show accountability for the money it receives. This report is also available on the City's website at [www.ketteringoh.org](http://www.ketteringoh.org). Questions concerning any of the information provided in this report or requests for additional information may be addressed to the Finance Department, City of Kettering, 3600 Shroyer Road, Kettering, Ohio, 45429.



CITY OF KETTERING

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

|   |                    |
|---|--------------------|
| Pooled cash and investments (note 2)            | \$100,531,354      |
| Receivables:                                    |                    |
| Income taxes (net of allowance for \$2,505,291) | 11,906,900         |
| Property taxes                                  | 9,979,000          |
| Payments in lieu of taxes                       | 367,000            |
| Interest  | 671,728            |
| Accounts  | 1,362,080          |
| Special assessments                             | 1,060,000          |
| Loans (net of allowance for \$16,719)           | 804,560            |
| Leases  | 1,908,665          |
| Due from other governments                      | 3,683,492          |
| Prepaid items                                   | 683,401            |
| Inventory                                       | 478,114            |
| Assets held for resale                          | 2,248,571          |
| Net OPEB asset                                  | 1,323,344          |
| Capital assets not being depreciated (note 8)   | 11,877,897         |
| Capital assets being depreciated, net (note 8)  | 186,083,402        |
| Total assets                                    | <u>334,969,508</u> |

**DEFERRED OUTFLOWS OF RESOURCES**

|                         |                   |
|-------------------------|-------------------|
| Pension and OPEB        | 34,549,681        |
| Total deferred outflows | <u>34,549,681</u> |

**LIABILITIES**

|                                  |                    |
|----------------------------------|--------------------|
| Accounts payable                 | 2,180,959          |
| Salary and benefits payable      | 3,723,304          |
| Accrued interest payable         | 42,270             |
| Accrued health claims            | 1,058,185          |
| Unearned revenue                 | 3,295,309          |
| Noncurrent liabilities (note 13) |                    |
| Due within one year              | 6,179,666          |
| Due in more than one year        |                    |
| Net pension and OPEB liability   | 108,391,454        |
| Other amounts                    | 30,019,047         |
| Total liabilities                | <u>154,890,194</u> |

**DEFERRED INFLOWS OF RESOURCES**

|                           |                   |
|---------------------------|-------------------|
| Property taxes            | 10,859,000        |
| Payments in lieu of taxes | 367,000           |
| Leases                    | 1,783,085         |
| Pension and OPEB          | 8,663,185         |
| Total deferred inflows    | <u>21,672,270</u> |

**NET POSITION**

|                                  |                      |
|----------------------------------|----------------------|
| Net investment in capital assets | 176,575,494          |
| Restricted for:                  |                      |
| Debt service                     | 1,894,871            |
| Social services                  | 1,341,724            |
| Public safety                    | 1,974,672            |
| Road construction/Public works   | 144,405              |
| Leisure services                 | 106,655              |
| Municipal court activities       | 2,163,465            |
| OPEB benefits                    | 1,323,344            |
| Unrestricted                     | 7,432,095            |
| Total net position               | <u>\$192,956,725</u> |

See accompanying notes to the basic financial statements.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024

| Functions/Programs                              | Expenses            | Program Revenues        |  |  | Total<br>Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|---|---------------------|-------------------------|--|--|---|
|   |                     | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |   |
| General government                              | \$17,548,433        | \$2,432,980             | \$1,309,525                              |  | (\$13,805,928)  |
| Police  | 21,608,072          | 11,358                  | 127,299                                  |  | (21,469,415)  |
| Fire  | 20,673,818          | 2,479,325               | 14,990                                   |  | (18,179,503)  |
| Public works                                    | 17,512,843          | 16,720                  | 1,160,559                                | \$3,715,632                            | (12,619,932)  |
| Leisure services                                | 19,357,438          | 6,493,705               | 1,184,148                                |  | (11,679,585)  |
| Interest on long-term debt                      | 847,595             |                         |  |  | (847,595)   |
| Total   | <u>\$97,548,199</u> | <u>\$11,434,088</u>     | <u>\$3,796,521</u>                       | <u>\$3,715,632</u>                     | <u>(78,601,958)</u>   |
| General revenues:                               |                     |                         |  |  |   |
| Taxes:  |                     |                         |  |  |   |
|   |                     |                         |  |  | 55,890,034  |
|   |                     |                         |  |  | 8,920,623   |
|   |                     |                         |  |  | 788,615   |
|   |                     |                         |  |  | 279,488   |
| State shared revenues,                          |                     |                         |  |  |   |
|   |                     |                         |  |  | 5,080,633   |
|   |                     |                         |  |  | 1,453,157   |
|   |                     |                         |  |  | 360,356   |
|   |                     |                         |  |  | 4,841,967   |
|   |                     |                         |  |  | 2,095,953   |
|   |                     |                         |  |  | 909,066   |
|   |                     |                         |  |  | <u>80,619,892</u>   |
|   |                     |                         |  |  | 2,017,934   |
| Net position--beginning, as previously reported |                     |                         |  |  |   |
|   |                     |                         |  |  | 200,041,450   |
|   |                     |                         |  |  | (9,102,659)   |
|   |                     |                         |  |  | <u>190,938,791</u>  |
| Net position--ending                            |                     |                         |  |  |   |
|   |                     |                         |  |  | <u>\$192,956,725</u>  |

See accompanying notes to the basic financial statements.

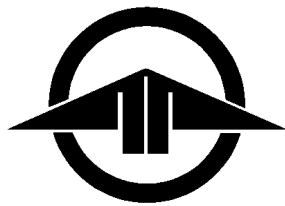
FUND BALANCE SHEETS - GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

|  |                     | Major                 |   | Special            |
|--|---------------------|-----------------------|---|--------------------|
|  | General<br>Fund     | Street<br>Maintenance | Parks,<br>Recreation &<br>Cultural Arts | Fraze<br>Pavilion  |
| ASSETS   |                     |                       |   |                    |
| Pooled cash and investments  | \$66,515,758        | \$883,939             | \$908,917                               | \$2,602,171        |
| Receivables:   |                     |                       |   |                    |
| Income taxes (net of allowance for \$2,505,291)  | 11,906,900          |                       |   |                    |
| Property taxes   | 8,770,000           |                       |   |                    |
| Payments in lieu of taxes  |                     |                       |   |                    |
| Interest   | 671,728             |                       |   |                    |
| Accounts   | 40,757              | 582                   | 44,441                                  | 44,153             |
| Special assessments  | 400,000             |                       |   |                    |
| Loans (net of allowance for \$16,719)  |                     |                       |   |                    |
| Leases   | 1,854,330           |                       |   |                    |
| Due from Capital Projects and Other funds  | 172,998             |                       |   |                    |
| Due from other governments   | 1,411,272           | 1,611,101             | 192                                     | 22                 |
| Prepaid items  | 141,889             | 12,110                | 35,615                                  | 9,117              |
| Inventory  |                     | 148,799               |   |                    |
| Assets held for resale   | 2,248,571           |                       |   |                    |
| Total assets   | <u>\$94,134,203</u> | <u>\$2,656,531</u>    | <u>\$989,165</u>                        | <u>\$2,655,463</u> |
| LIABILITIES  |                     |                       |   |                    |
| Accounts payable   | \$688,340           | \$116,472             | \$165,023                               | \$44,919           |
| Due to General fund  |                     |                       |   |                    |
| Accrued payroll  | 2,598,760           | 226,119               | 407,640                                 | 24,795             |
| Unearned revenue   | 2,538,966           |                       | 124,310                                 | 561,985            |
| Total liabilities  | <u>5,826,066</u>    | <u>342,591</u>        | <u>696,973</u>                          | <u>631,699</u>     |
| DEFERRED INFLOWS OF RESOURCES  |                     |                       |   |                    |
| Income taxes   | 7,783,243           |                       |   |                    |
| Property taxes   | 9,170,000           |                       |   |                    |
| Leases   | 1,730,229           |                       |   |                    |
| Grants, other taxes and payments in lieu of taxes  | 1,097,743           | 1,327,300             |   | 44,153             |
| Total deferred inflows of resources  | <u>19,781,215</u>   | <u>1,327,300</u>      | <u>0</u>                                | <u>44,153</u>      |
| FUND BALANCES  |                     |                       |   |                    |
| Nonspendable: Inventory, prepaids, assets for resale,<br>unclaimed funds, and unamortized leases | 2,775,201           | 160,909               | 35,615                                  | 9,117              |
| Restricted for:  |                     |                       |   |                    |
| Debt service   |                     |                       |   |                    |
| Social services  |                     |                       |   |                    |
| Public safety  |                     |                       |   |                    |
| Road construction / Public works   |                     |                       |   |                    |
| Leisure services   |                     |                       |   |                    |
| Municipal court activities   |                     |                       |   |                    |
| Committed to:  |                     |                       |   |                    |
| Social services  | 104,542             |                       |   |                    |
| Public safety  | 3,543,949           |                       |   |                    |
| Road construction / Public works   | 31,316              | 825,731               |   |                    |
| Leisure services   |                     |                       | 256,577                                 | 1,970,494          |
| Economic development   | 2,537,618           |                       |   |                    |
| Other purposes   | 330,338             |                       |   |                    |
| Assigned for:  |                     |                       |   |                    |
| Community programs, Capital equipment,<br>and Capital improvements                               | 1,883,044           |                       |   |                    |
| Road construction / Public works   | 1,016,856           |                       |   |                    |
| Future appropriations  | 2,732,570           |                       |   |                    |
| Unassigned:  | 53,571,488          |                       |   |                    |
| Total fund balances  | <u>68,526,922</u>   | <u>986,640</u>        | <u>292,192</u>                          | <u>1,979,611</u>   |
| Total liabilities, deferred inflows & fund balances  | <u>\$94,134,203</u> | <u>\$2,656,531</u>    | <u>\$989,165</u>                        | <u>\$2,655,463</u> |

See accompanying notes to the basic financial statements.

| Revenue Funds         |                    |                    |                     |  |                          |
|-----------------------|--------------------|--------------------|---------------------|--|--------------------------|
| Community Development | Emergency Medical  | Debt Service       | Capital Projects    | Other Special Revenue Governmental Funds | Total Governmental Funds |
| \$381,860             | \$1,680,331        | \$1,838,051        | \$14,516,201        | \$4,815,664                              | \$94,142,892             |
|                       |                    | 747,000            |                     | 462,000                                  | 11,906,900               |
|                       |                    |                    | 367,000             |  | 9,979,000                |
|                       |                    |                    |                     |  | 367,000                  |
|                       |                    |                    |                     |  | 671,728                  |
|                       | 78,091             | 234,273            | 2,471               | 894,148                                  | 1,338,916                |
|                       |                    |                    | 660,000             |  | 1,060,000                |
| 804,560               |                    |                    |                     |  | 804,560                  |
|                       |                    |                    |                     | 54,335                                   | 1,908,665                |
|                       |                    |                    |                     |  | 172,998                  |
| 148,511               |                    | 52,800             | 101,226             | 358,280                                  | 3,683,404                |
|                       |                    |                    |                     | 472,979                                  | 671,710                  |
|                       |                    |                    |                     |  | 148,799                  |
|                       |                    |                    |                     |  | 2,248,571                |
| <u>\$1,334,931</u>    | <u>\$1,758,422</u> | <u>\$2,872,124</u> | <u>\$15,646,898</u> | <u>\$7,057,406</u>                       | <u>\$129,105,143</u>     |
| \$113,287             | \$1,778            | \$5,335            | \$682,046           | \$241,255                                | \$2,058,455              |
|                       |                    |                    | 2,288               | 170,710                                  | 172,998                  |
|                       |                    |                    |                     | 267,614                                  | 3,524,928                |
|                       |                    |                    |                     | 70,048                                   | 3,295,309                |
| <u>113,287</u>        | <u>1,778</u>       | <u>5,335</u>       | <u>684,334</u>      | <u>749,627</u>                           | <u>9,051,690</u>         |
|                       |                    |                    |                     |  | 7,783,243                |
|                       |                    | 747,000            | 660,000             | 462,000                                  | 11,039,000               |
|                       |                    |                    |                     | 52,856                                   | 1,783,085                |
| 148,511               | 57,373             | 224,918            | 424,959             | 1,126,953                                | 4,451,910                |
| <u>148,511</u>        | <u>57,373</u>      | <u>971,918</u>     | <u>1,084,959</u>    | <u>1,641,809</u>                         | <u>25,057,238</u>        |
|                       |                    |                    |                     | 474,458                                  | 3,455,300                |
|                       |                    | 1,894,871          |                     |  | 1,894,871                |
| 1,073,133             |                    |                    |                     |  | 1,073,133                |
|                       |                    |                    |                     | 1,099,098                                | 1,099,098                |
|                       |                    |                    |                     | 36,805                                   | 36,805                   |
|                       |                    |                    |                     | 39,155                                   | 39,155                   |
|                       |                    |                    |                     | 2,149,892                                | 2,149,892                |
|                       |                    |                    |                     | 8,871                                    | 113,413                  |
|                       | 1,699,271          |                    |                     | 15,625                                   | 5,258,845                |
|                       |                    |                    | 1,523,560           |  | 2,380,607                |
|                       |                    |                    | 496,021             | 1,012,643                                | 3,735,735                |
|                       |                    |                    |                     |  | 2,537,618                |
|                       |                    |                    | 11,858,024          | 30,575                                   | 12,218,937               |
|                       |                    |                    |                     |  | 1,883,044                |
|                       |                    |                    |                     |  | 1,016,856                |
|                       |                    |                    |                     |  | 2,732,570                |
|                       |                    |                    |                     | (201,152)                                | 53,370,336               |
| <u>1,073,133</u>      | <u>1,699,271</u>   | <u>1,894,871</u>   | <u>13,877,605</u>   | <u>4,665,970</u>                         | <u>94,996,215</u>        |
| <u>\$1,334,931</u>    | <u>\$1,758,422</u> | <u>\$2,872,124</u> | <u>\$15,646,898</u> | <u>\$7,057,406</u>                       | <u>\$129,105,143</u>     |





CITY OF KETTERING

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

|   |               |                      |
|---|---------------|----------------------|
| Total Governmental Fund Balance   |               | \$94,996,215         |
| Amounts reported for governmental activities in the<br>Statement of Net Position (page 12) are different because:   |               |                      |
| Capital assets used in governmental activities are not financial<br>resources and therefore are not reported in the funds.  |               | 196,338,804          |
| Other noncurrent assets are not available to pay for current-period<br>expenditures and therefore are deferred in the funds:  |               |                      |
| Income taxes receivable   | 7,783,243     |                      |
| Delinquent property taxes receivable  | 180,000       |                      |
| Grants and other taxes receivable   | 4,084,910     |                      |
|   |               | 12,048,153           |
| Internal service funds are used by management to charge the costs of certain activities.<br>The assets and liabilities of the internal service funds are included in<br>governmental activities in the Statement of Net Position. |               | 3,397,363            |
| The following noncurrent liabilities are not due and payable in the<br>current period and therefore are not reported in the funds:  |               |                      |
| Bonds and notes payable   | (20,586,639)  |                      |
| Vacation and sick leave benefits  | (14,585,001)  |                      |
| Accrued interest on bonds payable   | (42,270)      |                      |
|   |               | (35,213,910)         |
| The net pension/OPEB assets and liabilities are not due and payable<br>in the current period. Therefore, the assets/liabilities and related<br>deferred inflows/outflows are not reported in governmental funds.                  |               |                      |
| Net OPEB asset  | 1,180,672     |                      |
| Net pension and OPEB liability  | (104,366,961) |                      |
| Deferred outflows - pension and OPEB  | 33,156,297    |                      |
| Deferred inflows - pension and OPEB   | (8,579,908)   |                      |
|   |               | (78,609,900)         |
| Net Position of Governmental Activities   |               | <u>\$192,956,725</u> |

See accompanying notes to the basic financial statements.

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

|   |                     | Major              |   | Special            |
|---|---------------------|--------------------|---|--------------------|
|   | General             | Street             | Parks,<br>Recreation &<br>Cultural Arts | Fraze<br>Pavilion  |
|   | Fund                | Maintenance        |   |                    |
| REVENUES  |                     |                    |   |                    |
| Income taxes                                      | \$55,321,854        |                    |   |                    |
| Property taxes                                    | 8,770,099           |                    |   |                    |
| Payments in lieu of taxes                         |                     |                    |   |                    |
| Other local taxes                                 |                     | 279,488            |   |                    |
| Licenses and permits                              | 615,888             | 16,720             |   |                    |
| Intergovernmental revenue                         | 2,426,298           | 3,325,174          | 40,022                                  |                    |
| Charges for services                              | 152,582             |                    | 3,607,383                               | 2,864,769          |
| Fines, forfeits and settlements                   | 1,226,557           |                    |   |                    |
| Investment earnings                               | 3,970,023           | 536                |   |                    |
| Special assessments                               | 384,267             |                    |   |                    |
| Refunds and reimbursements                        | 2,459,831           | 214,591            | 45,093                                  | 2,525              |
| Miscellaneous                                     | 358,661             | 7,993              | 91,711                                  | 496,571            |
| Total revenues                                    | <u>75,686,060</u>   | <u>3,844,502</u>   | <u>3,784,209</u>                        | <u>3,363,865</u>   |
| EXPENDITURES                                      |                     |                    |   |                    |
| Current:  |                     |                    |   |                    |
| General government                                | 14,556,391          |                    |   |                    |
| Police  | 19,586,041          |                    |   |                    |
| Fire  | 18,394,829          |                    |   |                    |
| Public works                                      | 3,358,973           | 7,115,462          |   |                    |
| Leisure services                                  |                     |                    | 12,274,855                              | 3,838,302          |
| Capital improvements                              |                     |                    |   |                    |
| Debt service:                                     |                     |                    |   |                    |
| Principal   | 324,601             |                    |   |                    |
| Interest  |                     |                    |   |                    |
| Total expenditures                                | <u>56,220,835</u>   | <u>7,115,462</u>   | <u>12,274,855</u>                       | <u>3,838,302</u>   |
| Excess (deficiency) of revenues over expenditures | <u>19,465,225</u>   | <u>(3,270,960)</u> | <u>(8,490,646)</u>                      | <u>(474,437)</u>   |
| OTHER FINANCING SOURCES (USES)                    |                     |                    |   |                    |
| Transfers in                                      |                     | 2,441,200          | 8,648,400                               |                    |
| Transfers out                                     | (17,774,713)        |                    |   |                    |
| Inception of lease                                | 1,623,006           |                    |   |                    |
| Sale of city assets                               | 523,112             | 18,669             | 7,340                                   |                    |
| Total Other Financing Sources (Uses)              | <u>(15,628,595)</u> | <u>2,459,869</u>   | <u>8,655,740</u>                        | <u>0</u>           |
| Net change in fund balance                        | <u>3,836,630</u>    | <u>(811,091)</u>   | <u>165,094</u>                          | <u>(474,437)</u>   |
| Fund balances--beginning                          | <u>64,690,292</u>   | <u>1,797,731</u>   | <u>127,098</u>                          | <u>2,454,048</u>   |
| Fund balances--ending                             | <u>\$68,526,922</u> | <u>\$986,640</u>   | <u>\$292,192</u>                        | <u>\$1,979,611</u> |

See accompanying notes to the basic financial statements.

| Revenue               | Funds              |                    |                     | Other                              |                          |
|-----------------------|--------------------|--------------------|---------------------|------------------------------------|--------------------------|
| Community Development | Emergency Medical  | Debt Service       | Capital Projects    | Special Revenue Governmental Funds | Total Governmental Funds |
|                       |                    |                    |                     |                                    | \$55,321,854             |
|                       |                    | 801,015            |                     | 462,124                            | 10,033,238               |
|                       |                    |                    | 360,356             |                                    | 360,356                  |
|                       |                    |                    |                     |                                    | 279,488                  |
|                       |                    |                    |                     |                                    | 632,608                  |
| 859,259               |                    | 105,925            | 4,552,865           | 1,283,324                          | 12,592,867               |
|                       | 456,368            | 1,369,106          |                     | 18,348                             | 8,468,556                |
|                       |                    |                    |                     | 670,792                            | 1,897,349                |
| 14,589                | 73,196             | 116,523            | 531,643             | 135,457                            | 4,841,967                |
|                       |                    |                    | 776,292             |                                    | 1,160,559                |
|                       |                    | 40,000             | 22,631              | 795                                | 2,785,466                |
| 1,562                 |                    |                    |                     | 98,982                             | 1,055,480                |
| <u>875,410</u>        | <u>529,564</u>     | <u>2,432,569</u>   | <u>6,243,787</u>    | <u>2,669,822</u>                   | <u>99,429,788</u>        |
|                       |                    |                    |                     |                                    |                          |
| 677,855               |                    | 69,326             |                     | 1,247,862                          | 16,551,434               |
|                       |                    |                    |                     | 2,230,002                          | 21,816,043               |
|                       | 23,109             |                    |                     | 16,865                             | 18,434,803               |
|                       |                    |                    |                     | 153,878                            | 10,628,313               |
|                       |                    |                    |                     | 9,987                              | 16,123,144               |
| 47,465                |                    |                    | 12,168,707          | 509,888                            | 12,726,060               |
|                       |                    | 2,144,768          |                     |                                    | 2,469,369                |
|                       |                    | 574,826            |                     |                                    | 574,826                  |
| <u>725,320</u>        | <u>23,109</u>      | <u>2,788,920</u>   | <u>12,168,707</u>   | <u>4,168,482</u>                   | <u>99,323,992</u>        |
| <u>150,090</u>        | <u>506,455</u>     | <u>(356,351)</u>   | <u>(5,924,920)</u>  | <u>(1,498,660)</u>                 | <u>105,796</u>           |
|                       |                    |                    |                     |                                    |                          |
|                       |                    | 774,300            | 4,165,288           | 1,745,525                          | 17,774,713               |
|                       |                    |                    |                     |                                    | (17,774,713)             |
|                       |                    |                    |                     |                                    | 1,623,006                |
|                       |                    |                    |                     |                                    | 549,121                  |
| <u>0</u>              | <u>0</u>           | <u>774,300</u>     | <u>4,165,288</u>    | <u>1,745,525</u>                   | <u>2,172,127</u>         |
| <u>150,090</u>        | <u>506,455</u>     | <u>417,949</u>     | <u>(1,759,632)</u>  | <u>246,865</u>                     | <u>2,277,923</u>         |
| <u>923,043</u>        | <u>1,192,816</u>   | <u>1,476,922</u>   | <u>15,637,237</u>   | <u>4,419,105</u>                   | <u>92,718,292</u>        |
| <u>\$1,073,133</u>    | <u>\$1,699,271</u> | <u>\$1,894,871</u> | <u>\$13,877,605</u> | <u>\$4,665,970</u>                 | <u>\$94,996,215</u>      |

Net change in Fund Balance - Governmental Funds

\$2,277,923

Amounts reported for governmental activities in the Statement of Activities (page 13) are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

} Capital outlays  
} Depreciation expense

16,445,734

(12,573,458)

In the Statement of Activities, only the gain on the sale of city assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. The change in net position differ from the change in fund balance by the book value of the asset sold.

(48,370)

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

Income taxes receivable

568,180

Delinquent property taxes receivable

(324,000)

Grants receivable

178,385

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases noncurrent liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the Statement of Net Position. This amount is the net effect of these differences in the treatment of long-term debt.

846,363

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Vacation and sick leave benefits

(872,104)

Interest payable

5,864

Amortization of Bond Premium

45,963

Pension and OPEB

(3,455,218)

Internal service funds are used by management to charge the costs of certain activities, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (See page 21)

(1,077,328)

Change in Net Position on the Statement of Activities

\$2,017,934

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2024

|  | Governmental<br>Activities-<br>Internal<br>Service Funds |
|--|--|
| <b>ASSETS</b>  |  |
| Current Assets:  |  |
| Pooled cash and investments                                      | \$6,388,462  |
| Accounts receivable  | 23,164   |
| Due from other governments                                       | 88   |
| Prepaid items  | 11,691   |
| Inventory  | 329,315  |
| Total current assets   | <u>6,752,720</u>   |
| Noncurrent Assets:   |  |
| Net OPEB Asset   | 142,672  |
| Capital assets:  |  |
| Buildings and improvements                                       | 1,003,515  |
| Machinery and equipment  | 4,006,676  |
| Less: Accumulated depreciation                                   | <u>(3,387,696)</u>                                       |
| Total noncurrent assets  | <u>1,765,167</u>   |
| Total assets   | <u>8,517,887</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                            |  |
| Pension and OPEB   | 1,393,384  |
| Total deferred outflows  | <u>1,393,384</u>   |
| <b>LIABILITIES</b>   |  |
| Current Liabilities:   |  |
| Accounts payable   | 122,504  |
| Accrued payroll  | 198,376  |
| Accrued health claims  | 1,058,185  |
| Total current liabilities  | <u>1,379,065</u>   |
| Noncurrent liabilities:  |  |
| Accrued vacation and sick benefits due within one year           | 261,903  |
| Accrued vacation and sick benefits due within more than one year | 765,170  |
| Net pension and OPEB liability                                   | 4,024,493  |
| Total noncurrent liabilities                                     | <u>5,051,566</u>   |
| Total liabilities  | <u>6,430,631</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                             |  |
| Pension and OPEB   | 83,277   |
| Total deferred inflows   | <u>83,277</u>  |
| <b>NET POSITION</b>  |  |
| Net investment in capital assets                                 | 1,622,495  |
| Restricted for OPEB benefits                                     | 142,672  |
| Unrestricted   | 1,632,196  |
| Total net position   | <u><u>\$3,397,363</u></u>                                |

See accompanying notes to the basic financial statements.

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

|   | Governmental<br>Activities-<br>Internal<br>Service Funds |
|---|--|
| OPERATING REVENUES                                    |  |
| Charges for services                                  | \$16,770,474   |
| Total operating revenues                              | <u>16,770,474</u>  |
| OPERATING EXPENSES                                    |  |
| Personal services                                     | 3,964,673  |
| Repairs and maintenance                               | 1,468,421  |
| Contractual services                                  | 11,868,615   |
| Other materials and expenses                          | 598,286  |
| Depreciation  | <u>304,465</u>   |
| Total operating expenses                              | <u>18,204,460</u>  |
| Operating income (loss)                               | <u>(1,433,986)</u>                                       |
| NONOPERATING REVENUES (EXPENSES)                      |  |
| Investment earnings                                   | <u>356,658</u>   |
| Change in net position                                | <u>(1,077,328)</u>                                       |
| Total net position--beginning, as previously reported | 5,226,032  |
| Restatement for change in accounting principles       | <u>(751,341)</u>   |
| Net position--beginning, as restated                  | <u>4,474,691</u>   |
| Total net position--ending                            | <u><u>\$3,397,363</u></u>                                |

See accompanying notes to the basic financial statements.

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**Increase (Decrease) in cash**

|  | Governmental<br>Activities-<br>Internal<br>Service Funds |
|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |
| Cash received for services   | \$16,773,574   |
| Cash paid to suppliers for goods or services   | (13,829,035)   |
| Cash paid to employees for services  | (3,936,921)  |
| Net cash provided (used) by operating activities   | (992,382)  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>                                      |  |
| Acquisition of capital assets  | (626,292)  |
| Sale of capital assets   | 10,937   |
| Net cash provided (used) by capital and related financing activities                                     | (615,355)  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |  |
| Investment earnings  | 356,658  |
| Net cash provided (used) by investing activities   | 356,658  |
| Net increase (decrease) in cash  | (1,251,079)  |
| Cash at beginning of year  | 7,639,541  |
| Cash at end of year  | \$6,388,462  |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |  |
| Operating income (loss)  | (\$1,433,986)  |
| Adjustments to reconcile operating income (loss) to net<br>cash provided (used) by operating activities: |  |
| Depreciation   | 304,465  |
| (Increase) decrease in receivables   | 10,436   |
| (Increase) decrease in prepaids  | 10,951   |
| (Increase) decrease in inventories   | (1,569)  |
| (Increase) decrease in net OPEB asset  | (142,672)  |
| (Increase) decrease in deferred outflows - pension and OPEB  | 761,090  |
| Increase (decrease) in accounts payable  | (32,625)   |
| Increase (decrease) in accrued payroll   | 16,806   |
| Increase (decrease) in accrued health claims   | 129,530  |
| Increase (decrease) in accrued vacation and sick benefits  | (59,031)   |
| Increase (decrease) in net pension and OPEB liability  | (594,823)  |
| Increase (decrease) in deferred inflows - pension and OPEB   | 46,382   |
| Net increase (decrease) in other operating net position  | (7,336)  |
| Net cash provided (used) by operating activities   | (\$992,382)  |

See accompanying notes to the basic financial statements.

## FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2024

|   | Deceased Police<br>Dependents<br>Private Purpose<br>Trust | Custodial<br>Funds |
|---|---|--------------------|
| ASSETS  |   |                    |
| Pooled cash and investments                       | \$109,906   | \$16,993           |
| Investments with fiscal agent, at fair value:     |   |                    |
| Other investments                                 |   | 167,141            |
| Total assets                                      | <u>109,906</u>  | <u>184,134</u>     |
| LIABILITIES                                       |   |                    |
| Accounts payable                                  |   |                    |
| Total liabilities                                 | <u>0</u>  | <u>0</u>           |
| NET POSITION                                      |   |                    |
| Restricted for:                                   |   |                    |
| Scholarships                                      | 109,906   |                    |
| Individuals, organizations, and other governments |   | 184,134            |
| Total net position                                | <u>\$109,906</u>  | <u>\$184,134</u>   |

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

|                                 | Deceased Police<br>Dependents<br>Private Purpose<br>Trust | Custodial<br>Funds |
|---------------------------------|---|--------------------|
| ADDITIONS                       |   |                    |
| Investment earnings             | \$5,338   | \$368              |
| Moneys held for others          |   | 62,056             |
| Intergovernmental revenue       |   | 8,873              |
| Court receipts                  |   | 1,985,921          |
| Total additions                 | <u>5,338</u>  | <u>2,057,218</u>   |
| DEDUCTIONS                      |   |                    |
| Municipal court disbursements   |   | 1,991,963          |
| Miscellaneous payments          |   | 62,391             |
| Total deductions                |   | <u>2,054,354</u>   |
| Change in net position          | <u>5,338</u>  | <u>2,864</u>       |
| Net position--beginning of year | <u>104,568</u>  | <u>181,270</u>     |
| Net position--end of year       | <u>\$109,906</u>  | <u>\$184,134</u>   |

See accompanying notes to the basic financial statements.



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

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The City of Kettering, Ohio, (the “City”) is a home rule municipal corporation under the laws of the State of Ohio and operates under its own Charter. The current Charter, which provides for a Council/Manager form of government, was adopted in 1955 and has subsequently been amended.

The City provides various services including police and fire protection, parks, recreation, street maintenance, planning, zoning and other general government services. The City does not maintain any utility or other operations that would require the establishment of enterprise funds.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. No separate government units meet the criteria for inclusion as a component unit.

#### B. Basis of Presentation

*Government-Wide Statements:* The statement of net position and the statement of activities display information about the primary government, except for its fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. The City has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or a function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the City’s funds, including fiduciary. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

**General Fund** – This fund is the general operating fund of the City. It should be used to account for and report all financial resources not accounted for and reported in another fund.

**Street Maintenance Fund** – This fund accounts for the portion of gasoline tax and motor vehicle license fees restricted, committed, or assigned for maintenance of streets.

**Parks, Recreation & Cultural Arts Fund** – This fund accounts for money restricted, committed, or assigned for the Parks, Recreation & Cultural Arts department programs and activities. Sources of revenue include

admissions, registrations, instructional fees, concessions, grants, and sponsorships as well as rentals of parks, recreation, and cultural arts facilities.

**Fraze Pavilion Fund** – This fund accounts for moneys restricted, committed, or assigned for the Frazee Pavilion amphitheater operations. Sources of revenue include admissions, concessions, grants, sponsorships, and rental of Frazee Pavilion facilities.

**Community Development Fund** - This fund accounts for grants received from the Department of Housing and Urban Development (HUD). Grants are restricted for various purposes designated by HUD.

**Emergency Medical Fund** – This fund accounts for revenues received for emergency medical services. The revenues are committed or assigned for expenditure on fire equipment or structures.

**Debt Service Fund** – This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Capital Projects Fund** – This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds).

Additionally, the City reports the following fund types:

**Internal Service Funds** – The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments on a cost-reimbursement basis. These goods and services include computer services, vehicle maintenance, office supplies, postage, printing services, building maintenance and health insurance. The City has no unbilled service receivables at year end.

**Private Purpose Trust Fund** – This fund reports a trust arrangement under which principal and income are used for the education of dependents of deceased police officers.

**Custodial Funds** – These funds account for assets held by the City for the benefit of other governments, organizations, or individuals. They include moneys collected by the municipal court and other miscellaneous activities.

### C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-wide, proprietary and fiduciary fund financial statements measure and report all assets (both financial and capital), liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. For fiduciary activities other than defined benefit pension and other postemployment benefit plans, a liability to the beneficiaries of a fiduciary activity should be recognized in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

All governmental funds are accounted for using a current financial resources measurement focus and are reported on a modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which, for the City’s purposes, is considered to be 30 days after year end. Revenues considered susceptible to accrual are community development block grants, delinquent property taxes, income taxes, and interest on investments. Property taxes levied before year-end are not recognized as revenue until

the next calendar year. The fiscal period for which property taxes are levied at year-end in the State of Ohio is the succeeding calendar year.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for interest on unmatured general long-term debt, and on special assessment indebtedness collateralized by special assessment levies, which are recognized when due. Inventory and prepaid expenditures are recorded in the governmental fund types and charged as expenditures when used. A portion of the fund balance is classified as nonspendable in governmental funds for the amount of inventory and prepaid expenditures. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. When an expenditure is incurred for purposes for which amounts in any unrestricted fund balance classification could be used it is the government's policy to use assigned resources first, committed resources second, and then unassigned amounts as they are needed.

#### D. Pooled Cash and Investments and Investment with Fiscal Agent

All investments are stated at fair value, which are based on quoted market prices.

#### E. Inventory

Inventory is valued at cost (specific identification method in the internal service funds and FIFO (first-in, first-out) method in the special revenue funds.) Inventories are recorded as expenses/expenditures when used.

#### F. Lease Receivable

Lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

#### G. Capital Assets

Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment, infrastructure and all other assets that are used in operations and that have initial useful lives expending beyond a single reporting period. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure include roads, bridges and drainage systems.

All capital assets are valued at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. The City capitalizes all assets with a cost of \$10,000 or greater (\$5,000 or greater for federal funded assets) and a useful life of at least two years. The City has capitalized all infrastructure acquired after January 1, 1980. Capital assets are recorded as expenditures of the current period in the government fund financial statements.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of the various classes of depreciable capital assets are as follows:

|                            |             |
|----------------------------|-------------|
| Machinery and Equipment    | 3-20 years  |
| Buildings and Improvements | 15-30 years |
| Infrastructure             | 20-40 years |

## H. Interfund Transactions and Transfers

During the course of normal operations, the City has numerous transactions among funds, most of which are in the form of transfers used to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The accompanying financial statements generally reflect such transactions as transfers, with the exception of the internal service funds which are used to account for various supplies and services which are then charged back to the appropriate fund on an “as used” basis. The internal service funds record such charges as operating revenues; all other City funds record payments to the internal service funds as operating expenditures.

## I. Fund Balance Classifications

Fund balance is reported as nonspendable for amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the year-end balance of the long-term receivables in excess of the deferred inflow of resources, such as the lease receivable reported in the General fund and the opioid receivable reported in the Other Special Revenue Governmental funds.

Fund balance is reported as restricted when constraints placed on the use of resources are either: a. externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b. imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council enacts legislation requiring specific revenues to be used for a specific purpose. The City Council can modify or rescind that legislation at any time through additional legislation.

Fund balance is reported as assigned when a revenue source is not previously restricted or committed but the Finance Director determines, in the Director’s professional opinion, that the assigning of the revenue is the desire or direction of City Council. This authority is given to the Finance Director through ordinance passed by City Council.

## J. Grants and Other Intergovernmental Revenues

All reimbursement-type grants are recorded as intergovernmental receivables and revenues or deferred inflows of resources when the related expenditures are incurred.

## K. Pensions/Other Postemployment Benefits (OPEB)

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

## L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so 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 statement of net position for OPEB and for pension. The deferred outflows of resources related to pension and OPEB are explained in Notes 10 and 11.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include income taxes, property taxes, grants and other taxes (which includes tax incremental financing ‘TIF’), lease, opioid settlement, pension, and

OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance year 2025 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants have been recorded as deferred inflows on the governmental fund financial statements. Other taxes (TIFs) and leases have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. For more pension and OPEB related information, see Notes 10 and 11.

#### M. Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation, compensatory time off, and sick pay benefits, which are collectively referred to as compensated absences. The liability for compensated absences is recognized and measured under the provision of GASB Statement No. 101, *Compensated Absences*. Compensated absences liability are accrued when incurred in the Government-wide and Internal Service Funds statements. In governmental funds, a liability is reported only if they are due and payable as a result of employees who have terminated or retired.

#### N. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## 2. POOLED CASH AND INVESTMENTS

The City maintains a cash and investments pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Fund Balance Sheets as "Pooled cash and investments." Cash and cash equivalents in the internal service funds consist of cash and money market funds, which can be withdrawn without prior notice or penalty.

**Deposits:** At year-end, the City's bank balance was \$3,288,004. Of this amount, \$703,669 was insured; the remaining \$2,584,335 was collateralized through participation in the Ohio Pooled Collateral System (OPCS). Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured. The City has no deposit policy for custodial credit risk beyond the requirements of State statute.

**Investments:** All investments are reported at fair value, which is based on quoted market prices. The City's investment policy authorizes investments in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated, when purchased, A-1 by Standard & Poors Corporation or P-1 by Moody's Commercial Paper Record, corporate bonds rated, when purchased, A or better by Standard & Poors Corporation or Moody's Bond Rating, bankers acceptances issued by banks ranked nationally as being in the top 50 in asset and deposit size, repurchase and reverse repurchase agreements, money market mutual funds whose portfolio consists of authorized investments, and the state treasurer's investment pool (STAR Ohio). The policy states that no more than 20% of the City's investment portfolio will be placed with any particular issuer, and unless matched to a specific cash flow requirement, the City will not invest in securities maturing more than five years from the date of purchase. It has been the City's practice to invest in securities maturing no more than three years from the date of purchase, and to hold all investments until maturity. The City has no investment policy for custodial credit risk.

The City's investments in corporate bonds and U.S. Treasury/Agency Notes, listed below, are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name. On December 31, the City held \$22,107,770 in U.S. Treasury Notes, representing 21.87% of total pooled cash and investments. At year-end, \$993,430 of the securities in the corporate bond category are rated "BAA1" and all the remaining securities are rated "A" or better. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No.79, "Certain External Investment Pools and Pool Participants." The City measures its investment in Star Ohio at the net asset value (NAV) per share provided by Star Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. STAR Ohio carries a rating of AAAM. All other investment types are unrated.

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

| <b><u>Investment Type</u></b> | <b><u>Fair Value</u></b> | <b><u>Investment Maturities (in Years)</u></b> |                     |                   |
|-------------------------------|--------------------------|--|---------------------|-------------------|
|                               |                          | <b><u>Less than 1</u></b>                      | <b><u>1-3</u></b>   | <b><u>3-5</u></b> |
| Corporate Bonds               | \$66,083,148             | \$45,206,941                                   | \$20,876,207        |                   |
| U.S. Treasury Notes           | 22,107,770               | 13,960,530                                     | 8,147,240           |                   |
| STAR Ohio                     | 9,594,924                | 9,594,924                                      |                     |                   |
| Total                         | <u>\$97,785,842</u>      | <u>\$68,762,395</u>                            | <u>\$29,023,447</u> | <u>\$0</u>        |

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 City has the following recurring fair value measurements as of December 31, 2024:

- Corporate bonds and U.S. Treasury/Agency Notes totaling \$88,190,918 are valued using a matrix pricing model (Level 2 inputs)
- Pooled investment funds (STAR Ohio) of \$9,594,924 are measured at net asset value (NAV).

### 3. INCOME TAXES

The City levies a 2.25% income tax on substantially all income earned within the City. Additional increases in the income tax rate require voter approval. City residents pay City income tax on income earned outside the City, however; a credit is allowed for income taxes paid to other municipalities.

Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

### 4. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Property taxes are levied each December 31 on the assessed value listed as of the prior December 31. Assessed values are established for real property at 35% of true value. Property market values are required to be updated every three years and revalued every six years. A revaluation was completed in 2020 and triennial update in 2023.

The property tax calendar is as follows:

|                                |                   |
|--------------------------------|-------------------|
| Levy date                      | December 31, 2023 |
| Lien date                      | December 31, 2023 |
| Tax bill mailed                | January 20, 2024  |
| First installment payment due  | February 16, 2024 |
| Second installment payment due | July 19, 2024     |

The assessed values for the City at December 31, 2023 were as follows:

|                                  | <b>Assessed Value</b>  |
|----------------------------------|------------------------|
|                                  | <b>Category</b>        |
| Real Estate                      | \$1,680,435,500        |
| Public Utility Real Property     | 13,330                 |
| Public Utility Personal Property | 37,889,170             |
| Total                            | <u>\$1,718,338,000</u> |

The County Treasurer collects property taxes on behalf of all taxing districts including the City of Kettering. The County periodically remits to the City its portion of taxes collected. Property taxes may be paid on either an annual or semiannual basis.

## 5. LOANS RECEIVABLE

The City used a portion of the Federal Community Development Block Grant (CDBG) to provide low interest loans for housing rehabilitation, as well as for economic and job development. The loans are payable in installments to 2049. Fund balance has been classified as restricted for the loans receivable at December 31, 2024. CDBG regulations require the City to reinvest loan repayments in permissible CDBG loans or expenditures.

## 6. LEASE ARRANGEMENTS

The City entered into contracts as lessor and as lessee for the use of buildings, equipment, and land. GASB Statement No. 87 requires a lessee to recognize a lease liability with an intangible right-to-use asset and a lessor to recognize a lease receivable with a deferred inflow of resources.

**Lease Receivable** - In July 2004, the City entered into a lease with a tenant for property to construct and operate a cell tower and communication facility. Effective September 2019, a lease amendment provided the tenant pays the City \$2,691.95 a month with a 3% annual rent increase each September through the end of the lease. The tenant has options to renew for two additional five-year terms and three additional ten-year terms ending August 2064. In addition, the tenant sublets the premises and makes an additional variable payment of 50% of gross rental monies received for all subleases. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discounted rate of 1.75%, which is the City's estimated internal rate of return.

In November 2019, the City entered into a lease at the Kettering Business Park with a tenant for office and warehouse space for \$3,000 a quarter with options to renew for five additional one year terms ending October 2029. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discounted rate of 2%, which is the City's incremental borrowing rate.

In fiscal year 2024, the City recognized \$54,744 of lease revenue and \$35,546 of interest revenue. In addition, the City recognized \$59,251 in variable rental revenue, not included in expected future minimum lease payments, equal to 50% of the tenant's reported gross sublease revenue during the year.

**Lease Liability** - In February 2024, the City began utilizing Axon Enterprise, Inc. leased Tasers, body worn cameras, fleet vehicle cameras, and related hardware. The City reported \$1,623,006 as an intangible right-to-use lease asset-equipment in 2024 with an annual straight-line amortization expense of \$297,550 and accumulated amortization of \$297,550, see Note 8. The lease is a five-year non-cancellable term ending January 2029, with an option to extend the lease for another five-year term. The lease liability is measured at the present value of the future minimum lease payments expected to be paid during the lease term at a discounted implied rate of 4.0%. See Note 13 lease obligation balance at December 31, 2024 and the annual minimum lease principal and interest payments required to maturity on the lease obligations.

## 7. INTERFUND TRANSFERS

All transfers for 2024 were out of the General Fund and into all other funds as listed on the face of the Statement of Revenues, Expenditures, and Changes in Fund Balances. All transfers are approved by City Council in the appropriations budget and used for purposes to finance various programs in other funds in accordance with budgetary authorizations.

## 8. CAPITAL ASSETS

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

|   | <b>Beginning<br/>Balance</b> | <b>Increases</b>     | <b>Decreases</b>     | <b>Ending<br/>Balance</b> |
|---|------------------------------|----------------------|----------------------|---------------------------|
| Capital assets not being depreciated:       |                              |                      |                      |                           |
| Land  | \$10,612,917                 |                      |                      | \$10,612,917              |
| Right of Way                                | 731,542                      | \$16,466             |                      | 748,008                   |
| Construction in progress                    | 1,753,082                    | 1,323,245            | (\$2,559,355)        | 516,972                   |
| Subtotal                                    | <u>13,097,541</u>            | <u>1,339,711</u>     | <u>(2,559,355)</u>   | <u>11,877,897</u>         |
| Capital assets being depreciated/amortized: |                              |                      |                      |                           |
| Buildings and improvements                  | 100,234,518                  | \$635,099            | (\$42,556)           | 100,827,061               |
| Machinery and equipment                     | 25,414,327                   | 4,107,885            | (1,191,990)          | 28,330,222                |
| Lease asset - equipment                     |                              | 1,623,006            |                      | 1,623,006                 |
| Infrastructure                              | 242,181,012                  | 11,925,680           | (3,846,305)          | 250,260,387               |
| Subtotal                                    | <u>367,829,857</u>           | <u>18,291,670</u>    | <u>(5,080,851)</u>   | <u>381,040,676</u>        |
| Accumulated depreciation/amortization:      |                              |                      |                      |                           |
| Buildings and improvements                  | (54,142,876)                 | (3,043,022)          | 42,556               | (57,143,342)              |
| Machinery and equipment                     | (17,733,375)                 | (1,640,442)          | 1,140,019            | (18,233,798)              |
| Lease asset - equipment                     |                              | (297,550)            |                      | (297,550)                 |
| Infrastructure                              | (115,231,980)                | (7,896,909)          | 3,846,305            | (119,282,584)             |
| Subtotal                                    | <u>(187,108,231)</u>         | <u>(12,877,923)*</u> | <u>5,028,880</u>     | <u>(194,957,274)</u>      |
| Net capital assets being depreciated        | <u>180,721,626</u>           | <u>5,413,747</u>     | <u>(51,971)</u>      | <u>186,083,402</u>        |
| Net capital assets                          | <u>\$193,819,167</u>         | <u>\$6,753,458</u>   | <u>(\$2,611,326)</u> | <u>\$197,961,299</u>      |

\*Depreciation/Amortization expense was charged to governmental functions as follows:

|   |                     |
|---|---------------------|
| General government  | \$679,345           |
| Police  | 762,829             |
| Fire  | 1,281,999           |
| Public works  | 7,772,201           |
| Leisure services  | 2,077,084           |
| In addition, depreciation on capital assets held by the City's internal service funds is charged to the various functions based on their usage of the assets. | 304,465             |
| Total depreciation/amortization expense   | <u>\$12,877,923</u> |



## 9. RISK MANAGEMENT

The City is a member of a public entity risk pool, Miami Valley Risk Management Association, Inc. (MVRMA) with twenty other local cities. This pool covers all property, crime, liability, boiler and machinery, and public official liability up to the limits stated below.

Insurance coverage is as follows:

**Property** - \$1,000,000,000 per occurrence  
**Flood/Earthquake** - \$25,000,000 per occurrence  
**Crime** - \$2,000,000 per occurrence  
**Liability** - \$12,000,000 per occurrence  
**Boiler & Machinery** - \$100,000,000 per occurrence  
**Public Official Liability** - \$12,000,000 per occurrence  
**Cyber Liability** - \$5,000,000 per occurrence

The deductible per occurrence for all types is \$2,500. Pool coverage is \$2,501 - \$500,000 for boiler and machinery, \$2,501 - \$50,000 per loss for crime, \$2,501 - \$250,000 for property, flood, or earthquake, and \$2,501 - \$500,000 for liability. Excess insurance coverage, provided by commercial companies, is the amount in excess of pool coverage to the limits stated above. The City pays an annual premium to MVRMA that is intended to cover administrative expenses and any claims covered by the pool. MVRMA has the ability to require the member cities to make supplemental payments in the event reserves are not adequate to cover claims.

There were no other significant changes in the above insurance coverages from the prior year in any category of risk. Insurance coverage for each of the past three years was sufficient to cover any claims settlements.

Workers' compensation is administered by the State of Ohio. The City pays a premium per employee to the State for this coverage.

Employee health insurance is provided through a self-insured plan and is accounted for and financed through an internal service fund. The City has purchased commercial stop-loss insurance for individual claims over \$225,000 and annual aggregate claims in excess of 120% of the expected total claims for the year. Accrued health claims at year-end are estimated based on claims incurred but not reported as calculated by the City's health insurance broker based on the City's claims experience over the past twelve months. The estimated liability at year-end of \$1,058,185 is classified in current liabilities, as these claims have historically been reported very quickly with the assistance of electronic claims processing.

|      | <u>Beginning of<br/>Year Liability</u> | <u>Current Year Claims<br/>&amp; Changes in Estimate</u> | <u>Claim Payments</u> | <u>Balance at Year-End</u> |
|------|--|--|-----------------------|----------------------------|
| 2023 | \$865,315                              | \$6,756,632  | \$6,693,292           | \$928,655                  |
| 2024 | 928,655                                | 8,757,768  | 8,628,238             | 1,058,185                  |

## 10. DEFINED BENEFIT PENSION PLANS

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

### NET PENSION LIABILITY/NET OPEB LIABILITY (ASSET)

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

The net pension liability and the net 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) calculation is dependent on critical long-term variables, including estimated average life expectancies,

earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

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

The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

#### PLAN DESCRIPTION – OHIO PUBLIC EMPLOYERS 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. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023 (the latest information is available), the consolidation has not been executed. 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):

| <u>Group A</u><br>Eligible to retire prior to<br>January 7, 2013 or five years<br>after January 7, 2013  | <u>Group B</u><br>20 years of service credit prior to<br>January 7, 2013 or eligible to retire<br>ten years after January 7, 2013  | <u>Group C</u><br>Members not in other Groups<br>and members hired on or after<br>January 7, 2013  |
|--|--|--|
| <u>State and Local</u><br>Age and Service Requirements:<br>Age 60 with 60 months of service credit<br>or Age 55 with 25 years of service credit<br><br>Traditional Plan Formula:<br>2.2% of FAS multiplied by years of<br>service for the first 30 years and 2.5%<br>for service years in excess of 30 | <u>State and Local</u><br>Age and Service Requirements:<br>Age 60 with 60 months of service credit<br>or Age 55 with 25 years of service credit<br><br>Traditional Plan Formula:<br>2.2% of FAS multiplied by years of<br>service for the first 30 years and 2.5%<br>for service years in excess of 30 | <u>State and Local</u><br>Age and Service Requirements:<br>Age 57 with 25 years of service credit<br>or Age 62 with 5 years of service credit<br><br>Traditional Plan Formula:<br>2.2% of FAS multiplied by years of<br>service for the first 35 years and 2.5%<br>for service years in excess of 35 |
| <u>Public Safety</u><br>Age and Service Requirements:<br>Age 48 with 25 years of service credit<br>or Age 52 with 15 years of service credit   | <u>Public Safety</u><br>Age and Service Requirements:<br>Age 48 with 25 years of service credit<br>or Age 52 with 15 years of service credit   | <u>Public Safety</u><br>Age and Service Requirements:<br>Age 52 with 25 years of service credit<br>or Age 56 with 15 years of service credit   |
| <u>Law Enforcement</u><br>Age and Service Requirements:<br>Age 52 with 15 years of service credit  | <u>Law Enforcement</u><br>Age and Service Requirements:<br>Age 48 with 25 years of service credit<br>or Age 52 with 15 years of service credit   | <u>Law Enforcement</u><br>Age and Service Requirements:<br>Age 48 with 25 years of service credit<br>or Age 56 with 15 years of service credit   |
| <u>Public Safety and Law Enforcement</u><br>Traditional Plan Formula:<br>2.5% of FAS multiplied by years of<br>service for the first 25 years and 2.1%<br>for service years in excess of 25  | <u>Public Safety and Law Enforcement</u><br>Traditional Plan Formula:<br>2.5% of FAS multiplied by years of<br>service for the first 25 years and 2.1%<br>for service years in excess of 25  | <u>Public Safety and Law Enforcement</u><br>Traditional Plan Formula:<br>2.5% of FAS multiplied by years of<br>service for the first 25 years and 2.1%<br>for service years in excess of 25  |

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.

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. The Public Safety and Law Enforcement 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.

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 member's 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:

|   | State<br>and Local | Public<br>Safety | Law<br>Enforcement |
|---|--------------------|------------------|--------------------|
| 2024 Statutory Maximum Contribution Rates |                    |                  |                    |
| Employer                                  | 14.0 %             | 18.1 %           | 18.1 %             |
| Employee *                                | 10.0 %             | **               | ***                |
| 2024 Actual Contribution Rates            |                    |                  |                    |
| Employer:                                 |                    |                  |                    |
| Pension ****                              | 14.0 %             | 18.1 %           | 18.1 %             |
| Post-employment Health Care Benefits (d)  | 0.0 %              | 0.0 %            | 0.0 %              |
| Total Employer                            | 14.0 %             | 18.1 %           | 18.1 %             |
| Employee                                  | 10.0 %             | 12.0 %           | 13.0 %             |

\* 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 are expressed as a percentage of covered payroll.

For 2024, the City's contractually required contribution was \$3,286,251. Of this amount, \$440,240 is reported in accrued wages and benefits.

#### PLAN DESCRIPTION – OHIO POLICE & FIRE PENSION FUND (OP&F)

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

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OPF 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 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 (DROP) 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.

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 1<sup>st</sup> of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$4,165,140 for 2024. Of this amount, \$545,099 is reported as accrued wages and benefits.

#### PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

The net pension liability for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability 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 was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. The following is information related to the proportionate share of the City's defined benefit pension plans:

|  | OPERS<br>Traditional Plan | OPF          | Total         |
|--|---------------------------|--------------|---------------|
| Proportionate Share of the:<br>Net Pension Liability | \$37,329,075              | \$66,069,377 | \$103,398,452 |
| Proportion of the Net Pension<br>Liability:          |                           |              |               |
| Current Measurement Date                             | 0.14258400%               | 0.68385030%  |               |
| Prior Measurement Date                               | 0.13987900%               | 0.67214380%  |               |
| Change in Proportionate Share                        | 0.00270500%               | 0.01170650%  |               |
| Pension Expense                                      | \$4,477,912               | \$6,471,928  | \$10,949,840  |

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

|   | OPERS<br>Traditional Plan | OPF          | Total        |
|---|---------------------------|--------------|--------------|
| Deferred Outflows of Resources:   |                           |              |              |
| Differences between expected and actual experience                                  | \$610,112                 | \$2,121,021  | \$2,731,133  |
| Changes in assumptions  | 0                         | 4,175,513    | 4,175,513    |
| Net difference between projected and actual earnings<br>on pension plan investments | 7,534,599                 | 7,487,049    | 15,021,648   |
| Changes in employer proportionate share of net<br>pension liability                 | 357,750                   | 928,167      | 1,285,917    |
| Contributions subsequent to the measurement date                                    | 3,286,251                 | 4,165,140    | 7,451,391    |
| Total Deferred Outflows of Resources  | \$11,788,712              | \$18,876,890 | \$30,665,602 |
| Deferred Inflows of Resources:  |                           |              |              |
| Differences between expected and actual experience                                  | \$0                       | \$738,911    | \$738,911    |
| Changes in assumptions  | 0                         | 1,003,340    | 1,003,340    |
| Changes in employer proportionate share of net<br>pension liability                 | 0                         | 1,655,226    | 1,655,226    |
| Total Deferred Inflows of Resources   | \$0                       | \$3,397,477  | \$3,397,477  |

\$7,451,391 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 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:

| Year Ending<br>December 31: | OPERS<br>Traditional Plan | OPF          | Total        |
|-----------------------------|---------------------------|--------------|--------------|
| 2025                        | \$2,144,602               | \$2,852,595  | \$4,997,197  |
| 2026                        | 2,622,601                 | 3,264,134    | 5,886,735    |
| 2027                        | 4,808,157                 | 5,100,230    | 9,908,387    |
| 2028                        | (1,072,899)               | (361,448)    | (1,434,347)  |
| 2029                        | 0                         | 445,400      | 445,400      |
| Thereafter                  | 0                         | 13,362       | 13,362       |
| Total                       | \$8,502,461               | \$11,314,273 | \$19,816,734 |

## 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 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 periods included in the measurement in accordance with the requirements of GASB 67:

|   | OPERS<br>Traditional Plan                        |
|---|--|
| Wage Inflation                                  | 2.75%  |
| Future Salary Increases,<br>including inflation | 2.75% to 10.75%<br>including wage inflation      |
| COLA or Ad Hoc COLA:                            |  |
| Pre-January 7, 2013 Retirees                    | 3.00%, simple                                    |
| Post-January 7, 2013 Retirees                   | 3.0%, simple through 2024,<br>then 2.05%, simple |
| Investment Rate of Return                       | 6.90%  |
| 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.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional 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 the return is considered to be the same for all plans within the profile. 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 11.2 percent for 2023.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees 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 real 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 rates of return were provided by the Board's investment consultant.

For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

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

**Discount Rate** The discount rate used to measure the total pension liability was 6.9 percent for the traditional plan and the combined 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 benefits 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City's proportionate share of the net pension liability 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 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:

|  | 1% Decrease<br>(5.9%) | Current<br>Discount Rate<br>(6.9%) | 1% Increase<br>(7.9%) |
|--|-----------------------|------------------------------------|-----------------------|
| Proportionate share of the net pension liability | \$58,765,996          | \$37,329,075                       | \$19,499,788          |

#### 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 plan involve estimates of the values 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 are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the 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.

|                            |  |
|----------------------------|--|
| Valuation Date             | January 1, 2023, with actuarial liabilities<br>rolled forward to December 31, 2023   |
| Actuarial Cost Method      | Entry Age Normal   |
| Investment Rate of Return  | 7.50%  |
| Projected Salary Increases | 3.75% to 10.50%  |
| Payroll Growth             | 3.25% per annum, compounded annually,<br>consisting of inflation rate of 2.75%<br>plus productivity increase rate of 0.50% |
| Cost of Living Adjustments | 2.20% 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% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. 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 approach in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

| Asset Class                     | Target<br>Allocation | Long-Term Expected<br>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.

**Discount Rate** 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 earning were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 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<br>(6.50%) | Current<br>Discount Rate<br>(7.50%) | 1% Increase<br>(8.50%) |
|--|------------------------|-------------------------------------|------------------------|
| Proportionate share of the<br>net pension liability: | \$87,513,811           | \$66,069,377                        | \$48,236,245           |

## 11. POSTEMPLOYMENT BENEFITS

See note 10 for a description of the net OPEB liability (asset).

### PLAN DESCRIPTION – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

**Plan Description** The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Effective January 1, 2022 the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill 33 which allows for the consolidation of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS.

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. 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 selected with the assistance of the OPERS vendor.

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

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

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

**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 with at least 20 years of qualified health care service credit;

**Group C** - 32 years of total service 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 minimum age 52;

**Group C** - 32 years of qualified health care service credit and minimum age 55

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

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

| Group A  | Group B   | Group C  |
|--|---|--|
| Age and Service Requirements<br><i>December 1, 2014 or Prior</i>                     | Age and Service Requirements<br><i>December 1, 2014 or Prior</i>  | Age and Service Requirements<br><i>December 1, 2014 or Prior</i>                     |
| Any Age with 10 years of service credit  | Any Age with 10 years of service credit   | Any Age with 10 years of service credit  |
| Age and Service Requirements<br><i>January 1, 2015 through<br/>December 31, 2021</i> | Age and Service Requirements<br><i>January 1, 2015 through<br/>December 31, 2021</i>  | Age and Service Requirements<br><i>January 1, 2015 through<br/>December 31, 2021</i> |
| Age 60 with 20 years of service credit or<br>Any Age with 30 years of service credit | Age 52 with 31 years of service credit or<br>Age 60 with 20 years of service credit or<br>Any Age with 32 years of service credit | Age 55 with 32 years of service credit or<br>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 the 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 fund for reimbursement of qualified medical expenses.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0 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 \$0 for 2024.

#### PLAN DESCRIPTION – OHIO POLICE & FIRE PENSION FUND (OP&F)

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

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

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

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the OP&F 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 City's contractually required contribution to OP&F was \$98,060 for 2024. Of this amount, \$12,863 is reported as accrued wages and benefits.

#### NET OPEB LIABILITY (ASSET)

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. The following is information related to the proportionate share:

|                                       | OPERS<br>Traditional Plan | OPF         | Total         |
|---------------------------------------|---------------------------|-------------|---------------|
| Proportionate Share of the:           |                           |             |               |
| Net OPEB (Asset)                      | (\$1,323,344)             |             | (\$1,323,344) |
| Net OPEB Liability                    |                           | \$4,993,002 | 4,993,002     |
| Proportion of the Net OPEB Liability: |                           |             |               |
| Current Measurement Date              | 0.14662700%               | 0.68385030% |               |
| Prior Measurement Date                | 0.14419800%               | 0.67214380% |               |
| Change in Proportionate Share         | 0.00242900%               | 0.01170650% |               |
| OPEB Expense                          | (\$208,520)               | \$333,326   | \$124,806     |

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

|   | OPERS              |                    |                    |
|---|--------------------|--------------------|--------------------|
|   | Traditional Plan   | OPF                | Total              |
| <u>Deferred Outflows of Resources</u>   |                    |                    |                    |
| Differences between expected and actual experience                            |                    | \$240,100          | \$240,100          |
| Changes in assumptions  | \$340,695          | 1,718,140          | 2,058,835          |
| Net difference between projected and actual earnings on OPEB plan investments | 794,744            | 368,700            | 1,163,444          |
| Changes in employer proportionate share of net OPEB liability                 | 143                | 323,497            | 323,640            |
| Contributions subsequent to the measurement date                              |                    | 98,060             | 98,060             |
| Total Deferred Outflows of Resources  | <u>\$1,135,582</u> | <u>\$2,748,497</u> | <u>\$3,884,079</u> |
| <u>Deferred Inflows of Resources</u>  |                    |                    |                    |
| Differences between expected and actual experience                            | \$188,350          | \$917,569          | \$1,105,919        |
| Changes in assumptions  | 568,865            | 3,215,376          | 3,784,241          |
| Changes in employer proportionate share of net OPEB liability                 | 15,224             | 360,324            | 375,548            |
| Total Deferred Inflows of Resources   | <u>\$772,439</u>   | <u>\$4,493,269</u> | <u>\$5,265,708</u> |

\$98,060 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending<br>December 31: | OPERS            |                      |                      |
|-----------------------------|------------------|----------------------|----------------------|
|                             | Traditional Plan | OPF                  | Total                |
| 2025                        | (\$43,223)       | \$18,013             | (\$25,210)           |
| 2026                        | 56,085           | (256,974)            | (200,889)            |
| 2027                        | 618,637          | (156,872)            | 461,765              |
| 2028                        | (268,356)        | (449,942)            | (718,298)            |
| 2029                        | 0                | (464,787)            | (464,787)            |
| Thereafter                  | 0                | (532,270)            | (532,270)            |
| Total                       | <u>\$363,143</u> | <u>(\$1,842,832)</u> | <u>(\$1,479,689)</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.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actual valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. 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%                                     |
| Projected Salary Increases,<br>including inflation | 2.75% to 10.75%                           |
| Single Discount Rate                               | 5.70%                                     |
| Prior Year Single Discount Rate                    | 5.22%                                     |
| Investment Rate of Return                          | 6.00%                                     |
| Municipal Bond Rate                                | 3.77%                                     |
| Prior Year Municipal Bond Rate                     | 4.05%                                     |
| Health Care Cost Trend Rate                        | 5.50%, initial<br>3.50%, 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.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year base on the actual payroll payable at the time contributions are made. 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 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees 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 the 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 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 rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by OPERS 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<br>Allocation | Weighted Average<br>Long-Term Expected<br>Real Rate of Return<br>(Geometric) |
|------------------------------|----------------------|--|
| Fixed Income                 | 37%                  | 2.82%  |
| Domestic Equities            | 25%                  | 4.27%  |
| Real Estate Investment Trust | 5%                   | 4.68%  |
| International Equities       | 25%                  | 5.16%  |
| Risk Parity                  | 3%                   | 4.38%  |
| Other investments            | 5%                   | 2.43%  |
| Total                        | 100%                 |  |

**Discount Rate** A single discount rate of 5.70 percent was used to measure the OPEB liability (asset) 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) 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 an 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 the health care costs through 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070 and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate** The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (4.70 percent) or one percentage point higher (6.70 percent) than the current rate:

|   | 1% Decrease<br>4.70% | Current<br>Discount Rate<br>5.70% | 1% Increase<br>6.70% |
|---|----------------------|-----------------------------------|----------------------|
| Proportionate share of the net OPEB liability (asset) | \$727,270            | (\$1,323,344)                     | (\$3,021,982)        |

**Sensitivity of the Proportionate Share of the Net OPEB Liability (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 liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates and the expected net OPEB liability (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 that changes over several years built into the 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 plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary's 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.

|   | 1% Decrease   | Current Health Care<br>Cost Trend Rate<br>Assumption | 1% Increase   |
|---|---------------|--|---------------|
| Proportionate share of the net OPEB liability | (\$1,378,294) | (\$1,323,344)  | (\$1,260,992) |

#### 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 plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.



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

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

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

|   |  |            |
|---|--|------------|
| Valuation Date                          | January 1, 2023, with actuarial liabilities<br>rolled forward to December 31, 2023 |            |
| Actuarial Cost Method                   | Entry  | Age Normal |
| Investment Rate of Return               | 7.50%  |            |
| Projected Salary Increases              | 3.50% to 10.50%  |            |
| Payroll Growth                          | 3.25%  |            |
| Blended discount rate:                  |  |            |
| Current measurement date                | 4.07%  |            |
| Prior measurement date                  | 4.27%  |            |
| Cost of Living Adjustments              | 2.20% Simple per year  |            |
| Projected Depletion Year of OPEB Assets | 2038   |            |

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135.0% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131.0% for females. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

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

**Discount Rate** For 2023, the total OPEB liability was calculated using the discount rate of 4.07 percent. For 2022, the total OPEB liability was calculated using the discount rate of 4.27 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 of 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50 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 Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.07 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.

|   | 1% Decrease<br>(3.07%) | Current<br>Discount Rate<br>(4.07%) | 1% Increase<br>(5.07%) |
|---|------------------------|-------------------------------------|------------------------|
| Proportionate share of the net OPEB liability | \$6,149,993            | \$4,993,002                         | \$4,018,587            |

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

## 12. CONSTRUCTION COMMITMENTS

Significant commitments and encumbrances at December 31, 2024 included:

Capital Projects Fund \$2,036,000, includes \$1,159,800 for Governors Place TIF improvements  
General Fund \$1,433,500 for Axon leased equipment

## 13. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended December 31, 2024, was as follows:

|   | <b>Beginning<br/>Balance<br/>(Restated)</b> | <b>Additions</b>   | <b>Reductions</b>  | <b>Ending<br/>Balance</b> | <b>Amounts<br/>Due Within<br/>One Year</b> |
|---|---|--------------------|--------------------|---------------------------|--|
| <b>General Obligation Bonds:</b>  |   |                    |                    |                           |  |
| Court Facility Refunding, 1% - 4%   | \$265,000                                   |                    | \$265,000          | \$0                       |  |
| Court Facility premium  | 7,827                                       |                    | 7,827              | 0                         |  |
| Recreation & Parks Improvements   |   |                    |                    |                           |  |
| Refunding, 2% - 3%  | 3,975,000                                   |                    | 760,000            | 3,215,000                 | \$780,000                                  |
| Recreation & Parks premium  | 45,594                                      |                    | 9,119              | 36,475                    |  |
| Fire Station Improvements, 1% - 4%  | 9,640,000                                   |                    | 735,000            | 8,905,000                 | 760,000                                    |
| Fire Station premium  | 113,863                                     |                    | 10,352             | 103,511                   |  |
| Police Station Improvements, 2% - 3%  | 6,890,000                                   |                    | 360,000            | 6,530,000                 | 365,000                                    |
| Police Station premium  | 298,645                                     |                    | 18,665             | 279,980                   |  |
| Total general obligation bonds  | <u>21,235,929</u>                           | <u>0</u>           | <u>2,165,963</u>   | <u>19,069,966</u>         | <u>1,905,000</u>                           |
| <b>Net Pension Liability:</b>   |   |                    |                    |                           |  |
| OPERS   | 41,320,318                                  |                    | 3,991,243          | 37,329,075                |  |
| OP&F  | <u>63,847,146</u>                           | <u>2,222,231</u>   |                    | <u>66,069,377</u>         |  |
| Total net pension liability   | <u>105,167,464</u>                          | <u>2,222,231</u>   | <u>3,991,243</u>   | <u>103,398,452</u>        |  |
| <b>Net OPEB Liability:</b>  |   |                    |                    |                           |  |
| OPERS   | 909,196                                     |                    | 909,196            | -                         |  |
| OP&F  | <u>4,785,470</u>                            | <u>207,532</u>     |                    | <u>4,993,002</u>          |  |
| Total net OPEB liability  | <u>5,694,666</u>                            | <u>207,532</u>     | <u>909,196</u>     | <u>4,993,002</u>          |  |
| <b>Other:</b>   |   |                    |                    |                           |  |
| Lease - Equipment   |   | 1,623,006          | 324,601            | 1,298,405                 | 285,649                                    |
| Accrued vacation and<br>sick leave benefits                                   | 14,799,001                                  | 813,073            |                    | 15,612,074                | 3,981,080                                  |
| Ohio Public Works Commission<br>Long-Term Notes from Direct<br>Borrowings, 0% | <u>243,036</u>                              |                    | <u>24,768</u>      | <u>218,268</u>            | <u>7,937</u>                               |
| Total other   | <u>15,042,037</u>                           | <u>2,436,079</u>   | <u>349,369</u>     | <u>17,128,747</u>         | <u>4,274,666</u>                           |
| Total noncurrent liabilities  | <u>\$147,140,096</u>                        | <u>\$4,865,842</u> | <u>\$7,415,771</u> | <u>\$144,590,167</u>      | <u>\$6,179,666</u>                         |

Beginning other debt balance for Accrued vacation and sick leave benefits has been restated for the implementation of GASB Statement No. 101, see Note 17 for additional details.

All general obligation bonds will be repaid from the debt service fund.

They City's outstanding notes from direct borrowings of \$218,268 contain a provision that in an event of default, the amount of such default shall bear interest thereafter at the rate of 8% per annum until the date of payment, and outstanding amounts become immediately due. Also, the Lender may direct the county treasurer to pay the outstanding amount from portion of the local government fund that would otherwise be appropriated to the City. Long-term notes from direct borrowings will be repaid from the debt service fund.

The accrued vacation and sick leave benefits liability increased, which represents the net change for the year.

There are no repayment schedules for the net pension and OPEB liabilities; however, employer contributions are made from the fund benefiting from the related employees' services. In the past, contributions have been paid primarily by the General Fund and the Street Maintenance Fund, and the remainder by the other

governmental and internal service funds. See Notes 10 and 11 for further information related to the net pension and OPEB liabilities.

The annual requirements to pay principal and interest on noncurrent obligations at December 31, 2024, are as follows:

|           | <b>General Obligation<br/>Bonds</b> |                    | <b>Notes from Direct<br/>Borrowings</b> |                 |
|-----------|-------------------------------------|--------------------|---|-----------------|
|           | <b>Principal</b>                    | <b>Interest</b>    | <b>Principal</b>                        | <b>Interest</b> |
| 2025      | \$1,905,000                         | \$507,158          | \$7,937                                 |                 |
| 2026      | 1,965,000                           | 452,922            | 7,937                                   |                 |
| 2027      | 2,015,000                           | 396,768            | 7,937                                   |                 |
| 2028      | 2,075,000                           | 343,446            | 7,937                                   |                 |
| 2029      | 1,280,000                           | 288,500            | 7,937                                   |                 |
| 2030-2034 | 6,985,000                           | 855,150            | 39,685                                  |                 |
| 2035-2039 | 2,425,000                           | 147,500            | 39,685                                  |                 |
| 2040-2044 |                                     |                    | 39,685                                  |                 |
| 2045-2049 |                                     |                    | 39,685                                  |                 |
| 2050-2052 |                                     |                    | 19,843                                  |                 |
|           | <u>\$18,650,000</u>                 | <u>\$2,991,444</u> | <u>\$218,268</u>                        | <u>\$0</u>      |

The Ohio Revised Code (ORC) provides that the total net debt (as defined in the ORC) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. At December 31, 2024, the City had a legal debt margin for total debt of \$163,250,395 and a legal debt margin for unvoted debt of \$80,584,970.

The annual requirements to pay principal and interest on lease obligations at December 31, 2024, are as follows:

|      | <b>Governmental Activities</b>                                    |                  |   |
|------|---|------------------|---|
|      | <b>Principal- Present<br/>Value of Minimum<br/>Lease Payments</b> | <b>Interest</b>  | <b>Total Minimum<br/>Lease Payments</b> |
| 2025 | \$285,649   | \$51,936         | \$337,585                               |
| 2026 | 310,581   | 40,508           | 351,089                                 |
| 2027 | 337,047   | 28,085           | 365,132                                 |
| 2028 | 365,128   | 14,610           | 379,738                                 |
|      | <u>\$1,298,405</u>  | <u>\$135,139</u> | <u>\$1,433,544</u>                      |

#### 14. CONTINGENT LIABILITIES

The City is the defendant in various lawsuits and subject to various claims over which litigation has not commenced. Although the outcome of these matters is not presently determinable, in the opinion of the Law Director the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City participates in several federally assisted programs that are subject to program compliance audits by the grantors or their representatives. A single financial and compliance audit of the city has been completed with no findings for recovery. The grantor agencies, at their option, may perform economy and efficiency audits, program results audits or conduct monitoring visits. Such audits and visits could lead to reimbursement to the grantor agencies. Management believes such reimbursements, if any, would be immaterial.

#### 15. NEGATIVE FUND NET POSITION

The Administrative Operations Internal Service Fund ended the year with a negative net position of \$1,044,533. This negative net position is a result of the implementation of GASB Statement Nos. 68 and 75. The requirements of GASB 68 and GASB 75 make it unlikely that this fund will ever have a positive fund balance. In addition, the Lead Safe Ohio Fund, Emergency Rental Assistance Grant Fund, Communities Correction Grant fund and the Kettering Parks Foundation Improvement Grant fund ended the year with a negative fund balance of (\$91,212), (\$28,867), (\$13,573), and (\$67,500) respectively, as a result of the grants operating on a reimbursement basis and a receivable is reported at year-end to cover the negative fund balance.

#### 16. OPIOID SETTLEMENT

The City is part of a nationwide settlement currently reaching over \$50 billion and continuing to increase. The settlements reached are to resolve all Opioids litigation brought by states and local political subdivisions against some of the largest pharmaceutical distributors, manufacturers, and pharmacies. The settlements reached are payable over periods ranging from one to eighteen years.

The State of Ohio's proceeds from each of these settlements are allocated to local subdivisions in accordance with the OneOhio Memorandum of Understanding. The City's allocation under the plan is 0.3384% and funds are restricted for use toward the plan's approved abatement strategies.

During 2024, the City received opioid settlement payments totaling \$271,082 from nine settlement parties. Cumulative opioid settlement payments received as of December 31, 2024, total \$431,529.

Due to the long-term nature of these settlements, discount rates ranging from 2.63% - 5.31% were applied to the opioid receivables. The discount rates are based on market interest rates in effect at the time the City executed its settlement participation agreements and assessed depending on the anticipated receipt timeframe for each settlement. The opioid receivables are reported at net present value as of December 31, 2024. The net present value of the combined expected settlement payments is \$778,318, net of an allowance of \$158,367.

Additional national agreements with pharmacies and manufacturers were negotiated during 2024, including Kroger, Hikma, Amneal, Publicis, and Purdue Pharma, which are all pending procedural finalization. As of December 31, 2024, the amounts to be allocated to and collected by the City were not able to be determined, and as such, no amounts are reported related to these settlements in the annual comprehensive financial report.

#### 17. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

For fiscal year 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*; and GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 100 provides accounting and financial reporting guidance for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did have an effect on the City's financial statements by providing financial reporting requirements for the change in accounting principle during the implementation of GASB Statement No. 101, as noted below.

GASB Statement No. 101 provides updated recognition and measurement guidance for accounting and financial reporting for compensated absences liability. The implementation of GASB Statement No. 101 had the following effect on net position as reported December 31, 2023, by opinion unit affected:

|  | Funds<br>Internal<br>Service Funds | Government-Wide<br>Governmental<br>Activities |
|--|------------------------------------|---|
| Net position--beginning,<br>as previously reported | \$ 5,226,032                       | \$ 200,041,450                                |
| Adoption of GASB 101                               | (751,341)                          | (9,102,659)                                   |
| Net position--beginning,<br>as restated            | <u>\$ 4,474,691</u>                | <u>\$ 190,938,791</u>                         |

#### 18. SUBSEQUENT EVENTS

On October 30, 2024, the City incurred a significant fire at the Parks Maintenance Center's storage building, resulting in the total loss of the structure and its contents. The original cost of capital assets lost in the fire totaled \$219,963 with accumulated depreciation of \$209,184 and a book value of \$10,779, which are included in the 2024 capital asset disposals. While the City anticipates insurance reimbursement for the replacement of the structure and its contents, no insurance claim has been received during 2024 and a receivable could not be reasonably estimated as of December 31, 2024.

During 2025, the City will process insurance claims to replace approximately \$700,000 in equipment and inventories. The City is working on developing a plan and costs for the storage building replacement with the insurance company.

**CITY OF KETTERING, OHIO**

24

**REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY****OHIO POLICE & FIRE PENSION FUND****LAST TEN FISCAL YEARS**

|  | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| City's proportion of the net pension liability   | 0.68385030% | 0.67214380% | 0.70185250% | 0.69590810% | 0.71198470% | 0.71312700% | 0.72455800% | 0.68687500% | 0.64947800% | 0.63480600% |
| City's proportionate share of the net pension liability  | 66,069,377  | 63,847,146  | 43,847,684  | 47,440,680  | 47,963,093  | 58,210,006  | 44,469,396  | 43,505,973  | 41,781,375  | 32,885,567  |
| City's covered payroll   | 19,548,786  | 18,228,202  | 17,858,302  | 17,026,003  | 16,808,773  | 15,989,785  | 15,497,341  | 14,880,253  | 13,848,552  | 12,775,178  |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 337.97%     | 350.27%     | 245.53%     | 278.64%     | 285.35%     | 364.04%     | 286.95%     | 292.37%     | 301.70%     | 257.42%     |
| Plan fiduciary net position as a percentage of the total pension liability                     | 63.63%      | 62.90%      | 75.03%      | 70.65%      | 69.89%      | 63.07%      | 70.91%      | 68.36%      | 66.77%      | 72.20%      |

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY****OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM****LAST TEN FISCAL YEARS**

|  | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| City's proportion of the net pension liability   | 0.14662700% | 0.13987900% | 0.13865800% | 0.13951300% | 0.16244500% | 0.14168500% | 0.15289300% | 0.15278300% | 0.15407100% | 0.15548300% |
| City's proportionate share of the net pension liability  | 37,329,075  | 41,320,318  | 12,063,807  | 20,658,834  | 32,108,364  | 38,804,648  | 23,985,948  | 34,694,421  | 26,624,822  | 18,704,224  |
| City's covered payroll   | 23,474,579  | 21,682,507  | 20,117,929  | 19,649,421  | 21,265,821  | 22,814,593  | 22,019,931  | 21,340,029  | 21,200,679  | 20,296,179  |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 159.02%     | 190.57%     | 59.97%      | 105.14%     | 150.99%     | 170.09%     | 108.93%     | 162.58%     | 125.58%     | 92.16%      |
| Plan fiduciary net position as a percentage of the total pension liability                     | 79.01%      | 75.74%      | 92.62%      | 86.88%      | 82.17%      | 74.70%      | 84.66%      | 77.25%      | 81.08%      | 86.45%      |

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

See accompanying notes to the required supplementary information.

**CITY OF KETTERING, OHIO****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF CITY CONTRIBUTIONS FOR NET PENSION LIABILITY****OHIO POLICE & FIRE PENSION FUND****LAST TEN FISCAL YEARS**

|   | <u>2024</u>        | <u>2023</u>        | <u>2022</u>        | <u>2021</u>        | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        | <u>2016</u>        | <u>2015</u>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required contribution                                     | \$4,165,140        | \$4,147,084        | \$3,867,899        | \$3,788,075        | \$3,607,334        | \$3,552,214        | \$3,413,819        | \$3,349,738        | \$3,202,381        | \$2,958,704        |
| Contributions in relation to the<br>contractually required contribution | <u>(4,165,140)</u> | <u>(4,147,084)</u> | <u>(3,867,899)</u> | <u>(3,788,075)</u> | <u>(3,607,334)</u> | <u>(3,552,214)</u> | <u>(3,413,819)</u> | <u>(3,349,738)</u> | <u>(3,202,381)</u> | <u>(2,958,704)</u> |
| Contribution deficiency (excess)  | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           |
| City's covered payroll  | 19,611,950         | 19,548,786         | 18,228,202         | 17,858,302         | 17,026,003         | 16,808,773         | 15,989,785         | 15,497,341         | 14,880,253         | 13,848,552         |
| Contributions as a percentage of<br>covered payroll                     | 21.24%             | 21.21%             | 21.22%             | 21.21%             | 21.19%             | 21.13%             | 21.35%             | 21.61%             | 21.52%             | 21.36%             |

**SCHEDULE OF CITY CONTRIBUTIONS FOR NET PENSION LIABILITY****OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM****LAST TEN FISCAL YEARS**

|   | <u>2024</u>        | <u>2023</u>        | <u>2022</u>        | <u>2021</u>        | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        | <u>2016</u>        | <u>2015</u>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required contribution                                     | \$3,286,251        | \$3,286,441        | \$3,035,551        | \$2,816,510        | \$2,750,919        | \$2,977,215        | \$3,194,043        | \$2,862,591        | \$2,987,604        | \$2,968,095        |
| Contributions in relation to the<br>contractually required contribution | <u>(3,286,251)</u> | <u>(3,286,441)</u> | <u>(3,035,551)</u> | <u>(2,816,510)</u> | <u>(2,750,919)</u> | <u>(2,977,215)</u> | <u>(3,194,043)</u> | <u>(2,862,591)</u> | <u>(2,987,604)</u> | <u>(2,968,095)</u> |
| Contribution deficiency (excess)  | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           | <u>0</u>           |
| City's covered payroll  | 23,473,221         | 23,474,579         | 21,682,507         | 20,117,929         | 19,649,421         | 21,265,821         | 22,814,593         | 22,019,931         | 21,340,029         | 21,200,679         |
| Contributions as a percentage of<br>covered payroll                     | 14.00%             | 14.00%             | 14.00%             | 14.00%             | 14.00%             | 14.00%             | 14.00%             | 13.00%             | 14.00%             | 14.00%             |

See accompanying notes to the required supplementary information.



**CITY OF KETTERING, OHIO**

5

**REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY****OHIO POLICE AND FIRE PENSION FUND****LAST EIGHT FISCAL YEARS <sup>(1)</sup>**

|  | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| City's proportion of the net OPEB liability  | 0.67214380% | 0.67214380% | 0.70185250% | 0.69590810% | 0.71198470% | 0.71312700% | 0.72455800% | 0.68687500% |
| City's proportionate share of the net OPEB liability   | 4,993,002   | 4,785,470   | 7,692,907   | 7,373,261   | 7,032,793   | 6,494,115   | 41,052,442  | 32,604,412  |
| City's covered payroll   | 19,548,786  | 18,228,202  | 17,858,302  | 17,026,003  | 16,808,773  | 15,989,785  | 15,497,341  | 14,880,253  |
| City's proportionate share of the net OPEB liability<br>as a percentage of its covered payroll | 25.54%      | 26.25%      | 43.08%      | 43.31%      | 41.84%      | 40.61%      | 264.90%     | 219.11%     |
| Plan fiduciary net position as a percentage of the<br>total OPEB liability                     | 51.90%      | 52.59%      | 46.90%      | 45.42%      | 47.10%      | 46.57%      | 14.13%      |             |

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY****OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM****LAST EIGHT FISCAL YEARS <sup>(1)</sup>**

|  | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| City's proportion of the net OPEB liability (asset)  | 0.14662700% | 0.14419800% | 0.14360500% | 0.14482900% | 0.16817200% | 0.14506900% | 0.15546000% | 0.15440890% |
| City's proportionate share of the net OPEB liability (asset)   | (1,323,344) | 909,196     | (4,497,928) | (2,580,243) | 23,228,922  | 18,913,573  | 16,881,810  | 15,595,837  |
| City's covered payroll   | 23,473,221  | 21,682,507  | 20,117,929  | 19,649,421  | 21,265,821  | 22,814,593  | 22,019,931  | 21,340,029  |
| City's proportionate share of the net OPEB liability (asset)<br>as a percentage of its covered payroll | -5.64%      | 4.19%       | -22.36%     | -13.13%     | 109.23%     | 82.90%      | 76.67%      | 73.08%      |
| Plan fiduciary net position as a percentage of the<br>total OPEB liability (asset)                     | 107.76%     | 94.79%      | 128.23%     | 115.57%     | 47.80%      | 46.33%      | 54.14%      |             |

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

## CITY OF KETTERING, OHIO

### REQUIRED SUPPLEMENTARY INFORMATION

#### SCHEDULE OF CITY CONTRIBUTIONS TO POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

##### OHIO POLICE & FIRE PENSION FUND

##### LAST NINE FISCAL YEARS <sup>(1)</sup>

|  | <u>2024</u>     | <u>2023</u>     | <u>2022</u>     | <u>2021</u>     | <u>2020</u>     | <u>2019</u>     | <u>2018</u>     | <u>2017</u>     | <u>2016</u>     |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually required contribution to OPEB                                  | \$98,060        | \$97,746        | \$91,141        | \$89,292        | \$85,130        | \$84,044        | \$80,841        | \$77,520        | \$75,242        |
| Contributions to OPEB in relation to the contractually required contribution | <u>(98,060)</u> | <u>(97,746)</u> | <u>(91,141)</u> | <u>(89,292)</u> | <u>(85,130)</u> | <u>(84,044)</u> | <u>(80,841)</u> | <u>(77,520)</u> | <u>(75,242)</u> |
| Contribution deficiency (excess)   | <u>0</u>        | <u>0</u>        | <u>0</u>        | <u>0</u>        | <u>0</u>        | <u>0</u>        | <u>0</u>        | <u>0</u>        | <u>0</u>        |
| City's covered payroll   | 19,611,950      | 19,548,786      | 18,228,202      | 17,858,302      | 17,026,003      | 16,808,773      | 15,989,785      | 15,497,341      | 14,880,253      |
| Contributions to OPEB as a percentage of covered payroll                     | 0.50%           | 0.50%           | 0.50%           | 0.50%           | 0.50%           | 0.50%           | 0.51%           | 0.50%           | 0.51%           |

#### SCHEDULE OF CITY CONTRIBUTIONS TO POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

##### OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

##### LAST NINE FISCAL YEARS <sup>(1)</sup>

|  | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u>      | <u>2016</u>      |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|------------------|
| Contractually required contribution to OPEB                                  | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$251,825        | \$426,630        |
| Contributions to OPEB in relation to the contractually required contribution | <u>0</u>    | <u>0</u>    | <u>0</u>    | <u>0</u>    | <u>0</u>    | <u>0</u>    | <u>0</u>    | <u>(251,825)</u> | <u>(426,630)</u> |
| Contribution deficiency (excess)   | <u>0</u>    | <u>0</u>    | <u>0</u>    | <u>0</u>    | <u>0</u>    | <u>0</u>    | <u>0</u>    | <u>0</u>         | <u>0</u>         |
| City's covered payroll   | 23,473,221  | 23,474,579  | 21,682,507  | 20,117,929  | 19,649,421  | 21,265,821  | 22,814,593  | 22,019,931       | 21,340,029       |
| Contributions to OPEB as a percentage of covered payroll                     | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 1.14%            | 2.00%            |

(1) The schedule is intended to show Information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION****BUDGET(GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

|                                      | Budgeted Amounts |              | Actual       | Variance with<br>Final Budget |
|--------------------------------------|------------------|--------------|--------------|-------------------------------|
|                                      | Original         | Final        |              |                               |
| Fund balance, January 1              | \$64,690,292     | \$64,690,292 | \$64,690,292 |                               |
| Resources (inflows)                  |                  |              |              |                               |
| Income taxes                         | 56,399,000       | 56,399,000   | 55,321,854   | (\$1,077,146)                 |
| Property taxes                       | 7,592,000        | 8,770,000    | 8,770,099    | 99                            |
| Licenses and permits                 | 607,000          | 582,000      | 615,888      | 33,888                        |
| Intergovernmental revenue            | 2,092,000        | 2,836,000    | 2,426,298    | (409,702)                     |
| Charges for services                 | 116,000          | 144,000      | 152,582      | 8,582                         |
| Fines and forfeits                   | 1,154,000        | 1,207,000    | 1,226,557    | 19,557                        |
| Investment earnings                  | 2,938,000        | 3,685,000    | 3,970,023    | 285,023                       |
| Special assessments                  | 400,000          | 384,000      | 384,267      | 267                           |
| Refunds and reimbursements           | 2,400,000        | 2,500,000    | 2,459,831    | (40,169)                      |
| Miscellaneous                        | 128,000          | 235,000      | 358,661      | 123,661                       |
| Sale of city assets                  | 20,000           | 442,000      | 523,112      | 81,112                        |
| Inception of Lease                   |                  | 1,623,000    | 1,623,006    | 6                             |
| Amounts available for appropriation  | 138,536,292      | 143,497,292  | 142,522,470  | (974,822)                     |
| Charges to appropriations (outflows) |                  |              |              |                               |
| General government:                  |                  |              |              |                               |
| Mayor and Council:                   |                  |              |              |                               |
| Personal services                    | 196,000          | 206,200      | 204,737      | 1,463                         |
| Operating expenditures               | 120,049          | 120,049      | 88,122       | 31,927                        |
| Capital outlay                       |                  |              |              |                               |
| Total mayor and council              | 316,049          | 326,249      | 292,859      | 33,390                        |
| Municipal court:                     |                  |              |              |                               |
| Personal services                    | 1,278,700        | 1,289,700    | 1,083,284    | 206,416                       |
| Operating expenditures               | 280,520          | 280,520      | 268,110      | 12,410                        |
| Capital outlay                       |                  |              |              |                               |
| Total municipal court                | 1,559,220        | 1,570,220    | 1,351,394    | 218,826                       |
| Clerk of courts:                     |                  |              |              |                               |
| Personal services                    | 1,007,300        | 1,015,700    | 1,012,305    | 3,395                         |
| Operating expenditures               | 180,656          | 200,656      | 187,351      | 13,305                        |
| Capital outlay                       |                  |              |              |                               |
| Total clerk of courts                | 1,187,956        | 1,216,356    | 1,199,656    | 16,700                        |
| Office of City Manager:              |                  |              |              |                               |
| Personal services                    | 991,600          | 998,100      | 848,806      | 149,294                       |
| Operating expenditures               | 106,445          | 106,297      | 63,657       | 42,640                        |
| Capital outlay                       |                  |              |              |                               |
| Total office of city manager         | 1,098,045        | 1,104,397    | 912,463      | 191,934                       |
| Law department:                      |                  |              |              |                               |
| Personal services                    | 1,064,000        | 1,065,100    | 1,012,098    | 53,002                        |
| Operating expenditures               | 189,860          | 199,860      | 168,868      | 30,992                        |
| Capital outlay                       |                  |              |              |                               |
| Total law department                 | 1,253,860        | 1,264,960    | 1,180,966    | 83,994                        |
| Finance department:                  |                  |              |              |                               |
| Personal services                    | 2,578,200        | 2,604,600    | 2,501,835    | 102,765                       |
| Operating expenditures               | 774,560          | 771,500      | 538,626      | 232,874                       |
| Capital outlay                       |                  |              |              |                               |
| Total finance department             | 3,352,760        | 3,376,100    | 3,040,461    | 335,639                       |
| Administrative support:              |                  |              |              |                               |
| Personal services                    | 752,900          | 761,100      | 731,728      | 29,372                        |
| Operating expenditures               | 292,331          | 292,331      | 212,833      | 79,498                        |
| Capital outlay                       |                  |              |              |                               |
| Total administrative support         | 1,045,231        | 1,053,431    | 944,561      | 108,870                       |

See accompanying notes to the required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION****BUDGET(GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE - GENERAL FUND - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2024**

|                                  | Budgeted Amounts |              | Actual       | Variance with<br>Final Budget |
|----------------------------------|------------------|--------------|--------------|-------------------------------|
|                                  | Original         | Final        |              |                               |
| General government:              |                  |              |              |                               |
| Human resources department:      |                  |              |              |                               |
| Personal services                | \$968,100        | \$1,006,700  | \$958,553    | \$48,147                      |
| Operating expenditures           | 390,490          | 419,490      | 354,262      | 65,228                        |
| Capital outlay                   |                  |              |              |                               |
| Total human resources department | 1,358,590        | 1,426,190    | 1,312,815    | 113,375                       |
| Planning and development:        |                  |              |              |                               |
| Personal services                | 2,557,600        | 2,583,700    | 2,498,917    | 84,783                        |
| Operating expenditures           | 584,486          | 629,896      | 462,163      | 167,733                       |
| Capital outlay                   |                  |              |              |                               |
| Total planning and development   | 3,142,086        | 3,213,596    | 2,961,080    | 252,516                       |
| Economic development:            |                  |              |              |                               |
| Personal services                | 171,900          | 173,900      | 116,891      | 57,009                        |
| Operating expenditures           | 602,207          | 1,012,207    | 265,956      | 746,251                       |
| Capital outlay                   |                  |              |              |                               |
| Total economic development       | 774,107          | 1,186,107    | 382,847      | 803,260                       |
| Community Information:           |                  |              |              |                               |
| Personal services                | 144,800          | 243,300      | 220,956      | 22,344                        |
| Operating expenditures           | 123,166          | 131,141      | 125,392      | 5,749                         |
| Capital outlay                   |                  |              |              |                               |
| Total community information      | 267,966          | 374,441      | 346,348      | 28,093                        |
| Miscellaneous:                   |                  |              |              |                               |
| Personal services                | 233,000          | 257,100      | 235,264      | 21,836                        |
| Operating expenditures           | 647,035          | 604,035      | 395,677      | 208,358                       |
| Capital outlay                   |                  |              |              |                               |
| Total miscellaneous              | 880,035          | 861,135      | 630,941      | 230,194                       |
| Total general government         | 16,235,905       | 16,973,182   | 14,556,391   | 2,416,791                     |
| Police:                          |                  |              |              |                               |
| Personal services                | 15,006,400       | 15,380,200   | 15,074,620   | 305,580                       |
| Operating expenditures           | 4,475,817        | 4,312,159    | 2,598,571    | 1,713,588                     |
| Capital outlay                   | 241,260          | 1,946,964    | 1,912,850    | 34,114                        |
| Total police                     | 19,723,477       | 21,639,323   | 19,586,041   | 2,053,282                     |
| Fire:                            |                  |              |              |                               |
| Personal services                | 14,932,300       | 15,338,900   | 15,195,866   | 143,034                       |
| Operating expenditures           | 2,215,087        | 2,215,339    | 1,966,059    | 249,280                       |
| Capital outlay                   | 2,723,218        | 3,149,873    | 1,232,904    | 1,916,969                     |
| Total fire                       | 19,870,605       | 20,704,112   | 18,394,829   | 2,309,283                     |
| Public works:                    |                  |              |              |                               |
| Engineering department:          |                  |              |              |                               |
| Personal services                | 2,390,500        | 2,415,100    | 2,193,368    | 221,732                       |
| Operating expenditures           | 489,611          | 486,970      | 425,997      | 60,973                        |
| Capital outlay                   | 243,197          | 245,297      | 245,231      | 66                            |
| Total engineering department     | 3,123,308        | 3,147,367    | 2,864,596    | 282,771                       |
| Street lighting:                 |                  |              |              |                               |
| Operating expenditures           | 487,438          | 506,437      | 494,377      | 12,060                        |
| Total street lighting            | 487,438          | 506,437      | 494,377      | 12,060                        |
| Total public works               | 3,610,746        | 3,653,804    | 3,358,973    | 294,831                       |
| Debt Services - Lease            |                  | 324,601      | 324,601      | 0                             |
| Transfers to other funds         | 19,422,000       | 20,973,625   | 17,774,713   | 3,198,912                     |
| Total charges to appropriations  | 78,862,733       | 84,268,647   | 73,995,548   | 10,273,099                    |
| Fund balance, December 31        | \$59,673,559     | \$59,228,645 | \$68,526,922 | \$9,298,277                   |

See accompanying notes to the required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION****BUDGET(GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE - STREET MAINTENANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

|                                      | Budgeted Amounts |             | Actual      | Variance with<br>Final Budget |
|--------------------------------------|------------------|-------------|-------------|-------------------------------|
|                                      | Original         | Final       |             |                               |
| Fund balance, January 1              | \$1,797,731      | \$1,797,731 | \$1,797,731 |                               |
| Resources (inflows)                  |                  |             |             |                               |
| Other local taxes                    | 273,000          | 273,000     | 279,488     | \$6,488                       |
| Licenses and permits                 | 13,000           | 12,000      | 16,720      | 4,720                         |
| Intergovernmental revenue            | 3,202,000        | 3,277,000   | 3,325,174   | 48,174                        |
| Investment earnings                  |                  |             | 536         | 536                           |
| Refunds and reimbursements           | 210,000          | 190,000     | 214,591     | 24,591                        |
| Miscellaneous                        | 10,000           | 10,000      | 7,993       | (2,007)                       |
| Sale of city assets                  | 25,000           | 25,000      | 18,669      | (6,331)                       |
| Transfer from the general fund       | 3,634,000        | 3,719,850   | 2,441,200   | (1,278,650)                   |
| Amounts available for appropriation  | 9,164,731        | 9,304,581   | 8,102,102   | (1,202,479)                   |
| Charges to appropriations (outflows) |                  |             |             |                               |
| Public works:                        |                  |             |             |                               |
| Street department:                   |                  |             |             |                               |
| Personal services                    | 4,475,400        | 4,560,400   | 4,250,960   | 309,440                       |
| Operating expenditures               | 2,662,840        | 2,242,815   | 1,769,109   | 473,706                       |
| Capital outlay                       | 1,818,076        | 1,571,353   | 1,095,393   | 475,960                       |
| Total charges to appropriations      | 8,956,316        | 8,374,568   | 7,115,462   | 1,259,106                     |
| Fund balance, December 31            | \$208,415        | \$930,013   | \$986,640   | \$56,627                      |

See accompanying notes to the required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION**
**BUDGET(GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE -**  
**PARKS, RECREATION AND CULTURAL ARTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|   | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget |
|---|------------------|------------|------------|-------------------------------|
|   | Original         | Final      |            |                               |
| Fund balance, January 1                         | \$127,098        | \$127,098  | \$127,098  |                               |
| Resources (inflows)                             |                  |            |            |                               |
| Intergovernmental revenue                       | 30,000           | 30,000     | 40,022     | \$10,022                      |
| Charges for services                            | 3,522,000        | 3,548,000  | 3,607,383  | 59,383                        |
| Refunds and reimbursements                      | 39,000           | 42,000     | 45,093     | 3,093                         |
| Miscellaneous                                   | 68,000           | 61,000     | 91,711     | 30,711                        |
| Sale of city assets                             |                  | 7,000      | 7,340      | 340                           |
| Transfer from the general fund                  | 9,055,000        | 9,188,550  | 8,648,400  | (540,150)                     |
| Amounts available for appropriation             | 12,841,098       | 13,003,648 | 12,567,047 | (436,601)                     |
| Charges to appropriations (outflows)            |                  |            |            |                               |
| Leisure services:                               |                  |            |            |                               |
| Parks, recreation and cultural arts department: |                  |            |            |                               |
| Personal services                               | 8,015,700        | 7,923,900  | 7,611,162  | 312,738                       |
| Operating expenditures                          | 4,629,457        | 4,756,746  | 4,465,308  | 291,438                       |
| Capital outlay                                  | 146,726          | 309,726    | 198,385    | 111,341                       |
| Total charges to appropriations                 | 12,791,883       | 12,990,372 | 12,274,855 | 715,517                       |
| Fund balance, December 31                       | \$49,215         | \$13,276   | \$292,192  | \$278,916                     |

See accompanying notes to the required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION****BUDGET(GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE - FRAZE PAVILION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

|                                      | Budgeted Amounts |             | Actual      | Variance with<br>Final Budget |
|--------------------------------------|------------------|-------------|-------------|-------------------------------|
|                                      | Original         | Final       |             |                               |
| Fund balance, January 1              | \$2,454,048      | \$2,454,048 | \$2,454,048 |                               |
| Resources (inflows)                  |                  |             |             |                               |
| Charges for services                 | 5,031,000        | 2,881,000   | 2,864,769   | (\$16,231)                    |
| Refunds and reimbursements           |                  |             | 2,525       | 2,525                         |
| Miscellaneous                        | 585,000          | 489,000     | 496,571     | 7,571                         |
| Amounts available for appropriation  | 8,070,048        | 5,824,048   | 5,817,913   | (6,135)                       |
| Charges to appropriations (outflows) |                  |             |             |                               |
| Leisure services:                    |                  |             |             |                               |
| Fraze pavilion:                      |                  |             |             |                               |
| Personal services                    | 1,019,300        | 1,023,700   | 822,214     | 201,486                       |
| Operating expenditures               | 5,042,540        | 4,790,506   | 3,016,088   | 1,774,418                     |
| Total charges to appropriations      | 6,061,840        | 5,814,206   | 3,838,302   | 1,975,904                     |
| Fund balance, December 31            | \$2,008,208      | \$9,842     | \$1,979,611 | \$1,969,769                   |

See accompanying notes to the required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION**
**BUDGET(GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE -  
 COMMUNITY DEVELOPMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2024**

|                                      | Budgeted Amounts |             | Actual      | Variance with<br>Final Budget |
|--------------------------------------|------------------|-------------|-------------|-------------------------------|
|                                      | Original         | Final       |             |                               |
| Fund balance, January 1              | \$923,043        | \$923,043   | \$923,043   |                               |
| Resources (inflows)                  |                  |             |             |                               |
| Intergovernmental revenue            | 1,538,534        | 2,108,680   | 859,259     | (\$1,249,421)                 |
| Investment earnings                  | 4,000            | 4,000       | 14,589      | 10,589                        |
| Refunds and reimbursements           |                  | 2,000       |             | (2,000)                       |
| Miscellaneous                        |                  | 2,000       | 1,562       | (438)                         |
| Sale of city assets                  | 2,000            | 27,000      |             | (27,000)                      |
| Amounts available for appropriation  | 2,467,577        | 3,066,723   | 1,798,453   | (1,268,270)                   |
| Charges to appropriations (outflows) |                  |             |             |                               |
| General government                   | 888,568          | 1,112,060   | 677,855     | 434,205                       |
| Capital improvements                 | 270,441          | 463,242     | 47,465      | 415,777                       |
| Total charges to appropriations      | 1,159,009        | 1,575,302   | 725,320     | 849,982                       |
| Fund balance, December 31            | \$1,308,568      | \$1,491,421 | \$1,073,133 | (\$418,288)                   |

See accompanying notes to the required supplementary information.



**REQUIRED SUPPLEMENTARY INFORMATION****BUDGET(GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE - EMERGENCY MEDICAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

|                                      | Budgeted Amounts |             | Actual      | Variance with<br>Final Budget |
|--------------------------------------|------------------|-------------|-------------|-------------------------------|
|                                      | Original         | Final       |             |                               |
| Fund balance, January 1              | \$1,192,816      | \$1,192,816 | \$1,192,816 |                               |
| Resources (inflows)                  |                  |             |             |                               |
| Charges for services                 | 473,000          | 473,000     | 456,368     | (\$16,632)                    |
| Investment earnings                  | 37,000           | 58,000      | 73,196      | 15,196                        |
| Amounts available for appropriation  | 1,702,816        | 1,723,816   | 1,722,380   | (1,436)                       |
| Charges to appropriations (outflows) |                  |             |             |                               |
| Fire:                                |                  |             |             |                               |
| Operating expenditures               | 26,000           | 26,000      | 23,109      | 2,891                         |
| Total charges to appropriations      | 26,000           | 26,000      | 23,109      | 2,891                         |
| Fund balance, December 31            | \$1,676,816      | \$1,697,816 | \$1,699,271 | \$1,455                       |

See accompanying notes to the required supplementary information.

---

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

---

**1. BUDGETS AND BUDGETARY ACCOUNTING**

An annual budget for all governmental fund types covering the period January 1 through December 31 of the following year showing estimated revenues and expenditures is submitted to the County Auditor as Secretary of the County Budget Commission. The budget is passed by City Council, after public hearings are held, by July 15 of each year, and submitted to the County Budget Commission by July 20 of each year.

The County Budget Commission certifies its actions relative to the annual budget to the City by September 1. As part of this certification, the City receives an official certificate of estimated resources which states the projected receipts by fund. On or about January 1, this certificate is amended to include any unencumbered fund balances from the preceding year. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations ordinance.

A temporary appropriations ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriations ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriations ordinance generally controls expenditures at the level of personal services, operating expenditures and capital outlay on a department level, except for the state highway fund, cemetery fund, police pension fund, DESC (Defense Electronics Supply Center) reuse fund, special safety grants and programs fund, community development fund, emergency medical fund and the capital projects fund which are controlled at the fund level. The City Manager has the authority to amend appropriations within the department at the levels of personal service, operating expenditures and capital outlay; amendments above this level require council approval. The ordinance may be amended or supplemented by Council during the year as required. Amendments to the appropriations ordinance made during the year were not material in relation to the original appropriations. Total expenditures in any fund do not exceed the estimated resources for that fund. Unencumbered appropriations lapse at year-end, while encumbered amounts are reappropriated in the following year's budget. The Finance Director, in conjunction with the annual budgeting process, estimates revenues. However, these estimates are not included or required in the budget ordinance.

The City, being a home rule municipal corporation, has adopted, through ordinance, GAAP (generally accepted accounting principles) as its budgetary basis.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the governmental funds. Encumbrances outstanding at year-end may be reported as part of restricted, committed or assigned fund balance.

**2. NET PENSION LIABILITY****OHIO POLICE AND FIRE PENSION FUND CHANGES IN BENEFIT TERMS AND ASSUMPTIONS***Changes in assumptions:*

2024: There were no OP&F pension plan amendments adopted or changes in assumptions used in the calculation of actuarial determined contributions.

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% for males and 98.7% for females. Mortality for

disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below Medium Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

2022: OP&F Board adopted a change in the investment return assumption, reducing it from 8.0% to 7.5%.

2021-2019: There were no OP&F pension plan amendments adopted or changes in assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

2017-2014: There were no OP&F pension plan amendments adopted or changes in assumptions used in the calculation of actuarial determined contributions.

*Changes in benefit terms:*

2024-2014: There were no changes in benefit terms for the period.

## OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

*Changes in assumptions:*

2024-2023: There were no OPERS pension plan amendments adopted or changes in assumptions used in the calculation of actuarial contributions.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.2% to 6.9%
- Decrease in wage inflation from 3.25% to 2.75%
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%

2021-2020: There were no OPERS pension plan amendments adopted or changes in assumptions used in the calculation of actuarial contributions.

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 7.5% to 7.2%.

2018: There were no OPERS pension plan amendments adopted or changes in assumptions used in the calculation of actuarial contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2016-2014: There were no OPERS pension plan amendments adopted or changes in assumptions used in the calculation of actuarial contributions.

*Changes in benefit terms*

2024-2014: There were no changes in benefit terms for the period.

### 3. NET OPEB LIABILITY (ASSET)

#### OHIO POLICE AND FIRE PENSION FUND CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

*Changes in assumptions:*

2024: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The projected salary increases changed from a range of 3.75% - 10.5% to 3.5% - 10.5%.
- The blended discount rate changed from 4.27% to 4.07%.
- The depletion year of OPEB assets is projected in year 2038.
- The municipal bond index rate decreased from 3.65% to 3.38%.

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%.
- The depletion year of OPEB assets is projected in year 2036.
- Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. 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.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Reduction in actuarial rate of return from 8.0% to 7.5%.
- The single discount rate changed from 2.96% to 2.84%.

2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 3.56% to 2.96%.

2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 4.66% to 3.56%.

2019: Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%. The single discount rate increased from 3.24% to 4.66% and the municipal bond rate increased from 3.16% to 4.13%.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 3.79% to 3.24%.

*Changes in benefit terms:*

2024-2020: There were no changes in benefit terms for the period.

2019: See above regarding change to stipend-based model.

2018: There were no changes in benefit terms for the period.

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM CHANGES IN BENEFIT TERMS AND ASSUMPTIONS***Changes in assumptions:*

2024: The following were the most significant changes of assumptions that affected the total OPEB (asset) since the prior measurement date:

- The single discount rate increased from 5.22% to 5.70%.
- The municipal bond rate decreased from 4.05% to 3.77%.

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 6.00% to 5.22%.
- The municipal bond rate increased from 1.84% to 4.05%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond rate decreased from 2.00% to 1.84%.
- The initial health care cost trend rate decreased from 8.5% to 5.5%.
- Decrease in wage inflation from 3.25% to 2.75%.
- Change in future salary increases from a range of 3.25% - 10.75% to 2.75% - 10.75%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16% to 6.00%.
- The municipal bond rate decreased from 2.75% to 2.00%.
- The initial health care cost trend rate decreased from 10.5% to 8.5%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96% to 3.16%.
- The municipal bond rate decreased from 3.71% to 2.75%.
- The initial health care cost trend rate increased from 10.0% to 10.5%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85% to 3.96%.
- The investment rate of return decreased from 6.5% to 6.0%.
- The municipal bond rate increased from 3.31% to 3.71%.
- The initial health care cost trend rate increased from 7.5% to 10%.

2018: The single discount rate changed from 4.23% to 3.85%.

---

*Changes in benefit terms:*

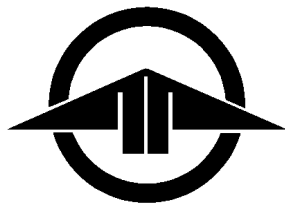
2024-2023: There were no changes in benefit terms for the period.

2022: Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

2021: There were no changes in benefit terms for the period.

2020: On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-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 pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.

2019-2018: There were no changes in benefit terms for the period.



CITY OF KETTERING

**COMBINING STATEMENTS  
AND  
INDIVIDUAL FUND SCHEDULES**



NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET DECEMBER 31, 2024

|  | State<br>Highway | Cemetery         | Police<br>Pension | DESC<br>Reuse   | Special<br>Safety Grants<br>& Programs | Total<br>Governmental<br>Funds |
|--|------------------|------------------|-------------------|-----------------|--|--------------------------------|
| <b>ASSETS</b>                                    |                  |                  |                   |                 |  |                                |
| Pooled cash and investments                      | \$143            | \$427,513        | \$267,745         | \$42,886        | \$4,077,377                            | \$4,815,664                    |
| Receivables:                                     |                  |                  |                   |                 |  |                                |
| Property taxes                                   |                  |                  | 462,000           |                 |  | 462,000                        |
| Accounts   |                  |                  |                   |                 | 894,148                                | 894,148                        |
| Leases   |                  |                  |                   | 54,335          |  | 54,335                         |
| Due from other governments                       | 128,044          |                  | 30,400            |                 | 199,836                                | 358,280                        |
| Prepaid items                                    | 472,520          |                  |                   |                 | 459                                    | 472,979                        |
| Total assets                                     | <u>\$600,707</u> | <u>\$427,513</u> | <u>\$760,145</u>  | <u>\$97,221</u> | <u>\$5,171,820</u>                     | <u>\$7,057,406</u>             |
| <b>LIABILITIES</b>                               |                  |                  |                   |                 |  |                                |
| Accounts payable                                 | \$1,196          | \$11,703         |                   | \$11,311        | \$217,044                              | \$241,254                      |
| Due to the General fund                          |                  |                  |                   |                 | 170,710                                | 170,710                        |
| Accrued payroll                                  |                  |                  | \$257,674         |                 | 9,941                                  | 267,615                        |
| Unearned revenue                                 |                  |                  |                   | 1,000           | 69,048                                 | 70,048                         |
| Total liabilities                                | <u>1,196</u>     | <u>11,703</u>    | <u>257,674</u>    | <u>12,311</u>   | <u>466,743</u>                         | <u>749,627</u>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                  |                  |                   |                 |  |                                |
| Property taxes                                   |                  |                  | 462,000           |                 |  | 462,000                        |
| Leases   |                  |                  |                   | 52,856          |  | 52,856                         |
| Grants and other taxes                           | 107,600          |                  | 30,400            |                 | 988,953                                | 1,126,953                      |
| Total deferred inflows of resources              | <u>107,600</u>   | <u>0</u>         | <u>492,400</u>    | <u>52,856</u>   | <u>988,953</u>                         | <u>1,641,809</u>               |
| <b>FUND BALANCES</b>                             |                  |                  |                   |                 |  |                                |
| Nonspendable: Prepaids and<br>unamortized leases | 472,520          |                  |                   | 1,479           | 459                                    | 474,458                        |
| Restricted for:                                  |                  |                  |                   |                 |  |                                |
| Social services                                  |                  |                  |                   |                 |  |                                |
| Public safety                                    |                  |                  | 10,071            |                 | 1,089,027                              | 1,099,098                      |
| Road construction / Public works                 | 19,391           |                  |                   |                 | 17,414                                 | 36,805                         |
| Leisure services                                 |                  |                  |                   |                 | 39,155                                 | 39,155                         |
| Municipal court activities                       |                  |                  |                   |                 | 2,149,892                              | 2,149,892                      |
| Committed to:                                    |                  |                  |                   |                 |  |                                |
| Social services                                  |                  |                  |                   |                 | 8,871                                  | 8,871                          |
| Public safety                                    |                  |                  |                   |                 | 15,625                                 | 15,625                         |
| Leisure services                                 |                  | 415,810          |                   |                 | 596,833                                | 1,012,643                      |
| Other purposes                                   |                  |                  |                   | 30,575          |  | 30,575                         |
| Unassigned                                       |                  |                  |                   |                 | (201,152)                              | (201,152)                      |
| Total fund balances                              | <u>491,911</u>   | <u>415,810</u>   | <u>10,071</u>     | <u>32,054</u>   | <u>3,716,124</u>                       | <u>4,665,970</u>               |
| Total liab, defer inflows & fund bals            | <u>\$600,707</u> | <u>\$427,513</u> | <u>\$760,145</u>  | <u>\$97,221</u> | <u>\$5,171,820</u>                     | <u>\$7,057,406</u>             |

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

|  | State Highway    |                  |                   | Cemetery         |                  |                  |
|--|------------------|------------------|-------------------|------------------|------------------|------------------|
|  | Final Budget     | Actual           | Variance          | Final Budget     | Actual           | Variance         |
| REVENUES   |                  |                  |                   |                  |                  |                  |
| Property taxes                                       |                  |                  |                   |                  |                  |                  |
| Intergovernmental revenue                            | \$252,000        | \$258,278        | \$6,278           |                  |                  |                  |
| Charges for services                                 |                  |                  |                   | \$7,000          | \$7,224          | \$224            |
| Fines and forfeits                                   |                  |                  |                   |                  |                  |                  |
| Investment earnings                                  | 16,000           | 10,053           | (5,947)           | 19,000           | 20,940           | 1,940            |
| Refunds and reimbursements                           |                  |                  |                   |                  |                  |                  |
| Miscellaneous  |                  |                  |                   |                  |                  |                  |
| Total revenues                                       | <u>268,000</u>   | <u>268,331</u>   | <u>331</u>        | <u>26,000</u>    | <u>28,164</u>    | <u>2,164</u>     |
| EXPENDITURES   |                  |                  |                   |                  |                  |                  |
| Current:   |                  |                  |                   |                  |                  |                  |
| General government                                   |                  |                  |                   | 21,300           | 4,310            | 16,990           |
| Police   |                  |                  |                   |                  |                  |                  |
| Fire   |                  |                  |                   |                  |                  |                  |
| Public works   | 185,000          | 153,878          | 31,122            |                  |                  |                  |
| Leisure services                                     |                  |                  |                   |                  |                  |                  |
| Capital improvements                                 | 35,390           | 35,390           | 0                 | 119,000          | 20,274           | 98,726           |
| Total expenditures                                   | <u>220,390</u>   | <u>189,268</u>   | <u>31,122</u>     | <u>140,300</u>   | <u>24,584</u>    | <u>115,716</u>   |
| Excess (deficiency) of revenues<br>over expenditures | 47,610           | 79,063           | 31,453            | (114,300)        | 3,580            | 117,880          |
| OTHER FINANCING SOURCES (USES)                       |                  |                  |                   |                  |                  |                  |
| Transfers in   | 271,000          | 191,500          | (79,500)          |                  |                  |                  |
| Net change in fund balance                           | <u>318,610</u>   | <u>270,563</u>   | <u>(48,047)</u>   | <u>(114,300)</u> | <u>3,580</u>     | <u>117,880</u>   |
| Fund balances--beginning                             | 221,348          | 221,348          |                   | 412,230          | 412,230          |                  |
| Fund balances--ending                                | <u>\$539,958</u> | <u>\$491,911</u> | <u>(\$48,047)</u> | <u>\$297,930</u> | <u>\$415,810</u> | <u>\$117,880</u> |

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

|  | Police Pension     |                    |                   | DESC Reuse       |                  |                 |
|--|--------------------|--------------------|-------------------|------------------|------------------|-----------------|
|  | Final Budget       | Actual             | Variance          | Final Budget     | Actual           | Variance        |
| REVENUES   |                    |                    |                   |                  |                  |                 |
| Property taxes                                       | \$462,000          | \$462,124          | \$124             |                  |                  |                 |
| Intergovernmental revenue                            | 61,000             | 61,111             | 111               |                  |                  |                 |
| Charges for services                                 |                    |                    |                   | \$12,000         | \$11,124         | (\$876)         |
| Fines and forfeits                                   |                    |                    |                   |                  |                  |                 |
| Investment earnings                                  |                    |                    |                   |                  | 1,206            | 1,206           |
| Refunds and reimbursements                           |                    |                    |                   |                  |                  |                 |
| Miscellaneous  |                    |                    |                   |                  |                  |                 |
| Total revenues                                       | <u>523,000</u>     | <u>523,235</u>     | <u>235</u>        | <u>12,000</u>    | <u>12,330</u>    | <u>330</u>      |
| EXPENDITURES   |                    |                    |                   |                  |                  |                 |
| Current:   |                    |                    |                   |                  |                  |                 |
| General government                                   |                    |                    |                   | 186,669          | 145,359          | 41,310          |
| Police   | 1,969,900          | 1,941,907          | 27,993            |                  |                  |                 |
| Fire   |                    |                    |                   |                  |                  |                 |
| Public works   |                    |                    |                   |                  |                  |                 |
| Leisure services                                     |                    |                    |                   |                  |                  |                 |
| Capital improvements                                 |                    |                    |                   |                  |                  |                 |
| Total expenditures                                   | <u>1,969,900</u>   | <u>1,941,907</u>   | <u>27,993</u>     | <u>186,669</u>   | <u>145,359</u>   | <u>41,310</u>   |
| Excess (deficiency) of revenues<br>over expenditures | <u>(1,446,900)</u> | <u>(1,418,672)</u> | <u>28,228</u>     | <u>(174,669)</u> | <u>(133,029)</u> | <u>41,640</u>   |
| OTHER FINANCING SOURCES (USES)                       |                    |                    |                   |                  |                  |                 |
| Transfers in   | <u>1,517,300</u>   | <u>1,418,600</u>   | <u>(98,700)</u>   | <u>159,000</u>   | <u>133,500</u>   | <u>(25,500)</u> |
| Net change in fund balance                           | <u>70,400</u>      | <u>(72)</u>        | <u>(70,472)</u>   | <u>(15,669)</u>  | <u>471</u>       | <u>16,140</u>   |
| Fund balances--beginning                             | <u>10,143</u>      | <u>10,143</u>      |                   | <u>31,583</u>    | <u>31,583</u>    |                 |
| Fund balances--ending                                | <u>\$80,543</u>    | <u>\$10,071</u>    | <u>(\$70,472)</u> | <u>\$15,914</u>  | <u>\$32,054</u>  | <u>\$16,140</u> |

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

|  | Special Safety Grants & Programs |                    |                  | Total              |                    |                  |
|--|----------------------------------|--------------------|------------------|--------------------|--------------------|------------------|
|  | Final Budget                     | Actual             | Variance         | Final Budget       | Actual             | Variance         |
| REVENUES   |                                  |                    |                  |                    |                    |                  |
| Property taxes                                       |                                  |                    |                  | \$462,000          | \$462,124          | \$124            |
| Intergovernmental revenue                            | \$1,992,340                      | \$963,935          | (\$1,028,405)    | 2,305,340          | 1,283,324          | (1,022,016)      |
| Charges for services                                 |                                  |                    |                  | 19,000             | 18,348             | (652)            |
| Fines and forfeits                                   | 421,000                          | 670,792            | 249,792          | 421,000            | 670,792            | 249,792          |
| Investment earnings                                  | 30,000                           | 103,258            | 73,258           | 65,000             | 135,457            | 70,457           |
| Refunds and reimbursements                           | 1,000                            | 795                | (205)            | 1,000              | 795                | (205)            |
| Miscellaneous  | 108,000                          | 98,982             | (9,018)          | 108,000            | 98,982             | (9,018)          |
| Total revenues                                       | <u>2,552,340</u>                 | <u>1,837,762</u>   | <u>(714,578)</u> | <u>3,381,340</u>   | <u>2,669,822</u>   | <u>(711,518)</u> |
| EXPENDITURES   |                                  |                    |                  |                    |                    |                  |
| Current:   |                                  |                    |                  |                    |                    |                  |
| General government                                   | 2,079,705                        | 1,098,193          | 981,512          | 2,287,674          | 1,247,862          | 1,039,812        |
| Police   | 647,417                          | 288,095            | 359,322          | 2,617,317          | 2,230,002          | 387,315          |
| Fire   | 17,865                           | 16,865             | 1,000            | 17,865             | 16,865             | 1,000            |
| Public works   |                                  |                    |                  | 185,000            | 153,878            | 31,122           |
| Leisure services                                     | 20,000                           | 9,987              | 10,013           | 20,000             | 9,987              | 10,013           |
| Capital improvements                                 | 566,570                          | 454,224            | 112,346          | 720,960            | 509,888            | 211,072          |
| Total expenditures                                   | <u>3,331,557</u>                 | <u>1,867,364</u>   | <u>1,464,193</u> | <u>5,848,816</u>   | <u>4,168,482</u>   | <u>1,680,334</u> |
| Excess (deficiency) of revenues<br>over expenditures | (779,217)                        | (29,602)           | 749,615          | (2,467,476)        | (1,498,660)        | 968,816          |
| OTHER FINANCING SOURCES (USES)                       |                                  |                    |                  |                    |                    |                  |
| Transfers in   | 1,925                            | 1,925              | 0                | 1,949,225          | 1,745,525          | (203,700)        |
| Net change in fund balance                           | (777,292)                        | (27,677)           | 749,615          | (518,251)          | 246,865            | 765,116          |
| Fund balances--beginning                             | 3,743,801                        | 3,743,801          |                  | 4,419,105          | 4,419,105          |                  |
| Fund balances--ending                                | <u>\$2,966,509</u>               | <u>\$3,716,124</u> | <u>\$749,615</u> | <u>\$3,900,854</u> | <u>\$4,665,970</u> | <u>\$765,116</u> |

DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - SCHEDULE OF BUDGET AND ACTUAL (GAAP BUDGET)  
 FOR THE YEAR ENDED DECEMBER 31, 2024

|   | Final Budget              | Actual                    | Variance                 |
|---|---------------------------|---------------------------|--------------------------|
| REVENUES  |                           |                           |                          |
| Property taxes                                    | \$801,000                 | \$801,015                 | \$15                     |
| Intergovernmental revenue                         | 106,000                   | 105,925                   | (75)                     |
| Charges for services                              | 1,417,000                 | 1,369,106                 | (47,894)                 |
| Investment earnings                               | 124,000                   | 116,523                   | (7,477)                  |
| Refunds and reimbursements                        | 40,000                    | 40,000                    |                          |
| Total revenues                                    | <u>2,488,000</u>          | <u>2,432,569</u>          | <u>(55,431)</u>          |
| EXPENDITURES                                      |                           |                           |                          |
| Current:  |                           |                           |                          |
| General government                                | 77,000                    | 69,326                    | 7,674                    |
| Debt service:                                     |                           |                           |                          |
| Principal   | 2,144,768                 | 2,144,768                 |                          |
| Interest  | <u>574,826</u>            | <u>574,826</u>            |                          |
| Total expenditures                                | <u>2,796,594</u>          | <u>2,788,920</u>          | <u>7,674</u>             |
| Excess (deficiency) of revenues over expenditures | (308,594)                 | (356,351)                 | (47,757)                 |
| OTHER FINANCING SOURCES (USES)                    |                           |                           |                          |
| Transfers in                                      | 775,000                   | 774,300                   | (700)                    |
| Net change in fund balance                        | <u>466,406</u>            | <u>417,949</u>            | <u>(48,457)</u>          |
| Fund balances--beginning                          | <u>1,476,922</u>          | <u>1,476,922</u>          |                          |
| Fund balances--ending                             | <u><u>\$1,943,328</u></u> | <u><u>\$1,894,871</u></u> | <u><u>(\$48,457)</u></u> |

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

|   | Final Budget        | Actual              | Variance           |
|---|---------------------|---------------------|--------------------|
| REVENUES  |                     |                     |                    |
| Payments in lieu of taxes                         | \$355,000           | \$360,356           | \$5,356            |
| Intergovernmental revenue                         | 3,787,682           | 4,552,865           | 765,183            |
| Investment earnings                               | 490,000             | 531,643             | 41,643             |
| Special assessments                               | 777,000             | 776,292             | (708)              |
| Refunds and reimbursements                        | 20,000              | 22,631              | 2,631              |
| Total revenues                                    | <u>5,429,682</u>    | <u>6,243,787</u>    | <u>814,105</u>     |
| EXPENDITURES                                      |                     |                     |                    |
| Capital improvements                              | 15,365,075          | 12,168,707          | 3,196,368          |
| Total expenditures                                | <u>15,365,075</u>   | <u>12,168,707</u>   | <u>3,196,368</u>   |
| Excess (deficiency) of revenues over expenditures | (9,935,393)         | (5,924,920)         | 4,010,473          |
| OTHER FINANCING SOURCES (USES)                    |                     |                     |                    |
| Transfers in                                      | 5,341,000           | 4,165,288           | (1,175,712)        |
| Net change in fund balance                        | <u>(4,594,393)</u>  | <u>(1,759,632)</u>  | <u>2,834,761</u>   |
| Fund balances--beginning                          | 15,637,237          | 15,637,237          |                    |
| Fund balances--ending                             | <u>\$11,042,844</u> | <u>\$13,877,605</u> | <u>\$2,834,761</u> |

CAPITAL PROJECTS FUND  
DETAILED SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BUDGET)  
FOR THE YEAR ENDED DECEMBER 31, 2024

---

|                               | Final Budget        | Actual              | Variance           |
|-------------------------------|---------------------|---------------------|--------------------|
| Capital improvements:         |                     |                     |                    |
| Traffic controls              | \$363,537           | \$335,619           | \$27,918           |
| Street construction           | 9,248,740           | 7,416,979           | 1,831,761          |
| Drainage                      | 1,689,019           | 1,582,989           | 106,030            |
| Parks and recreation          | 2,876,790           | 2,093,864           | 782,926            |
| Tree planting and landscaping | 303,820             | 188,314             | 115,506            |
| Other                         | 883,169             | 550,942             | 332,227            |
| Total capital projects fund   | <u>\$15,365,075</u> | <u>\$12,168,707</u> | <u>\$3,196,368</u> |

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2024

|  | Administrative<br>Operations | Health<br>Insurance | Totals      |
|--|------------------------------|---------------------|-------------|
| ASSETS   |                              |                     |             |
| Current Assets:  |                              |                     |             |
| Pooled cash and investments                                | \$893,943                    | \$5,494,519         | \$6,388,462 |
| Accounts receivable  | 1,967                        | 21,197              | 23,164      |
| Due from other governments                                 | 88                           |                     | 88          |
| Prepaid items  | 11,691                       |                     | 11,691      |
| Inventory  | 329,315                      |                     | 329,315     |
| Total current assets                                       | 1,237,004                    | 5,515,716           | 6,752,720   |
| Noncurrent Assets:   |                              |                     |             |
| Net OPEB Asset   | 142,672                      |                     | 142,672     |
| Capital assets:  |                              |                     |             |
| Buildings and improvements                                 | 1,003,515                    |                     | 1,003,515   |
| Machinery and equipment                                    | 4,006,676                    |                     | 4,006,676   |
| Less: Accumulated depreciation                             | (3,387,696)                  |                     | (3,387,696) |
| Total noncurrent assets                                    | 1,765,167                    |                     | 1,765,167   |
| Total assets   | 3,002,171                    | 5,515,716           | 8,517,887   |
| DEFERRED OUTFLOWS OF RESOURCES                             |                              |                     |             |
| Pensions and OPEB  | 1,393,384                    |                     | 1,393,384   |
| Total deferred outflows                                    | 1,393,384                    |                     | 1,393,384   |
| LIABILITIES  |                              |                     |             |
| Current Liabilities:                                       |                              |                     |             |
| Accounts payable   | 106,869                      | 15,635              | 122,504     |
| Accrued payroll  | 198,376                      |                     | 198,376     |
| Accrued health claims                                      |                              | 1,058,185           | 1,058,185   |
| Total current liabilities                                  | 305,245                      | 1,073,820           | 1,379,065   |
| Noncurrent liabilities:                                    |                              |                     |             |
| Accrued vacation and sick benefits due within 1 year       | 261,903                      |                     | 261,903     |
| Accrued vacation and sick benefits due in more than 1 year | 765,170                      |                     | 765,170     |
| Net pension and OPEB liability                             | 4,024,493                    |                     | 4,024,493   |
| Total noncurrent liabilities                               | 5,051,566                    |                     | 5,051,566   |
| Total liabilities  | 5,356,811                    | 1,073,820           | 6,430,631   |
| DEFERRED INFLOWS OF RESOURCES                              |                              |                     |             |
| Pensions and OPEB  | 83,277                       |                     | 83,277      |
| Total deferred inflows                                     | 83,277                       |                     | 83,277      |
| NET POSITION   |                              |                     |             |
| Net investment in capital assets                           | 1,622,495                    |                     | 1,622,495   |
| Restricted for OPEB benefits                               | 142,672                      |                     | 142,672     |
| Unrestricted   | (2,809,700)                  | 4,441,896           | 1,632,196   |
| Total net position   | (\$1,044,533)                | \$4,441,896         | \$3,397,363 |



**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|   | Administrative<br>Operations | Health<br>Insurance | Totals       |
|---|------------------------------|---------------------|--------------|
| OPERATING REVENUES                              |                              |                     |              |
| Charges for services                            | \$7,288,545                  | \$9,481,929         | \$16,770,474 |
| Total operating revenues                        | 7,288,545                    | 9,481,929           | 16,770,474   |
| OPERATING EXPENSES                              |                              |                     |              |
| Personal services                               | 3,964,673                    |                     | 3,964,673    |
| Repairs and maintenance                         | 1,468,421                    |                     | 1,468,421    |
| Contractual services                            | 1,171,876                    | 10,696,739          | 11,868,615   |
| Other materials and expenses                    | 598,286                      |                     | 598,286      |
| Depreciation                                    | 304,465                      |                     | 304,465      |
| Total operating expenses                        | 7,507,721                    | 10,696,739          | 18,204,460   |
| Operating income (loss)                         | (219,176)                    | (1,214,810)         | (1,433,986)  |
| NONOPERATING REVENUES (EXPENSES)                |                              |                     |              |
| Investment earnings                             | 66,617                       | 290,041             | 356,658      |
| Change in net position                          | (152,559)                    | (924,769)           | (1,077,328)  |
| Total net position--beginning                   | (140,633)                    | 5,366,665           | 5,226,032    |
| Restatement for change in accounting principles | (751,341)                    |                     | (751,341)    |
| Net position--beginning, as restated            | (891,974)                    | 5,366,665           | 4,474,691    |
| Total net position--ending                      | (\$1,044,533)                | \$4,441,896         | \$3,397,363  |

INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2024  
 Increase (Decrease) in cash

|  | Administrative<br>Operations | Health<br>Insurance | Totals        |
|--|------------------------------|---------------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES   |                              |                     |               |
| Cash received for services   | \$7,281,088                  | \$9,492,486         | \$16,773,574  |
| Cash paid to suppliers for goods or services   | (3,272,609)                  | (10,556,426)        | (13,829,035)  |
| Cash paid to employees for services  | (3,936,921)                  |                     | (3,936,921)   |
| Net cash provided (used) by operating activities   | 71,558                       | (1,063,940)         | (992,382)     |
| CASH FLOWS FROM CAPITAL AND RELATED<br>FINANCING ACTIVITIES  |                              |                     |               |
| Acquisition of capital assets  | (626,292)                    |                     | (626,292)     |
| Sale of capital assets   | 10,937                       |                     | 10,937        |
| Net cash provided (used) by capital and related financing activities                                     | (615,355)                    |                     | (615,355)     |
| CASH FLOWS FROM INVESTING ACTIVITIES   |                              |                     |               |
| Investment earnings  | 66,617                       | 290,041             | 356,658       |
| Net cash provided (used) by investing activities   | 66,617                       | 290,041             | 356,658       |
| Net increase (decrease) in cash  | (477,180)                    | (773,899)           | (1,251,079)   |
| Cash at beginning of year  | 1,371,123                    | 6,268,418           | 7,639,541     |
| Cash at end of year  | \$893,943                    | \$5,494,519         | \$6,388,462   |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br>CASH PROVIDED (USED) BY OPERATING ACTIVITIES         |                              |                     |               |
| Operating income (loss)  | (\$219,176)                  | (\$1,214,810)       | (\$1,433,986) |
| Adjustments to reconcile operating income (loss) to net<br>cash provided (used) by operating activities: |                              |                     |               |
| Depreciation   | 304,465                      |                     | 304,465       |
| (Increase) decrease in receivables   | (121)                        | 10,557              | 10,436        |
| (Increase) decrease in prepaids  | 10,951                       |                     | 10,951        |
| (Increase) decrease in inventories   | (1,569)                      |                     | (1,569)       |
| (Increase) decrease in net OPEB asset  | (142,672)                    |                     | (142,672)     |
| (Increase) decrease in deferred outflows - pension and OPEB  | 761,090                      |                     | 761,090       |
| Increase (decrease) in accounts payable  | (43,408)                     | 10,783              | (32,625)      |
| Increase (decrease) in accrued payroll   | 16,806                       |                     | 16,806        |
| Increase (decrease) in accrued health claims   |                              | 129,530             | 129,530       |
| Increase (decrease) in accrued vacation and sick benefits  | (59,031)                     |                     | (59,031)      |
| Increase (decrease) in net pension and OPEB liability  | (594,823)                    |                     | (594,823)     |
| Increase (decrease) in deferred inflows - pension and OPEB   | 46,382                       |                     | 46,382        |
| Net increase (decrease) in other operating net position  | (7,336)                      |                     | (7,336)       |
| Net cash provided (used) by operating activities   | \$71,558                     | (\$1,063,940)       | (\$992,382)   |

**CUSTODIAL FUNDS****COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

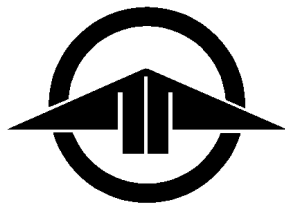
|   | Municipal<br>Court | Tactical Crime<br>Suppression unit | Miscellaneous  | Totals           |
|---|--------------------|------------------------------------|----------------|------------------|
| <b>ASSETS</b>                                     |                    |                                    |                |                  |
| Pooled cash and investments                       |                    | \$9,241                            | \$7,752        | \$16,993         |
| Investments with fiscal agent, at fair value:     |                    |                                    |                |                  |
| Other investments                                 | \$167,141          |                                    |                | 167,141          |
| Total assets                                      | 167,141            | 9,241                              | 7,752          | 184,134          |
| <b>LIABILITIES</b>                                |                    |                                    |                |                  |
| Accounts payable                                  |                    |                                    |                |                  |
| Total liabilities                                 | 0                  | 0                                  | 0              | 0                |
| <b>NET POSITION</b>                               |                    |                                    |                |                  |
| Restricted for:                                   |                    |                                    |                |                  |
| Individuals, organizations, and other governments | 167,141            | 9,241                              | 7,752          | 184,134          |
| Total net position                                | <u>\$167,141</u>   | <u>\$9,241</u>                     | <u>\$7,752</u> | <u>\$184,134</u> |

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

|                               | Municipal<br>Court | Tactical Crime<br>Suppression unit | Miscellaneous  | Totals           |
|-------------------------------|--------------------|------------------------------------|----------------|------------------|
| <b>ADDITIONS</b>              |                    |                                    |                |                  |
| Municipal court collections   | \$1,985,921        |                                    |                | \$1,985,921      |
| Investment earnings           |                    | \$368                              |                | 368              |
| Intergovernmental revenue     |                    | 8,873                              |                | 8,873            |
| Moneys held for others        |                    |                                    | \$62,056       | 62,056           |
| Total additions               | 1,985,921          | 9,241                              | 62,056         | 2,057,218        |
| <b>DEDUCTIONS</b>             |                    |                                    |                |                  |
| Municipal court disbursements | 1,991,963          |                                    |                | 1,991,963        |
| Miscellaneous payments        |                    |                                    | 62,391         | 62,391           |
| Total deductions              | 1,991,963          | 0                                  | 62,391         | 2,054,354        |
| Change in net position        | (6,042)            | 9,241                              | (335)          | 2,864            |
| Net position--beginning       | 173,183            | 0                                  | 8,087          | 181,270          |
| Net position--ending          | <u>\$167,141</u>   | <u>\$9,241</u>                     | <u>\$7,752</u> | <u>\$184,134</u> |

DEBT SCHEDULE  
DECEMBER 31, 2024

| PURPOSE                            | Schedule of Bonds and Notes |                  |                  |                  | Amount<br>Outstanding | Payments Due in 2025 |                  |
|------------------------------------|-----------------------------|------------------|------------------|------------------|-----------------------|----------------------|------------------|
|                                    | Date<br>Issued              | Interest<br>Rate | Maturity<br>Date | Amount<br>Issued |                       | Principal            | Interest         |
| General Obligation Bonds:          |                             |                  |                  |                  |                       |                      |                  |
| Recreation & parks refunding       | 12/17/2019                  | 2.12-2.66        | 12/1/2028        | 6,825,000        | 3,215,000             | 780,000              | 68,158           |
| Rec & parks refunding premium      |                             |                  |                  |                  | 36,475                |                      |                  |
| Fire station improvement           | 2/4/2015                    | 1.0-4.0          | 12/1/2034        | 15,500,000       | 8,905,000             | 760,000              | 292,450          |
| Fire station improvement premium   |                             |                  |                  |                  | 103,510               |                      |                  |
| Police station improvement         | 2/12/2020                   | 2.0-3.0          | 12/1/2039        | 8,300,000        | 6,530,000             | 365,000              | 146,550          |
| Police station improvement premium |                             |                  |                  |                  | 279,981               |                      |                  |
| Total general obligation bonds     |                             |                  |                  |                  | <u>19,069,966</u>     | <u>1,905,000</u>     | <u>507,158</u>   |
| Notes from Direct Borrowings:      |                             |                  |                  |                  |                       |                      |                  |
| Ohio public works commission:      |                             |                  |                  |                  |                       |                      |                  |
| Ridgeway Bridge                    | 12/31/2021                  | 0.00             | 7/1/2052         | 238,110          | <u>218,268</u>        | <u>7,937</u>         | <u>0</u>         |
| Total notes from Direct Borrowings |                             |                  |                  |                  | <u>218,268</u>        | <u>7,937</u>         | <u>0</u>         |
| Lease - equipment                  | 2/1/2024                    | 4.0              | 2/1/2028         | 1,623,006        | 1,298,405             | 285,649              | 51,936           |
| Total                              |                             |                  |                  |                  | <u>\$20,586,639</u>   | <u>\$2,198,586</u>   | <u>\$559,094</u> |



CITY OF KETTERING

## STATISTICAL SECTION

This part of the City of Kettering's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

| <b><u>Category</u></b>  | <b><u>Schedule #s</u></b> |
|---|---------------------------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.  | <b>1, 2, 3 &amp; 4</b>    |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.  | <b>5 &amp; 6</b>          |
| <b>Debt Capacity</b><br>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | <b>7 &amp; 8</b>          |
| <b>Economic and Demographic Information</b><br>These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.         | <b>9 &amp; 10</b>         |
| <b>Operating Information</b><br>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.     | <b>11, 12 &amp; 13</b>    |

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

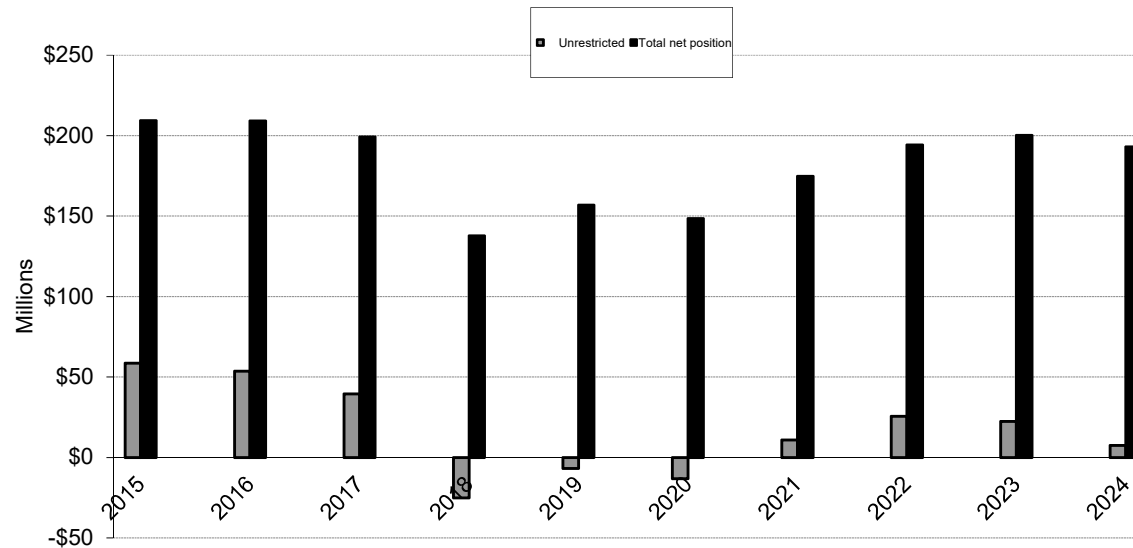
## NET POSITION BY CATEGORY

LAST TEN YEARS (*accrual basis of accounting*)

|                                  | Year                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 |
| Governmental activities          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets | \$145,786,739        | \$150,978,928        | \$154,876,124        | \$157,924,500        | \$158,460,521        | \$156,490,367        | \$158,809,317        | \$163,239,185        | \$170,773,444        | \$176,575,494        |
| Restricted for:                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Debt service                     | 1,116,296            | 1,084,375            | 1,024,676            | 1,069,750            | 1,149,303            | 1,009,652            | 763,930              | 974,033              | 1,476,922            | 1,894,871            |
| Social services                  | 1,394,703            | 1,219,193            | 1,303,652            | 1,286,271            | 1,283,651            | 1,295,870            | 1,262,524            | 1,263,806            | 1,244,729            | 1,341,724            |
| Public safety                    | 516,345              | 432,816              | 316,753              | 380,171              | 396,502              | 617,368              | 358,083              | 450,490              | 1,309,784            | 1,974,672            |
| Leisure services                 | 54,890               | 52,356               | 57,939               | 49,820               | 47,492               | 47,636               | 53,099               | 31,183               | 39,327               | 106,655              |
| Municipal court activities       | 1,681,096            | 1,744,044            | 1,872,578            | 1,902,002            | 2,040,842            | 2,100,105            | 2,242,334            | 2,345,709            | 2,436,986            | 2,163,465            |
| Other purposes                   | 209,169              | 96,706               | 139,230              | 186,229              | 275,921              | 129,349              | 200,508              | 319,692              | 327,448              | 1,467,749            |
| Unrestricted                     | 58,559,952           | 53,535,178           | 39,557,527           | (25,181,828)         | (6,774,552)          | (13,294,368)         | 10,916,922           | 25,624,184           | 22,432,810           | 7,432,095            |
| Total net position               | <u>\$209,319,190</u> | <u>\$209,143,596</u> | <u>\$199,148,479</u> | <u>\$137,616,915</u> | <u>\$156,879,680</u> | <u>\$148,395,979</u> | <u>\$174,606,717</u> | <u>\$194,248,282</u> | <u>\$200,041,450</u> | <u>\$192,956,725</u> |

**Note:** Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the city.

Net Position (accrual basis)



# CITY OF KETTERING, OHIO

## SCHEDULE 2

### CHANGES IN NET POSITION

#### LAST TEN YEARS (*accrual basis of accounting*)

|   | 2015         | 2016         | 2017          | 2018           | 2019         | 2020          | 2021         | 2022         | 2023         | 2024         |
|---|--------------|--------------|---------------|----------------|--------------|---------------|--------------|--------------|--------------|--------------|
| <b>Expenses</b>                             |              |              |               |                |              |               |              |              |              |              |
| General government                          | \$15,594,623 | \$15,634,860 | \$17,835,211  | \$19,692,377   | \$21,602,096 | \$24,037,345  | \$9,704,349  | \$15,614,898 | \$19,384,399 | \$17,548,433 |
| Police                                      | 15,855,597   | 17,158,438   | 15,327,428    | 19,660,703     | 4,716,597    | 20,021,648    | 16,306,176   | 17,197,584   | 21,102,681   | 21,608,072   |
| Fire  | 12,238,987   | 14,562,573   | 19,797,057    | 18,131,408     | 1,891,292    | 18,873,721    | 16,593,315   | 17,353,256   | 20,010,928   | 20,673,818   |
| Public works                                | 14,824,412   | 14,974,876   | 17,497,488    | 16,800,509     | 18,628,436   | 17,479,111    | 12,105,718   | 15,164,725   | 16,043,550   | 17,512,843   |
| Leisure services                            | 15,228,586   | 17,396,893   | 19,179,484    | 18,619,650     | 20,869,470   | 10,962,952    | 10,385,194   | 15,768,213   | 17,670,973   | 19,357,438   |
| Interest on long term debt                  | 928,772      | 840,510      | 799,738       | 745,258        | 593,985      | 679,438       | 663,177      | 618,019      | 571,792      | 847,595      |
| Total expenses                              | 74,670,977   | 80,568,150   | 90,436,406    | 93,649,905     | 68,301,876   | 92,054,215    | 65,757,929   | 81,716,695   | 94,784,323   | 97,548,199   |
| <b>Program Revenues</b>                     |              |              |               |                |              |               |              |              |              |              |
| Charges for services:                       |              |              |               |                |              |               |              |              |              |              |
| General government                          | 2,676,780    | 2,600,210    | 2,585,743     | 2,607,383      | 2,419,396    | 1,750,293     | 2,158,087    | 2,447,010    | 2,310,392    | 2,432,980    |
| Fire  | 1,604,628    | 1,618,549    | 1,188,940     | 1,402,403      | 1,556,348    | 1,293,257     | 1,248,690    | 1,587,952    | 2,405,140    | 2,479,325    |
| Leisure services                            | 7,523,924    | 8,187,761    | 6,928,426     | 7,494,332      | 8,038,621    | 1,187,103     | 4,646,071    | 6,537,868    | 6,216,198    | 6,493,705    |
| Other activities                            | 38,660       | 37,977       | 47,917        | 49,219         | 38,950       | 44,871        | 33,768       | 30,021       | 33,935       | 28,078       |
| Operating grants and contributions          | 2,188,592    | 1,712,929    | 1,516,856     | 1,556,208      | 1,446,630    | 4,884,548     | 5,803,679    | 18,812,167   | 4,693,781    | 3,796,521    |
| Capital grants and contributions:           |              |              |               |                |              |               |              |              |              |              |
| Public works                                | 1,290,531    | 3,950,236    | 4,052,442     | 1,871,684      | 4,050,782    | 3,026,141     | 6,315,739    | 2,783,143    | 3,934,701    | 3,715,632    |
| Other activities                            | 26,296       | 20,815       | 0             | 0              | 0            | 0             | 0            | 614,916      | 1,369,665    | 0            |
| Total program revenues                      | 15,349,411   | 18,128,477   | 16,320,324    | 14,981,229     | 17,550,727   | 12,186,213    | 20,206,034   | 32,813,077   | 20,963,812   | 18,946,241   |
| <b>Net (Expense)/Revenue <sup>1</sup></b>   |              |              |               |                |              |               |              |              |              |              |
| General government                          | (11,520,415) | (11,958,063) | (14,396,714)  | (16,138,968)   | (18,392,872) | (20,873,001)  | (5,363,425)  | 4,704,382    | (13,241,998) | (13,805,928) |
| Police                                      | (15,802,411) | (17,124,082) | (15,254,234)  | (19,623,316)   | (4,648,370)  | (19,983,855)  | (16,214,421) | (17,121,010) | (20,982,308) | (21,469,415) |
| Fire  | (10,600,358) | (12,941,202) | (18,604,992)  | (16,713,639)   | (294,184)    | (14,227,627)  | (15,286,769) | (15,765,304) | (17,602,067) | (18,179,503) |
| Public works                                | (13,511,013) | (11,009,852) | (13,427,286)  | (14,907,715)   | (14,561,904) | (14,436,030)  | (5,769,219)  | (12,350,157) | (12,090,449) | (12,619,932) |
| Leisure services                            | (6,958,597)  | (8,565,964)  | (11,633,118)  | (10,539,780)   | (12,259,834) | (9,668,051)   | (2,254,884)  | (7,753,510)  | (9,331,897)  | (11,679,585) |
| Interest on long term debt                  | (928,772)    | (840,510)    | (799,738)     | (745,258)      | (593,985)    | (679,438)     | (663,177)    | (618,019)    | (571,792)    | (847,595)    |
| Total net expense                           | (59,321,566) | (62,439,673) | (74,116,082)  | (78,668,676)   | (50,751,149) | (79,868,002)  | (45,551,895) | (48,903,618) | (73,820,511) | (78,601,958) |
| <b>General Revenues</b>                     |              |              |               |                |              |               |              |              |              |              |
| Taxes                                       |              |              |               |                |              |               |              |              |              |              |
| Income taxes                                | 44,596,261   | 47,782,561   | 48,736,262    | 47,490,344     | 51,649,781   | 51,868,398    | 52,995,180   | 51,551,516   | 57,184,421   | 55,890,034   |
| Property taxes, levied for general purposes | 5,585,311    | 5,672,208    | 5,645,036     | 6,134,096      | 6,191,991    | 6,234,165     | 7,057,204    | 7,164,946    | 7,746,406    | 8,920,623    |
| Property taxes, levied for debt service     | 735,848      | 747,707      | 744,124       | 808,535        | 816,126      | 696,862       | 741,757      | 753,097      | 788,843      | 788,615      |
| Other taxes                                 | 3,897,584    | 3,771,345    | 3,713,967     | 3,745,264      | 4,644,136    | 5,359,373     | 5,313,510    | 5,410,629    | 5,487,220    | 7,173,634    |
| Investment earnings                         | 651,249      | 1,038,317    | 1,022,835     | 1,539,998      | 2,156,124    | 942,849       | (139,391)    | (436,767)    | 4,622,953    | 4,841,967    |
| Refunds & reimbursements                    | 1,798,358    | 1,736,932    | 2,321,113     | 2,108,651      | 2,144,554    | 3,606,048     | 1,803,150    | 2,209,675    | 1,826,369    | 2,095,953    |
| Miscellaneous                               | 1,576,009    | 1,515,009    | 1,937,628     | 3,181,128      | 2,411,202    | 2,676,606     | 3,991,223    | 1,892,087    | 1,957,467    | 909,066      |
| Total general revenues                      | 58,840,620   | 62,264,079   | 64,120,965    | 65,008,016     | 70,013,914   | 71,384,301    | 71,762,633   | 68,545,183   | 79,613,679   | 80,619,892   |
| <b>Change in Net Position</b>               | (\$480,946)  | (\$175,594)  | (\$9,995,117) | (\$13,660,660) | \$19,262,765 | (\$8,483,701) | \$26,210,738 | \$19,641,565 | \$5,793,168  | \$2,017,934  |

(1) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

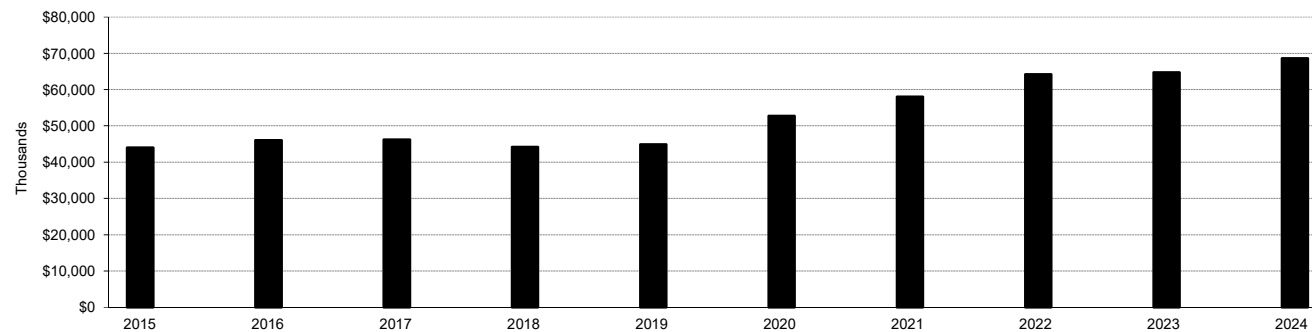


## FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS (modified accrual basis of accounting)

|                                    | Year                |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                |
| General Fund                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Nonspendable                       | \$1,458,395         | \$3,018,822         | \$6,685,095         | \$5,827,996         | \$6,795,622         | \$3,298,249         | \$3,094,380         | \$3,626,627         | \$3,294,624         | \$2,775,201         |
| Committed                          | 5,758,268           | 4,676,778           | 1,997,648           | 2,285,698           | 1,788,495           | 2,337,810           | 3,286,123           | 4,767,761           | 6,772,569           | 6,547,763           |
| Assigned                           | 5,752,730           | 5,056,600           | 5,689,530           | 6,492,300           | 2,644,380           | 3,479,850           | 5,517,750           | 18,046,004          | 3,726,760           | 5,632,470           |
| Unassigned                         | 31,021,920          | 33,259,603          | 31,806,730          | 29,530,825          | 33,574,751          | 43,612,117          | 46,084,805          | 37,686,009          | 50,896,339          | 53,571,488          |
| Total general fund                 | <u>\$43,991,313</u> | <u>\$46,011,803</u> | <u>\$46,179,003</u> | <u>\$44,136,819</u> | <u>\$44,803,248</u> | <u>\$52,728,026</u> | <u>\$57,983,058</u> | <u>\$64,126,401</u> | <u>\$64,690,292</u> | <u>\$68,526,922</u> |
| All Other Governmental Funds       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Nonspendable, reported in:         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Special revenue funds              | \$260,042           | \$304,729           | \$239,859           | \$197,556           | \$328,091           | \$561,378           | \$192,249           | \$197,722           | \$252,406           | \$680,099           |
| Restricted, reported in:           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Special revenue funds              | 3,657,802           | 3,271,410           | 3,421,958           | 3,699,296           | 3,840,713           | 3,668,264           | 3,835,288           | 4,121,396           | 4,379,236           | 4,398,083           |
| Debt service fund                  | 1,116,296           | 1,084,375           | 1,024,676           | 1,069,750           | 1,149,303           | 1,009,652           | 763,930             | 974,033             | 1,476,922           | 1,894,871           |
| Capital project fund               | 5,519,305           | 59,300              |                     |                     |                     | 292,647             |                     |                     |                     |                     |
| Committed, reported in:            |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Special revenue funds              | 4,970,215           | 4,829,640           | 3,200,811           | 3,645,993           | 3,790,799           | 2,927,392           | 6,297,964           | 6,422,736           | 6,325,152           | 5,819,787           |
| Capital project fund               | 47,224,420          | 41,227,972          | 35,927,245          | 29,056,422          | 25,905,092          | 22,895,148          | 20,977,803          | 20,125,669          | 15,637,237          | 13,877,605          |
| Unassigned, reported in:           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Special revenue funds              |                     |                     |                     |                     |                     |                     |                     |                     | (42,953)            | (201,152)           |
| Total all other governmental funds | <u>\$62,748,080</u> | <u>\$50,777,426</u> | <u>\$43,814,549</u> | <u>\$37,669,017</u> | <u>\$35,013,998</u> | <u>\$31,354,481</u> | <u>\$32,067,234</u> | <u>\$31,841,556</u> | <u>\$28,028,000</u> | <u>\$26,469,293</u> |

General Fund Balance

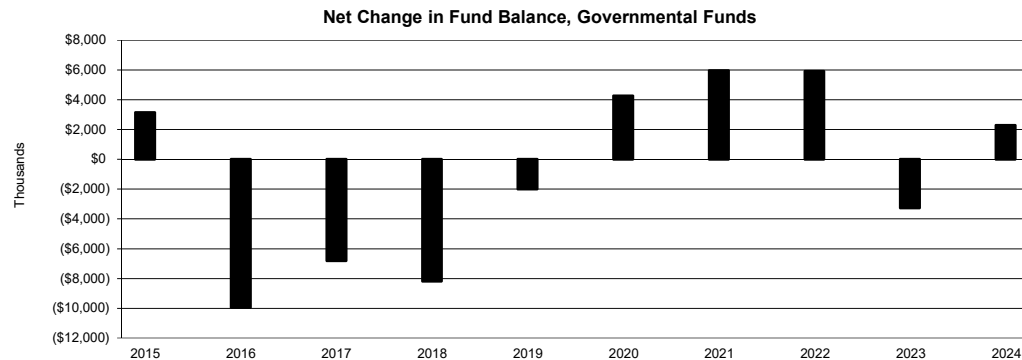


# CITY OF KETTERING, OHIO

## SCHEDULE 4

### CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS (*modified accrual basis of accounting*)

|   | 2015               | 2016                 | 2017                 | 2018                 | 2019                 | 2020               | 2021               | 2022               | 2023                 | 2024               |
|---|--------------------|----------------------|----------------------|----------------------|----------------------|--------------------|--------------------|--------------------|----------------------|--------------------|
| <b>REVENUES</b>   |                    |                      |                      |                      |                      |                    |                    |                    |                      |                    |
| Income taxes  | \$44,120,027       | \$46,876,012         | \$48,734,275         | \$47,663,176         | \$51,507,371         | \$51,818,582       | \$53,952,954       | \$51,813,169       | \$55,355,011         | \$55,321,854       |
| Property taxes  | 6,321,159          | 6,419,914            | 6,389,161            | 6,942,631            | 7,008,116            | 6,931,027          | 7,798,961          | 7,918,043          | 8,031,249            | 10,033,238         |
| Licenses and permits                                    | 716,026            | 639,347              | 605,589              | 751,369              | 762,716              | 486,764            | 580,220            | 743,782            | 747,880              | 632,608            |
| Intergovernmental revenue                               | 6,783,492          | 8,701,687            | 8,372,958            | 6,643,809            | 8,925,688            | 12,550,337         | 17,073,200         | 27,064,182         | 14,244,058           | 12,592,867         |
| Charges for services                                    | 9,370,812          | 9,978,265            | 8,638,316            | 9,223,695            | 9,727,383            | 2,600,875          | 6,013,786          | 8,254,580          | 8,181,038            | 8,468,556          |
| Fines and forfeits                                      | 1,732,868          | 1,719,753            | 1,771,799            | 1,662,274            | 1,522,604            | 1,127,622          | 1,477,978          | 1,578,648          | 1,584,304            | 1,897,349          |
| Investment earnings                                     | 651,249            | 1,038,318            | 1,022,836            | 1,539,999            | 2,156,124            | 942,849            | (139,392)          | (436,766)          | 4,622,952            | 4,841,967          |
| Special assessments                                     | 1,015,407          | 1,080,565            | 1,220,260            | 1,141,200            | 1,340,996            | 1,106,950          | 1,129,336          | 1,057,890          | 976,406              | 1,160,559          |
| Refunds and reimbursements                              | 2,497,078          | 2,386,191            | 2,997,010            | 2,853,118            | 2,574,769            | 4,629,801          | 2,650,445          | 3,026,735          | 2,892,241            | 2,785,466          |
| Miscellaneous   | 1,146,765          | 1,056,410            | 1,123,573            | 1,049,927            | 1,148,121            | 646,476            | 1,676,765          | 1,381,636          | 1,372,722            | 1,695,324          |
| Total revenues  | <u>74,354,883</u>  | <u>79,896,462</u>    | <u>80,875,777</u>    | <u>79,471,198</u>    | <u>86,673,888</u>    | <u>82,841,283</u>  | <u>92,214,253</u>  | <u>102,401,899</u> | <u>98,007,861</u>    | <u>99,429,788</u>  |
| <b>EXPENDITURES</b>                                     |                    |                      |                      |                      |                      |                    |                    |                    |                      |                    |
| <b>Current:</b>   |                    |                      |                      |                      |                      |                    |                    |                    |                      |                    |
| General government                                      | 14,845,101         | 14,057,455           | 14,866,775           | 16,807,608           | 16,642,473           | 19,341,949         | 16,368,134         | 18,705,887         | 19,303,512           | 16,551,434         |
| Police  | 16,152,056         | 16,408,363           | 16,400,519           | 16,696,824           | 17,032,229           | 16,833,060         | 17,767,620         | 18,278,396         | 18,973,428           | 21,816,043         |
| Fire  | 12,324,248         | 12,709,452           | 14,301,238           | 14,656,578           | 14,414,999           | 15,334,053         | 15,309,972         | 17,128,794         | 16,554,204           | 18,434,803         |
| Public works  | 9,664,515          | 9,365,153            | 9,559,765            | 9,610,546            | 9,738,693            | 8,868,568          | 8,979,776          | 9,585,615          | 10,339,532           | 10,628,313         |
| Leisure services  | 13,727,146         | 15,247,453           | 14,576,209           | 14,995,154           | 16,337,811           | 9,467,195          | 12,825,929         | 15,889,562         | 15,292,226           | 16,123,144         |
| Capital improvements                                    | 18,193,929         | 20,114,999           | 16,332,880           | 14,276,797           | 13,200,639           | 15,653,697         | 14,127,409         | 14,126,617         | 18,175,697           | 12,726,060         |
| <b>Debt service:</b>                                    |                    |                      |                      |                      |                      |                    |                    |                    |                      |                    |
| Principal   | 1,440,945          | 1,547,660            | 1,587,541            | 1,633,580            | 1,684,645            | 2,167,396          | 2,116,357          | 2,166,263          | 2,183,180            | 2,469,369          |
| Interest  | 824,584            | 874,380              | 834,945              | 779,606              | 734,691              | 713,531            | 713,281            | 668,223            | 622,105              | 574,826            |
| Total expenditures                                      | <u>87,172,524</u>  | <u>90,324,915</u>    | <u>88,459,872</u>    | <u>89,456,693</u>    | <u>89,786,180</u>    | <u>88,379,449</u>  | <u>88,208,478</u>  | <u>96,549,357</u>  | <u>101,443,884</u>   | <u>99,323,992</u>  |
| Excess (deficiency) of revenues over expenditures       | (12,817,641)       | (10,428,453)         | (7,584,095)          | (9,985,495)          | (3,112,292)          | (5,538,166)        | 4,005,775          | 5,852,542          | (3,436,023)          | 105,796            |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                    |                      |                      |                      |                      |                    |                    |                    |                      |                    |
| Transfers in  | 17,163,833         | 14,561,565           | 17,159,382           | 17,136,977           | 17,366,791           | 11,818,597         | 15,503,521         | 22,880,204         | 21,013,334           | 17,774,713         |
| Transfers out   | (17,163,833)       | (14,561,565)         | (17,159,382)         | (17,136,977)         | (17,366,791)         | (11,818,597)       | (15,503,521)       | (22,880,204)       | (21,013,334)         | (17,774,713)       |
| Proceeds of debt issuance                               | 15,734,713         |                      |                      |                      | 65,621               | 8,673,308          | 238,111            |                    |                      | 1,623,006          |
| Sale of city assets                                     | 227,473            | 478,289              | 788,418              | 1,797,781            | 1,058,081            | 1,130,119          | 1,723,899          | 65,123             | 186,358              | 549,121            |
| Net change in fund balance                              | <u>\$3,144,545</u> | <u>(\$9,950,164)</u> | <u>(\$6,795,677)</u> | <u>(\$8,187,714)</u> | <u>(\$1,988,590)</u> | <u>\$4,265,261</u> | <u>\$5,967,785</u> | <u>\$5,917,665</u> | <u>(\$3,249,665)</u> | <u>\$2,277,923</u> |
| Debt service as a percentage of noncapital expenditures | 3.31%              | 3.42%                | 3.23%                | 3.13%                | 3.08%                | 3.95%              | 3.72%              | 3.43%              | 3.39%                | 3.67%              |

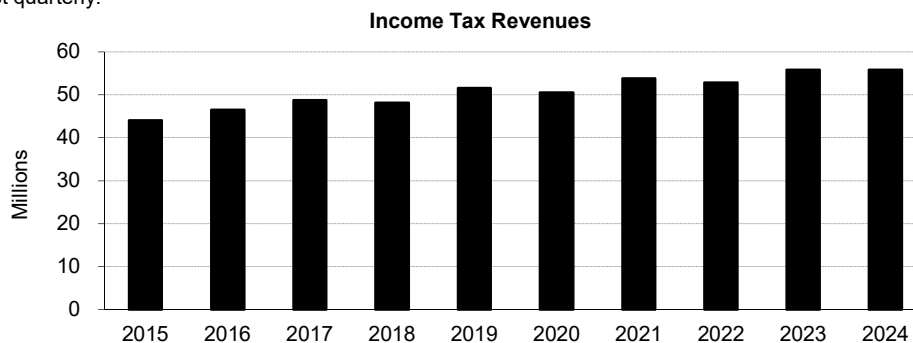


INCOME TAX BY PAYER TYPE AND INCOME TAX RATE  
LAST TEN YEARS (*cash basis of accounting*)

| Year | Individual  |                 | Total      | Corporate | Partnership | Total      | Income Tax Rate |
|------|-------------|-----------------|------------|-----------|-------------|------------|-----------------|
|      | Withholding | Non-withholding | Individual |           |             |            |                 |
| 2015 | 32,904,326  | 5,324,890       | 38,229,216 | 4,202,997 | 1,558,207   | 43,990,420 | 2.25%           |
| 2016 | 34,344,622  | 5,749,565       | 40,094,187 | 4,747,831 | 1,676,035   | 46,518,053 | 2.25%           |
| 2017 | 36,317,008  | 5,029,203       | 41,346,211 | 5,520,450 | 1,823,618   | 48,690,279 | 2.25%           |
| 2018 | 37,228,787  | 4,238,420       | 41,467,207 | 5,181,087 | 1,501,594   | 48,149,888 | 2.25%           |
| 2019 | 38,530,755  | 5,157,019       | 43,687,774 | 5,771,652 | 2,034,677   | 51,494,103 | 2.25%           |
| 2020 | 38,120,050  | 5,051,680       | 43,171,730 | 5,425,999 | 1,883,439   | 50,481,168 | 2.25%           |
| 2021 | 39,027,405  | 5,726,590       | 44,753,995 | 7,313,140 | 1,728,524   | 53,795,659 | 2.25%           |
| 2022 | 39,983,645  | 5,805,157       | 45,788,802 | 5,495,155 | 1,570,054   | 52,854,011 | 2.25%           |
| 2023 | 40,474,648  | 6,641,694       | 47,116,342 | 7,221,815 | 1,440,564   | 55,778,721 | 2.25%           |
| 2024 | 41,813,688  | 6,974,179       | 48,787,867 | 5,651,984 | 1,369,062   | 55,808,913 | 2.25%           |

Source: City of Kettering, Ohio, Finance Department

The City levies a 2.25% income tax on substantially all income earned within the City. Additional increases in the income tax rate require voter approval. City residents pay City income tax on income earned outside the City, however; a credit is allowed for income taxes paid to other municipalities. Employers within the City withhold income tax on employee compensation and remit at least quarterly.



## SCHEDULE 6

PERCENTAGES OF INCOME TAX BY PAYER TYPE FOR TOP TEN PAYERS  
CURRENT YEAR AND TEN YEARS AGO (*cash basis of accounting*)

|                    | 2024        |                 |            |           |             |            |
|--------------------|-------------|-----------------|------------|-----------|-------------|------------|
|                    | Individual  |                 | Total      | Corporate | Partnership | Total      |
|                    | Withholding | Non-withholding | Individual |           |             |            |
| Top Ten            | 17,238,987  | 151,875         | 17,390,862 | 2,707,230 | 626,321     | 20,724,413 |
| All Others         | 24,574,701  | 6,822,304       | 31,397,005 | 2,944,754 | 742,741     | 35,084,500 |
| Top Ten % of Total | 41.2%       | 2.2%            | 35.6%      | 47.9%     | 45.7%       | 37.1%      |

|                    | 2014        |                 |            |           |             |            |
|--------------------|-------------|-----------------|------------|-----------|-------------|------------|
|                    | Individual  |                 | Total      | Corporate | Partnership | Total      |
|                    | Withholding | Non-withholding | Individual |           |             |            |
| Top Ten            | 13,258,782  | 111,092         | 13,369,874 | 2,221,713 | 798,191     | 16,389,778 |
| All Others         | 17,977,970  | 4,726,418       | 22,704,388 | 1,324,578 | 822,843     | 24,851,809 |
| Top Ten % of Total | 42.4%       | 2.3%            | 37.1%      | 62.6%     | 49.2%       | 39.7%      |

Source: City of Kettering, Ohio, Finance Department

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of income tax by taxpayer.

# CITY OF KETTERING, OHIO

## SCHEDULE 7

### RATIOS OF OUTSTANDING DEBT BY TYPE AND LEGAL DEBT MARGINS - LAST TEN YEARS

|  | 2015         | 2016         | 2017         | 2018         | 2019          | 2020         | 2021          | 2022          | 2023          | 2024          |
|--|--------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|
| General Obligation Bonds   | \$26,325,000 | \$25,337,079 | \$23,876,912 | \$22,371,747 | \$20,786,469  | \$27,438,815 | \$25,417,853  | \$23,351,891  | \$21,235,929  | \$19,069,966  |
| Percent of estimated actual property value   | 0.83%        | 0.84%        | 0.79%        | 0.74%        | 0.64%         | 0.83%        | 0.77%         | 0.61%         | 0.56%         | 0.39%         |
| Per capita   | 469          | 451          | 425          | 398          | 370           | 489          | 439           | 404           | 367           | 330           |
| Lease Obligations  |              |              |              |              |               |              |               |               |               | 1,298,405     |
| Promissory Notes   | 1,236,548    | 1,073,888    | 916,347      | 757,767      | 598,122       | 405,725      | 502,478       | 356,215       | 243,036       | 218,268       |
| Total Gross Indebtedness   | 27,561,548   | 26,410,967   | 24,793,259   | 23,129,514   | 21,384,591    | 27,844,540   | 25,920,331    | 23,708,106    | 21,478,965    | 20,586,639    |
| Percentage of personal income  | 1.33%        | 1.21%        | 1.10%        | 1.03%        | 0.88%         | 1.16%        | 1.04%         | 0.93%         | 0.82%         | 0.76%         |
| Per capita   | 491          | 470          | 441          | 412          | 381           | 496          | 448           | 410           | 371           | 356           |
| Less debt outside limitations:   |              |              |              |              |               |              |               |               |               |               |
| Lease Obligations  |              |              |              |              |               |              |               |               |               | 1,298,405     |
| Promissory Notes   | 1,236,548    | 1,073,888    | 916,347      | 757,767      | 598,122       | 405,725      | 502,478       | 356,215       | 243,036       | 218,268       |
| Less debt service fund balance   | 1,116,296    | 1,084,375    | 1,024,676    | 1,069,750    | 1,149,303     | 1,009,652    | 763,930       | 974,033       | 1,476,922     | 1,894,871     |
| Net debt within limitations for both<br>Voted and Unvoted debt                               | 25,208,704   | 24,252,704   | 22,852,236   | 21,301,997   | 19,637,166    | 26,429,163   | 24,653,923    | 22,377,858    | 19,759,007    | 17,175,095    |
| Debt limitation for both Voted and Unvoted debt<br>10.5% of assessed valuation               | 111,440,775  | 111,308,207  | 111,698,952  | 119,810,981  | 121,128,614   | 122,057,309  | 140,873,034   | 140,512,373   | 140,826,487   | 180,425,490   |
| Legal debt margin for Voted and Unvoted debt   | \$86,232,071 | \$87,055,503 | \$88,846,716 | \$98,508,984 | \$101,491,448 | \$95,628,146 | \$116,219,111 | \$118,134,515 | \$121,067,480 | \$163,250,395 |
| Net debt within limitations for both Voted and<br>Unvoted debt as a percentage of debt limit | 22.62%       | 21.79%       | 20.46%       | 17.78%       | 16.21%        | 21.65%       | 17.50%        | 15.93%        | 14.03%        | 9.52%         |
| Net debt within limitations for both<br>Voted and Unvoted limitation                         | \$25,208,704 | \$24,252,704 | \$22,852,236 | \$21,301,997 | \$19,637,166  | \$26,429,163 | \$24,653,923  | \$22,377,858  | \$19,759,007  | \$17,175,095  |
| Less voted debt  | 9,160,000    | 8,763,145    | 8,181,157    | 7,574,170    | 6,907,070     | 6,207,951    | 5,498,832     | 4,769,713     | 4,020,594     | 3,251,475     |
| Net debt within limitations for Unvoted debt   | 16,048,704   | 15,489,559   | 14,671,079   | 13,727,827   | 12,730,096    | 20,221,212   | 19,155,091    | 17,608,145    | 15,738,413    | 13,923,620    |
| Debt limitation for Unvoted debt<br>5.5% of assessed valuation                               | 58,373,739   | 58,304,299   | 58,508,975   | 62,758,133   | 63,448,322    | 63,934,781   | 73,790,637    | 73,601,719    | 73,766,255    | 94,508,590    |
| Legal debt margin for Unvoted debt   | \$42,325,035 | \$42,814,740 | \$43,837,896 | \$49,030,306 | \$50,718,226  | \$43,713,569 | \$54,635,546  | \$55,993,574  | \$58,027,842  | \$80,584,970  |
| Net debt within limitations for Unvoted<br>debt as a percentage of debt limit                | 27.49%       | 26.57%       | 25.07%       | 21.87%       | 20.06%        | 31.63%       | 25.96%        | 23.92%        | 21.34%        | 14.73%        |

Source: City of Kettering, Ohio, Finance Department

**DIRECT AND OVERLAPPING DEBT**  
**DECEMBER 31, 2024**

| <u>Jurisdiction</u>               | <u>Debt Outstanding<sup>1</sup></u> | <u>Percentage Applicable to City of Kettering<sup>2</sup></u> | <u>Amount Applicable to City of Kettering</u> |
|-----------------------------------|-------------------------------------|---|---|
| City of Kettering                 | \$20,586,639                        | 100.0%  | \$20,586,639                                  |
| Overlapping debt:                 |                                     |   |   |
| Kettering City School District    | 59,755,000                          | 92.5%   | 55,273,375                                    |
| Beavercreek Local School District | 52,639,071                          | 0.7%  | 368,473                                       |
| Total overlapping debt            | 112,394,071                         |   | 55,641,848                                    |
| Total direct and overlapping debt | <u>\$132,980,710</u>                |   | <u>\$76,228,487</u>                           |

Source: Individual jurisdictions.

(1) Debt outstanding reported by other entities includes bonds and certificates of indebtedness as of year-end.

(2) The percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's assessed value that is within the City's boundaries and dividing it by each unit's total assessed value.

Individual jurisdictions with immaterial amounts of overlapping debt are excluded from this table.

## SCHEDULE 9

**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN YEARS**

| <u>Year</u> | <u>Population<sup>1</sup></u> | <u>Personal Income<sup>2</sup></u> | <u>Per capita Personal Income<sup>1,2</sup></u> | <u>Unemployment Rate<sup>3</sup></u> | <u>Avg Sale Price for a Single Family Home<sup>4</sup></u> | <u>Total Assessed Property Value<sup>5</sup></u> | <u>Estimated Actual Property Value<sup>5</sup></u> |
|-------------|-------------------------------|------------------------------------|---|--------------------------------------|--|--|--|
| 2015        | 56,163                        | 2,077,748,043                      | 36,995  | 4.1%                                 | 134,150  | 1,061,340,710                                    | 3,026,043,126                                      |
| 2016        | 56,163                        | 2,179,108,736                      | 38,800  | 4.1%                                 | 139,320  | 1,060,078,160                                    | 3,022,293,674                                      |
| 2017        | 56,163                        | 2,247,155,918                      | 40,011  | 4.2%                                 | 142,952  | 1,063,799,540                                    | 3,032,476,036                                      |
| 2018        | 56,163                        | 2,253,732,019                      | 40,128  | 3.9%                                 | 149,596  | 1,141,056,960                                    | 3,252,936,550                                      |
| 2019        | 56,163                        | 2,437,737,193                      | 43,405  | 3.6%                                 | 162,745  | 1,153,605,850                                    | 3,288,359,328                                      |
| 2020        | 56,163                        | 2,408,942,417                      | 42,892  | 4.6%                                 | 175,229  | 1,162,450,560                                    | 3,313,043,536                                      |
| 2021        | 57,862                        | 2,497,350,604                      | 43,160  | 4.4%                                 | 201,381  | 1,341,647,940                                    | 3,824,872,981                                      |
| 2022        | 57,862                        | 2,555,039,403                      | 44,157  | 3.1%                                 | 222,982  | 1,338,213,080                                    | 3,813,264,590                                      |
| 2023        | 57,862                        | 2,629,135,546                      | 45,438  | 2.7%                                 | 240,234  | 1,341,204,640                                    | 3,822,480,089                                      |
| 2024        | 57,862                        | 2,722,469,858                      | 47,051  | 4.0%                                 | 248,528  | 1,718,338,000                                    | 4,898,588,649                                      |

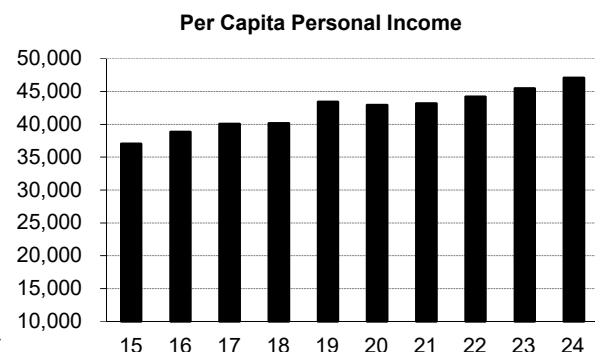
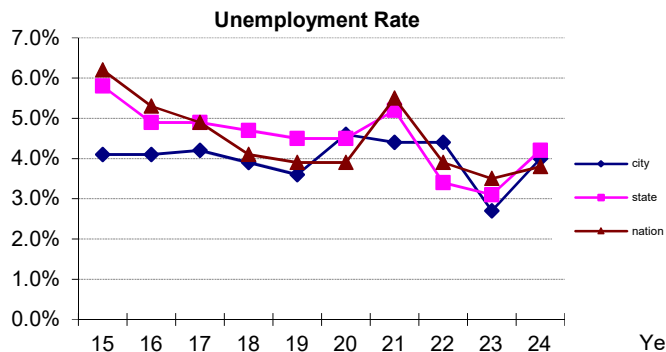
(1) 2020 United States Census Bureau

(2) City of Kettering, Ohio, Finance Department

(3) Ohio Department of Job and Family Services

(4) Dayton Area Board of Realtors, Dayton, Ohio

(5) Montgomery County, Ohio, Auditor's Office



## SCHEDULE 10

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO

| 2024                               |                  |   | 2014                                  |                  |   |
|------------------------------------|------------------|---|---------------------------------------|------------------|---|
| <u>Employer</u>                    | <u>Employees</u> | <u>% of<br/>Total City<br/>Employment</u> | <u>Employer</u>                       | <u>Employees</u> | <u>% of<br/>Total City<br/>Employment</u> |
| Kettering Health                   | 4,801            | 16.79%                                    | Kettering Medical Center <sup>1</sup> | 3,570            | 13.52%                                    |
| Reynolds & Reynolds Company        | 1,498            | 5.24%                                     | Synchrony Financial                   | 1,800            | 6.82%                                     |
| Kettering City Schools             | 1,157            | 4.05%                                     | Reynolds & Reynolds Company           | 1,307            | 4.95%                                     |
| Alternate Solutions Health Network | 811              | 2.84%                                     | Kettering City Schools                | 1,032            | 3.91%                                     |
| Solvita                            | 696              | 2.43%                                     | Limited Brands Inc <sup>1</sup>       | 1,000            | 3.79%                                     |
| City of Kettering                  | 561              | 1.96%                                     | Kroger                                | 630              | 2.39%                                     |
| Kroger                             | 420              | 1.47%                                     | Meijer Inc.                           | 550              | 2.08%                                     |
| Amazon                             | 400              | 1.40%                                     | City of Kettering                     | 550              | 2.08%                                     |
| Eastman Kodak Company              | 320              | 1.12%                                     | Tenneco                               | 522              | 1.98%                                     |
| Total                              | 10,664           | 37.30%                                    | Total                                 | 10,961           | 41.52%                                    |

Source: City of Kettering, Ohio, Office of Economic Development

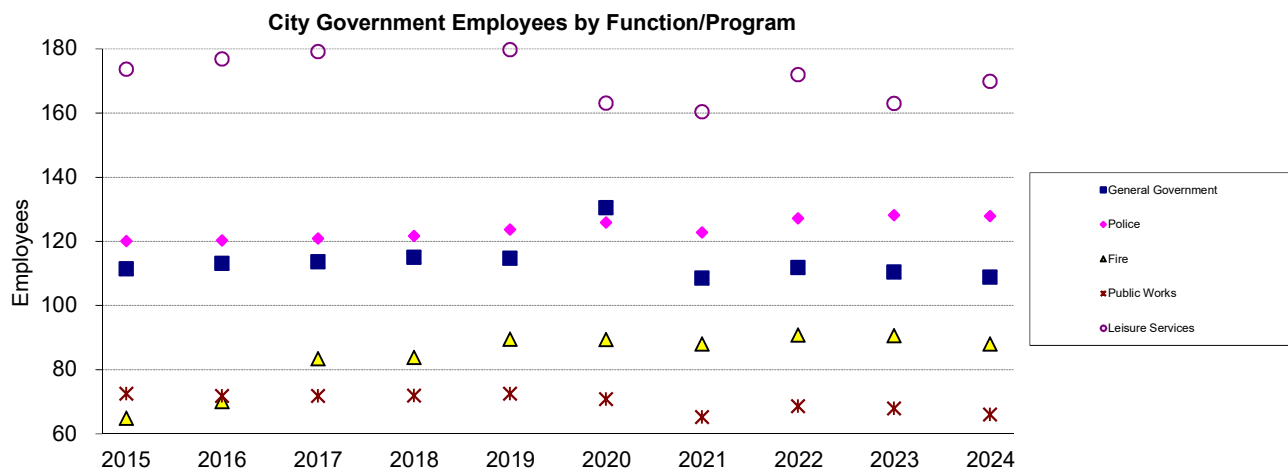
(1) Kettering Medical Center is now Kettering Health

## SCHEDULE 11

CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM (*full-time equivalents*)  
LAST TEN YEARS

| <u>Function/program</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government      | 111.4       | 113.1       | 113.6       | 115.0       | 114.7       | 130.5       | 108.5       | 111.8       | 110.4       | 108.8       |
| Police                  | 120.1       | 120.3       | 120.9       | 121.7       | 123.7       | 125.9       | 122.8       | 127.2       | 128.2       | 127.9       |
| Fire                    | 64.8        | 70.0        | 83.4        | 83.7        | 89.5        | 89.4        | 88.0        | 90.7        | 90.6        | 88.0        |
| Public Works            | 72.5        | 71.8        | 71.9        | 72.0        | 72.5        | 70.8        | 65.3        | 68.7        | 67.9        | 66.0        |
| Leisure Services        | 173.7       | 176.9       | 179.1       | 180.1       | 179.8       | 163.1       | 160.5       | 172.0       | 163.0       | 169.9       |
| Total                   | 542.5       | 552.1       | 568.9       | 572.5       | 580.2       | 579.6       | 545.0       | 570.4       | 560.2       | 560.6       |

Source: City of Kettering, Ohio, Finance Department



OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS

| <u>Function/program</u>                      | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government                           |             |             |             |             |             |             |             |             |             |             |
| Positions filled <sup>1</sup>                | 38          | 38          | 36          | 22          | 24          | 11          | 29          | 31          | 28          | 32          |
| Permits issued <sup>2</sup>                  | 2,679       | 3,180       | 3,975       | 3,304       | 3,655       | 3,113       | 4,592       | 4,457       | 4,332       | 4,409       |
| Inspections performed <sup>2</sup>           | 6,260       | 7,024       | 8,424       | 8,374       | 8,399       | 4,527       | 5,245       | 7,436       | 7,356       | 7,267       |
| CDBG/CHIP loan applications <sup>3</sup>     | 75          | 62          | 58          | 33          | 34          | 141         | 15          | 38          | 85          | 75          |
| Payroll checks processed <sup>4</sup>        | 22,310      | 21,350      | 21,446      | 21,212      | 23,645      | 16,025      | 16,948      | 18,299      | 18,581      | 19,143      |
| Purchase orders issued <sup>5</sup>          | 1,984       | 1,880       | 2,156       | 1,943       | 2,063       | 1,621       | 2,072       | 2,837       | 2,754       | 2,229       |
| Ordinances & resolutions <sup>6</sup>        | 185         | 182         | 210         | 178         | 175         | 135         | 170         | 175         | 172         | 212         |
| Court cases <sup>7</sup>                     | 14,970      | 15,739      | 15,499      | 14,338      | 12,428      | 8,659       | 10,952      | 12,307      | 11,021      | 12,465      |
| Police                                       |             |             |             |             |             |             |             |             |             |             |
| Criminal arrests <sup>8</sup>                | 3,299       | 4,059       | 4,414       | 3,905       | 3,227       | 1,306       | 1,373       | 1,697       | 1,692       | 1,491       |
| Calls for service <sup>9</sup>               | 61,085      | 68,614      | 73,752      | 60,348      | 54,079      | 41,305      | 62,246      | 60,217      | 60,188      | 59,365      |
| Fire   |             |             |             |             |             |             |             |             |             |             |
| Fire alarms <sup>10</sup>                    | 1,851       | 1,719       | 1,816       | 1,874       | 1,742       | 1,880       | 1,957       | 2,066       | 2,009       | 2,426       |
| Medic alarms <sup>10</sup>                   | 6,596       | 6,925       | 7,109       | 7,096       | 7,293       | 6,498       | 7,208       | 7,572       | 7,363       | 7,562       |
| Public Works                                 |             |             |             |             |             |             |             |             |             |             |
| Asphalt resurfacing (miles) <sup>11</sup>    | 9           | 18          | 18          | 14          | 10          | 9           | 16          | 14          | 12          | 12          |
| Truckloads of leaves picked-up <sup>12</sup> | 1,525       | 1,358       | 1,166       | 1,730       | 1,432       | 1,300       | 1,023       | 1,386       | 1,263       | 1,021       |
| Tons of snow melting salt used <sup>12</sup> | 3,808       | 3,655       | 1,222       | 5,225       | 4,575       | 1,653       | 4,002       | 4,314       | 1,365       | 2,070       |
| Leisure Services                             |             |             |             |             |             |             |             |             |             |             |
| Recreation complex attendance <sup>13</sup>  | 887,967     | 835,631     | 787,307     | 823,675     | 739,612     | 284,600     | 420,000     | 433,175     | 420,000     | 440,000     |
| Facility Rental Hours <sup>13</sup>          |             |             |             |             |             |             |             | 3,330       | 3,480       | 3,677       |
| Fraze Pavilion tickets sold <sup>13</sup>    | 99,462      | 92,317      | 77,393      | 74,358      | 80,341      | 0           | 43,455      | 63,739      | 56,001      | 51,585      |

(1) City of Kettering, Human Resources Department. Positions filled are full time positions.

(2) City of Kettering, Planning and Development Dept. Permits and inspections performed include Building, Electrical, Plumbing & Heating.

(3) City of Kettering, Planning and Development Dept. Community Development Block Grant (CDBG) and Community Housing Impact and Preservation (CHIP) loan applications processed includes housing rehabilitation, purchase rehabilitation, and business loan applications.

(4)(5) City of Kettering, Finance Department. Payroll checks include electronic funds transfers processed for payroll.

(6) City of Kettering, Law Department

(7) City of Kettering, Municipal Court

(8)(9) City of Kettering, Police Department. Criminal arrests include arrests by detective section and patrol.

(10) City of Kettering, Fire Department.

(11)(12) City of Kettering, Public Service Department, Engineering Division and Street Division

(13) City of Kettering, Parks, Recreation, and Cultural Arts Department. Beginning in 2022, facility rental hours are reported to accurately reflect rental indicators of Polen Farm, Ice Arena and Aquatics facilities. Non-rental visits to these facilities are included in the attendance figure.

Facility rental information prior to 2022 was reported in the attendance figure.

## SCHEDULE 13

CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM  
LAST TEN YEARS

| <u>Function/program</u>                     | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>(4) 2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|-------------|-------------|-------------|
| General Government                          |             |             |             |             |             |             |                 |             |             |             |
| Square footage occupied <sup>1</sup>        | 54,933      | 54,933      | 54,933      | 54,933      | 54,933      | 54,933      | 83,421          | 83,421      | 83,421      | 83,421      |
| Police                                      |             |             |             |             |             |             |                 |             |             |             |
| Stations <sup>1</sup>                       | 1           | 1           | 1           | 1           | 1           | 1           | 1               | 1           | 1           | 1           |
| Square footage of building <sup>1</sup>     | 16,515      | 16,515      | 16,515      | 16,515      | 16,515      | 16,515      | 32,590          | 32,590      | 44,829      | 44,829      |
| Fire  |             |             |             |             |             |             |                 |             |             |             |
| Stations <sup>1</sup>                       | 5           | 5           | 5           | 5           | 5           | 5           | 4               | 4           | 4           | 4           |
| Public Works                                |             |             |             |             |             |             |                 |             |             |             |
| Miles of roads <sup>2</sup>                 | 248         | 248         | 248         | 248         | 248         | 248         | 249             | 249         | 249         | 249         |
| Miles of storm sewer/channel <sup>2</sup>   | 176         | 176         | 176         | 176         | 177         | 177         | 177             | 177         | 177         | 177         |
| Leisure Services                            |             |             |             |             |             |             |                 |             |             |             |
| Number of parks <sup>3</sup>                | 21          | 21          | 21          | 21          | 21          | 21          | 21              | 21          | 21          | 22          |
| Area of parks (acres) <sup>3</sup>          | 419         | 419         | 419         | 419         | 419         | 419         | 419             | 419         | 419         | 438         |
| Recreation complexes square ft <sup>1</sup> | 161,119     | 161,119     | 161,119     | 161,119     | 161,119     | 161,119     | 196,718         | 196,718     | 196,718     | 196,718     |

(1) City of Kettering, Facilities Department

(2) City of Kettering, Public Service Department, Engineering Division

(3) City of Kettering, Parks, Recreation, and Cultural Arts Department

(4) Square footages reported were adjusted in 2021 as a result of a square footage study, the addition to the Police Station, and the addition of the Rosewood Arts Center.

**This page intentionally left blank.**



# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF KETTERING**

**MONTGOMERY 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 5/29/2025**

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)