



OHIO AUDITOR OF STATE
KEITH FABER



**CITY OF WHITEHALL
FRANKLIN COUNTY
DECEMBER 31, 2023**

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FRANKLIN COUNTY
DECEMBER 31, 2023**

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

INDEPENDENT AUDITOR'S REPORT

City of Whitehall
Franklin County
360 South Yearling Road
Whitehall, Ohio 43213

To the City Council:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Whitehall, Franklin County, Ohio as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparisons for the General and TIF Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

February 4, 2025

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**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

The management's discussion and analysis of the City of Whitehall's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- The total net position of the City decreased \$1,221,077 or 4.76% from the 2022 net position.
- General revenues accounted for \$33,949,652 or 78.75% of total governmental activities revenue. Program specific revenues accounted for \$9,161,524 or 21.25% of total governmental activities revenue.
- The City had \$44,332,253 in expenses related to governmental activities; \$9,161,524 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities were offset by general revenues (primarily miscellaneous revenues, property taxes, payment in lieu of taxes, income taxes and unrestricted grants and entitlements) of \$33,949,652.
- The general fund had revenues and other financing sources of \$45,837,052 in 2023. The expenditures and other financing uses of the general fund totaled \$36,237,996 in 2023. The net increase in fund balance for the general fund was \$9,599,056 or 225.14%.
- The TIF fund had revenues of \$2,049,327 in 2023. The expenditures and other financing uses of the TIF fund totaled \$952,709 in 2023. The net increase in fund balance for the TIF fund was \$1,096,618 or 23.59%.
- The police building renovation fund had revenues and other financing sources of \$10,912,573 in 2023. The expenditures of the police building renovation fund totaled \$1,706,401 in 2023. The net increase in fund balance for the police building renovation fund was \$9,206,172.
- In the general fund, the actual revenues and other financing sources of \$44,032,455 were lower than the final budget of \$50,481,185. Actual expenditures and other financing uses of \$48,870,134 were lower than the amount in the final budget of \$57,956,613. Budgeted revenues and other financing sources increased \$7,869,106 from the original to the final budget while budgeted expenditures and other financing uses increased \$11,336,579.

Using this Annual Financial Report

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

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the governmental activities include the City's programs and services, including police, fire and rescue, street maintenance, capital improvements and general administration. These services are funded primarily by property and municipal income taxes, payments in lieu of taxes, and intergovernmental revenues including federal and state grants and other shared revenues.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

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

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, the TIF fund and the police building renovation fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. Custodial funds are the City's only fiduciary fund type.

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension asset/liability and net OPEB liability, along with contributions to the pension systems.

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**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

Government-Wide Financial Analysis

The table below provides a summary of the City's assets, deferred inflows of resources, liabilities, deferred outflows of resources and net position at December 31, 2023 and 2022.

	Net Position	
	Governmental Activities 2023	Governmental Activities 2022
<u>Assets</u>		
Current and other assets	\$ 51,959,905	\$ 42,190,087
Capital assets	<u>59,727,343</u>	<u>51,472,962</u>
Total assets	<u>111,687,248</u>	<u>93,663,049</u>
<u>Deferred Outflows</u>		
Pension	20,730,087	11,395,235
OPEB	<u>3,301,708</u>	<u>2,740,136</u>
Total deferred outflows	<u>24,031,795</u>	<u>14,135,371</u>
<u>Liabilities</u>		
Current liabilities	4,506,853	14,747,014
Long-term liabilities:		
Net pension liability	51,734,986	28,221,936
Net OPEB liability	<u>3,289,472</u>	<u>4,410,043</u>
Other liabilities	<u>41,269,707</u>	<u>15,095,541</u>
Total liabilities	<u>100,801,018</u>	<u>62,474,534</u>
<u>Deferred Inflows</u>		
Property taxes levied for the next fiscal year	1,163,149	1,202,872
Payments in lieu of taxes levied for the next fiscal year	3,366,942	2,726,790
Pension	2,321,110	12,563,629
OPEB	<u>3,359,589</u>	<u>2,869,113</u>
Leases	<u>265,363</u>	<u>298,533</u>
Total deferred inflows	<u>10,476,153</u>	<u>19,660,937</u>
<u>Net Position</u>		
Net investment in capital assets	43,786,055	41,296,290
Restricted	<u>10,429,262</u>	<u>8,676,098</u>
Unrestricted (deficit)	<u>(29,773,445)</u>	<u>(24,309,439)</u>
Total net position	<u>\$ 24,441,872</u>	<u>\$ 25,662,949</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$24,441,872.

CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO

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

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 53.48% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, intangible right to use leased equipment, vehicles, works of art and infrastructure. The net investment in capital assets at December 31, 2023, was \$43,786,055 in the governmental activities. These capital assets are used to provide services to citizens and are not available for future spending.

The net pension liability for governmental activities increased \$23,513,050 or 83.31%, deferred outflow of resources related to pension increased \$9,334,852 or 81.92% and deferred inflows of resources related to pension decreased \$10,242,519 or 81.53%. These changes were the result of changes at the pension system level for Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire (OP&F) Pension Fund. Primarily, net investment income on investments at the pension systems were negative for the 2022 measurement date that are used for the 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous year's large positive investment returns.

Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$10,314,262, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance is a deficit unrestricted net position of (\$29,773,445).

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

	Change in Net Position	
	Governmental Activities	Governmental Activities
	<u>2023</u>	<u>2022</u>
Revenues		
Program revenues:		
Charges for services	\$ 2,690,822	\$ 2,100,314
Operating grants and contributions	2,730,864	1,920,255
Capital grants and contributions	3,739,838	2,610,088
Total program revenues	9,161,524	6,630,657
General revenues:		
Municipal income taxes	24,991,214	32,054,416
Property taxes and other	1,329,926	423,409
Lodging taxes	37,811	41,832
Payments in lieu of taxes	2,049,327	1,288,496
Unrestricted grants and entitlements	1,350,762	1,216,813
Investment earnings	809,356	165,077
Miscellaneous	3,381,256	1,069,794
Total general revenues	33,949,652	36,259,837
Total revenues	43,111,176	42,890,494

CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO

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

	Change in Net Position	
	Governmental Activities	Governmental Activities
	2023	2022
Expenses		
General government	\$ 9,833,082	\$ 9,268,041
Security of persons and property	23,055,959	17,933,047
Public health and welfare	208,326	196,596
Transportation	4,365,256	3,895,384
Community environment	131,788	106,975
Leisure time activity	1,957,340	1,958,627
Economic development	675,669	697,307
Utility services	1,973,172	2,259,391
Interest and fiscal charges	<u>2,131,661</u>	<u>444,885</u>
Total expenses	<u>44,332,253</u>	<u>36,760,253</u>
Change in net position	<u>(1,221,077)</u>	<u>6,130,241</u>
Net position at beginning of year	<u>25,662,949</u>	<u>19,532,708</u>
Net position at end of year	<u><u>\$ 24,441,872</u></u>	<u><u>\$ 25,662,949</u></u>

Governmental Activities

Governmental activities net position decreased by \$1,221,077 from the 2023 net position.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$23,055,959 of the total expenses of the City. These expenses were funded by \$820,284 in direct charges to users of the services, \$1,544,227 in operating grants and contributions and \$376,706 in capital grants and contributions. Transportation expenses totaled \$4,365,256. Transportation expenses were primarily funded by \$101,442 in direct charges to users of the services, \$1,186,637 in operating grants and contributions and \$2,836,018 in capital grants and contributions.

Expenses of the governmental activities increased \$7,572,000 or 20.59%. This increase is primarily the result of increase in pension expense (which has been recorded above primarily in general government and security of persons and property expense). The increase in pension was the result of an increase in expenses incurred at the pension system level for Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire (OP&F) Pension Fund due to a decrease in net investment income on investments compared to previous years.

During 2023, the local state and federal government contributed to the City a total of \$2,730,864 in operating grants and contributions and \$3,739,838 capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$1,544,227 subsidized transportation programs and \$1,186,637 subsidized security of persons and property programs. The City received \$3,739,838 in capital grants and contributions which includes funds from OPWC for road projects.

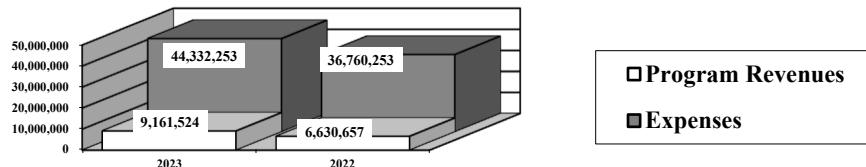
General revenues totaled \$33,949,652 and amounted to 78.75% of total governmental revenues in 2023. These revenues primarily consist of property and municipal income tax revenue of \$26,321,140. The other primary source of general revenues is payments in lieu of taxes, making up \$2,049,327.

CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO

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

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and municipal income taxes as well as miscellaneous revenues.

Governmental Activities - Program Revenues vs. Total Expenses

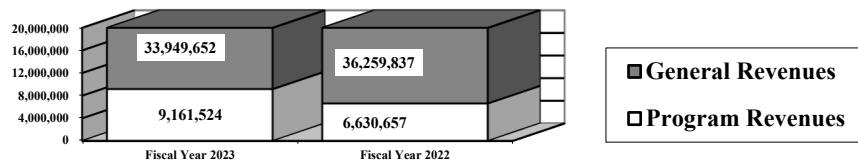


Governmental Activities

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses:				
General government	\$ 9,833,082	\$ 8,967,355	\$ 9,268,041	\$ 7,814,844
Security of persons and property	23,055,959	20,314,742	17,933,047	16,896,245
Public health and welfare	208,326	192,049	196,596	190,476
Transportation	4,365,256	241,159	3,895,384	1,398,320
Community environment	131,788	131,788	106,975	106,975
Leisure time activity	1,957,340	1,782,638	1,958,627	1,783,453
Economic development	675,669	151,000	697,307	(764,693)
Utility services	1,973,172	1,258,337	2,259,391	2,259,091
Interest and fiscal charges	2,131,661	2,131,661	444,885	444,885
Total	\$ 44,332,253	\$ 35,170,729	\$ 36,760,253	\$ 30,129,596

The dependence upon general revenues for governmental activities is apparent, with 79.33% of expenses supported through taxes and other general revenues for 2023.

Governmental Activities - General and Program Revenues



**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds reported a combined fund balance of \$40,286,119 which is \$21,832,653 higher than last year's total of \$18,453,466. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2023 and December 31, 2022 for all major and nonmajor governmental funds.

	Fund Balances		
	Fund Balances	(deficit)	Change
		12/31/23	12/31/22
Major funds:			
General	\$ 13,862,717	\$ 4,263,661	\$ 9,599,056
TIF	5,745,487	4,648,869	1,096,618
Police building renovation	9,132,422	(73,750)	9,206,172
Other nonmajor governmental funds	<u>11,545,493</u>	<u>9,614,686</u>	<u>1,930,807</u>
Total	<u>\$ 40,286,119</u>	<u>\$ 18,453,466</u>	<u>\$ 21,832,653</u>

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CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO

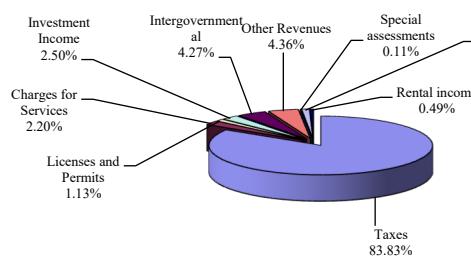
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

General Fund

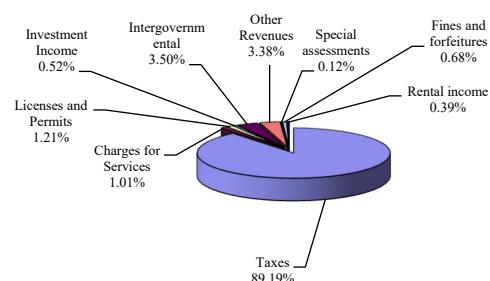
The City's general fund balance increased \$9,599,056. The table that follows assists in illustrating the revenues of the general fund. Tax revenues decreased slightly. Income tax receipts fluctuated based on a decrease in revenues received during the current year. The charges for services increased due to an increase in receipts relating to EMS service collections and due to an increase in the amount due to the general fund from other nonmajor special revenue funds that were overfunded during the current year. Revenues related to licenses and permits and fines and forfeitures remained consistent with prior year. Special assessment revenues decreased due to a decrease in special assessment revenues received during the current year and those receivable at the end of the year. Investment income increased due to the amount of revenue invested and the earnings received on those investments. Rental income remained comparable to the prior year. Other revenues increased due to an increase in refunds and reimbursements received during the year.

	2023	2022	Amount Increase (Decrease)	Percentage Increase (Decrease)
	Amount	Amount		
<u>Revenues</u>				
Taxes	\$ 26,559,109	\$ 31,586,702	\$ (5,027,593)	(15.92) %
Charges for services	695,784	357,355	338,429	94.70 %
Licenses and permits	357,661	428,514	(70,853)	(16.53) %
Fines and forfeitures	351,220	241,053	110,167	45.70 %
Intergovernmental	1,352,669	1,238,829	113,840	9.19 %
Special assessments	35,018	43,357	(8,339)	(19.23) %
Investment income	792,464	183,037	609,427	332.95 %
Rental income	155,612	139,647	15,965	11.43 %
Other	<u>1,381,256</u>	<u>1,197,235</u>	<u>184,021</u>	<u>15.37 %</u>
Total	<u>\$ 31,680,793</u>	<u>\$ 35,415,729</u>	<u>\$ (3,734,936)</u>	<u>(10.55) %</u>

Revenues - 2023



Revenues - 2022



CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO

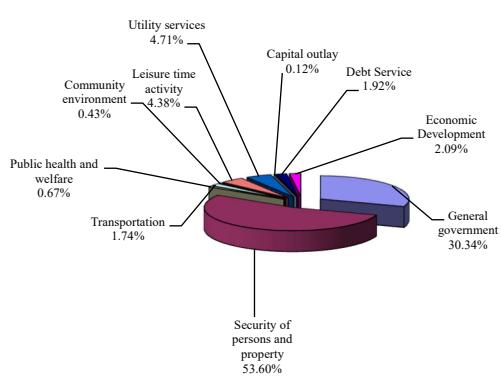
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

The table that follows assists in illustrating the expenditures of the General Fund.

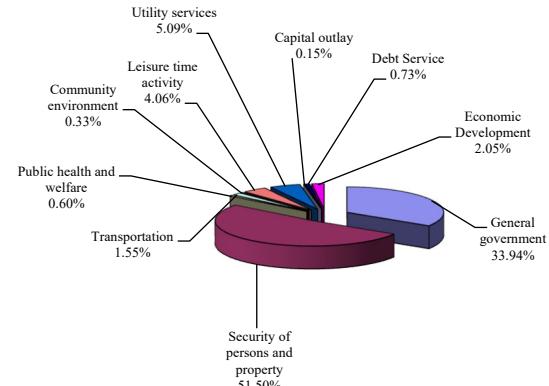
Expenditures	2023	2022	Amount	Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Increase</u> <u>(Decrease)</u>
General government	\$ 9,262,414	\$ 10,912,629	\$ (1,650,215)	(15.12) %
Security of persons and property	16,359,277	16,560,449	(201,172)	(1.21) %
Public health and welfare	205,506	192,061	13,445	7.00 %
Transportation	530,377	499,323	31,054	6.22 %
Community environment	130,070	105,139	24,931	23.71 %
Leisure time activity	1,337,477	1,305,199	32,278	2.47 %
Economic development	637,511	658,974	(21,463)	(3.26) %
Utility services	1,437,670	1,637,821	(200,151)	(12.22) %
Capital outlay	37,592	48,583	(10,991)	(22.62) %
Debt service	<u>585,756</u>	<u>233,642</u>	<u>352,114</u>	<u>150.71</u> %
Total	<u>\$ 30,523,650</u>	<u>\$ 32,153,820</u>	<u>\$ (1,630,170)</u>	<u>(5.07) %</u>

The decrease in the general government can be attributed primarily to an decrease in expenses related to the mayor's department, attorney costs and employee related costs. The decrease in security of persons and property expenditures can be attributed to a decrease in police and fire expenditures. The increase in leisure time activity can be attributed to an increase in park and recreation expenditures. The decrease in economic development expenditures is due to an decrease in related current year expenditures. All other current year expenses were comparable to the prior year.

Expenditures - 2023



Expenditures - 2022



**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

TIF Fund

The TIF fund had revenues of \$2,049,327 in 2023. The expenditures and other financing uses of the TIF fund totaled \$952,709 in 2023. The net increase in fund balance for the TIF fund was \$1,096,618 or 23.59%.

Police Building Renovation Fund

The police building renovation fund had revenues and other financing sources of \$10,912,573 in 2023. The expenditures of the police building renovation fund totaled \$1,706,401 in 2023. The net increase in fund balance for the police building renovation fund was \$9,206,172.

Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the General Fund. The actual revenues and other financing sources of \$44,032,455 were lower than the final budget of \$50,481,185. Actual expenditures and other financing uses of \$48,870,134 were lower than the amount in the final budget of \$57,956,613. Budgeted revenues and other financing sources increased \$7,869,106 from the original to the final budget while budgeted expenditures and other financing uses increased \$11,336,579.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023 the City had \$59,727,343 (net of accumulated depreciation/amortization) invested in land, construction in progress, land improvements, buildings and improvements, equipment, intangible right to use equipment, vehicles, works of art and infrastructure, which is an increase of \$8,254,381 from prior year.

The following table shows fiscal 2023 balances compared to 2022:

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

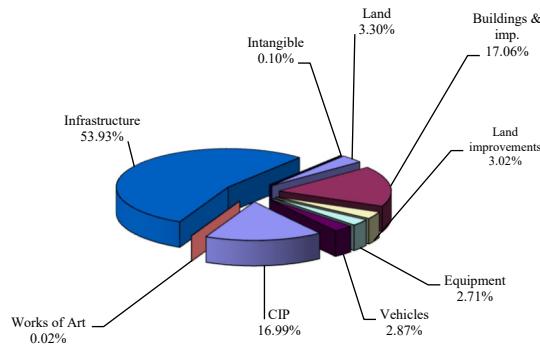
	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Land	\$ 1,970,582	\$ 1,970,582
Land improvements	1,806,625	1,499,005
Buildings and improvements	10,189,144	10,665,589
Equipment	1,621,385	1,415,889
Intangible right to use equipment	57,013	75,786
Vehicles	1,712,816	1,869,577
Works of art	12,204	13,366
Infrastructure	32,209,401	29,100,862
Construction in progress	<u>10,148,173</u>	<u>4,862,306</u>
Totals	<u>\$ 59,727,343</u>	<u>\$ 51,472,962</u>

CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO

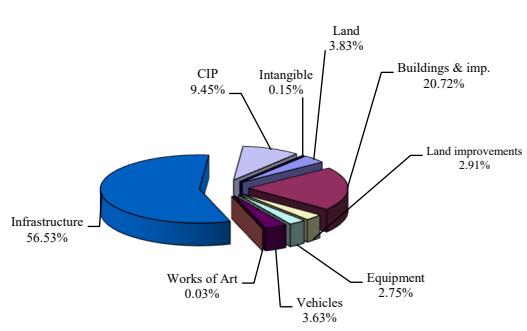
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

The following graphs show the breakdown of governmental capital assets by category for 2023 and 2022.

Capital Assets - Governmental Activities 2023



Capital Assets - Governmental Activities 2022



The City's largest capital asset category is infrastructure. The net book value of the City's infrastructure (cost less accumulated depreciation/amortization) represents approximately 53.93% of the City's total governmental capital assets. See Note 10 to the basic financial statements for detail on capital assets.

Debt Administration

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

	<u>Governmental Activities</u>	
	2023	2022
General obligation bonds	\$ 20,260,000	\$ 6,745,000
OPWC loans	2,010,769	1,509,052
Revenue bonds	12,210,000	2,635,000
FCIB loan	2,081,642	192,718
Note payable - financed purchased	1,078,915	1,232,790
Lease payable	<u>59,652</u>	<u>76,834</u>
Total long-term debt obligations	<u><u>\$ 37,700,978</u></u>	<u><u>\$ 12,391,394</u></u>

See Note 11 to the basic financial statements for detail on long-term obligations.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

Economic Conditions and Next Year's General Fund Budget Outlook

The City of Whitehall remains in a strong financial position and has an overall positive financial outlook into the future. This outlook is influenced by multiple factors including conservative budgeting, a strong local economy and City official's willingness to adjust spending throughout the year as needed to help maintain a healthy General Fund reserve balance.

The City's annual budgeting process prioritizes maintaining excellent health and life safety services while increasing capital investments into the City's aging infrastructure. Resources for these and other core initiatives are balanced against a thorough analysis of projected revenue, developed with outside economic conditions in mind.

Foremost among these economic conditions is the continued impact the COVID-19 pandemic and lingering remote-work practices have on the City's income tax refunds. While proactive efforts to attract and retain quality employers has helped to steadily increase the City's income tax revenue, budgeted income tax refunds have increased by \$1.7 million annually compared to prior to the pandemic. At the same time, the City's expenditures are being impacted by historically high interest rates, inflation and the increased cost of construction.

To help alleviate the pressure these factors are putting on the General Fund, the City has taken measures to diversify revenue sources. This includes a recent property tax levy to support improvements to the police station and a water and sewer utility surcharge to support water main replacement and maintenance projects. The annual budgeting process incorporates these capital projects and others by way of an on-going 5-Year Capital Improvement Plan (CIP).

Adding to the health of the General Fund, City officials continue to be progressive in their business development efforts and in encouraging reinvestment into Whitehall neighborhoods. Growth in Whitehall home values and home sales continue to outpace surrounding municipalities and are positively impacting overall property tax valuation.

Looking to 2023 and beyond, the City remains committed to maintaining a strong General Fund balance. Despite a planned one-time draw down of \$1.72 million to support capital improvements, the City projects a year-end General Fund balance of over \$4.5 million. As has been past practice, actual expenditures will be adjusted throughout the year as needed to maintain this planned carry-over.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Steven Quincel, City Auditor, City of Whitehall, 360 S. Yearling Road, Whitehall, Ohio 43213.

**BASIC
FINANCIAL STATEMENTS**

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**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

**STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Primary Government	Component Unit
	Governmental Activities	Whitehall CIC
Assets:		
Equity in pooled cash and investments	\$ 33,033,603	\$ 139,686
Cash with fiscal and escrow agents	517,863	-
Cash in segregated accounts	1,543	-
Receivables (net of allowances for uncollectibles):		
Income taxes	2,716,900	-
Property and other taxes	1,256,436	-
Payments in lieu of taxes	3,366,942	-
Accounts	530,987	-
Leases	276,750	7,096
Special assessments	34,759	-
Accrued interest	132,269	-
Due from other governments	1,285,458	-
Prepayments	452,607	-
Materials and supplies inventory	235,079	-
Assets held for resale	8,116,835	1,249,000
Net pension asset	1,874	-
Capital assets:		
Land and construction in progress	12,118,755	-
Depreciable capital assets, net	<u>47,608,588</u>	<u>161,534</u>
Total capital assets, net	<u>59,727,343</u>	<u>161,534</u>
Total assets	<u>111,687,248</u>	<u>1,557,316</u>
Deferred outflows of resources:		
Pension	20,730,087	-
OPEB	3,301,708	-
Total deferred outflows of resources	<u>24,031,795</u>	<u>-</u>
Liabilities:		
Accounts payable	1,287,095	-
Contracts payable	1,657,055	-
Accrued wages and benefits payable	535,009	-
Due to other governments	569,576	-
Payroll withholdings payable	21,988	-
Accrued interest payable	141,613	-
Claims payable	294,517	-
Long-term liabilities:		
Due within one year	2,753,143	-
Net pension liability	51,734,986	-
Net OPEB liability	3,289,472	-
Other amounts due in more than one year	<u>38,516,564</u>	<u>-</u>
Total liabilities	<u>100,801,018</u>	<u>-</u>
Deferred inflows of resources:		
Property taxes levied for the next fiscal year	1,163,149	-
Payments in lieu of taxes levied for the		
next fiscal year	3,366,942	-
Pension	2,321,110	-
OPEB	3,359,589	-
Leases	<u>265,363</u>	<u>6,783</u>
Total deferred inflows of resources	<u>10,476,153</u>	<u>6,783</u>
Net position:		
Net investment in capital assets	43,786,055	161,534
Restricted for:		
Capital projects	334,903	-
Street maintenance and repair	7,668,260	-
Economic development	213,903	-
Community development	91,633	-
Human services programs	2,118,689	-
Pension and OPEB	1,874	-
Unrestricted (deficit)	<u>(29,773,445)</u>	<u>1,388,999</u>
Total net position	<u>\$ 24,441,872</u>	<u>\$ 1,550,533</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Expenses	Charges for Services and Sales	Program Revenues	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Current:				
General government	\$ 9,833,082	\$ 863,282	\$ -	\$ 2,445
Security of persons and property	23,055,959	820,284	1,544,227	376,706
Public health and welfare	208,326	16,277	-	-
Transportation	4,365,256	101,442	1,186,637	2,836,018
Community environment	131,788	-	-	-
Leisure time activity	1,957,340	174,702	-	-
Economic development	675,669	-	-	524,669
Utility services	1,973,172	714,835	-	-
Interest and fiscal charges	<u>2,131,661</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u><u>\$ 44,332,253</u></u>	<u><u>\$ 2,690,822</u></u>	<u><u>\$ 2,730,864</u></u>	<u><u>\$ 3,739,838</u></u>
Component unit:				
Whitehall CIC	\$ 167,414	\$ 27,956	\$ 130,516	\$ -
Total component unit	<u><u>\$ 167,414</u></u>	<u><u>\$ 27,956</u></u>	<u><u>\$ 130,516</u></u>	<u><u>\$ -</u></u>

General revenues:

Property and other taxes levied for:
 General purposes
 Special revenue
 Municipal income taxes levied for:
 General purposes
 Lodging taxes levied for:
 Special revenue
 Payments in lieu of taxes
 Grants and entitlements not restricted
 to specific programs
 Investment earnings
 Miscellaneous
 Total general revenues

Change in net position

Net position at beginning of year (restated)

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Primary Government	Component Unit	
Governmental Activities	Whitehall CIC	
\$ (8,967,355)	\$ -	
(20,314,742)	-	
(192,049)	-	
(241,159)	-	
(131,788)	-	
(1,782,638)	-	
(151,000)	-	
(1,258,337)	-	
(2,131,661)	-	
<u>(35,170,729)</u>	<u>-</u>	
 \$ -	 \$ (8,942)	
 -	 <u>(8,942)</u>	

394,696	-
935,230	-
 24,991,214	 -
 37,811	 -
2,049,327	-
 1,350,762	 -
809,356	592
<u>3,381,256</u>	<u>-</u>
<u>33,949,652</u>	<u>592</u>
 (1,221,077)	 (8,350)
 25,662,949	 <u>1,558,883</u>
 <u>\$ 24,441,872</u>	 <u>\$ 1,550,533</u>

CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	TIF Fund	Police Building Renovation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 5,516,905	\$ 5,630,487	\$ 9,881,179	\$ 12,005,032	\$ 33,033,603
Cash in segregated accounts	1,543	-	-	-	1,543
Receivables (net of allowance for uncollectibles):					
Municipal income taxes	2,716,900	-	-	-	2,716,900
Property and other taxes	474,341	-	-	782,095	1,256,436
Payments in lieu of taxes	-	3,366,942	-	-	3,366,942
Accounts	482,743	-	-	48,244	530,987
Leases	276,750	-	-	-	276,750
Interfund loans	120,096	-	-	14,000	134,096
Accrued interest	78,135	-	54,134	-	132,269
Special assessments	34,759	-	-	-	34,759
Due from other funds	181,770	-	-	-	181,770
Due from other governments	609,101	-	-	676,357	1,285,458
Prepayments	425,940	-	-	26,667	452,607
Materials and supplies inventory	121,726	-	-	113,353	235,079
Assets held for resale	8,001,835	115,000	-	-	8,116,835
Restricted assets:					
Cash with fiscal and escrow agent	-	-	-	517,863	517,863
Total assets	<u>\$ 19,042,544</u>	<u>\$ 9,112,429</u>	<u>\$ 9,935,313</u>	<u>\$ 14,183,611</u>	<u>\$ 52,273,897</u>
Liabilities:					
Accounts payable	\$ 1,033,120	\$ -	\$ -	\$ 253,975	\$ 1,287,095
Contracts payable	-	-	758,758	898,297	1,657,055
Accrued wages and benefits payable	516,361	-	-	18,648	535,009
Compensated absences payable	45,311	-	-	-	45,311
Interfund loans payable	-	-	-	134,096	134,096
Due to other funds	-	-	-	181,770	181,770
Due to other governments	564,002	-	-	5,574	569,576
Payroll withholdings payable	21,988	-	-	-	21,988
Claims payable	294,517	-	-	-	294,517
Total liabilities	<u>2,475,299</u>	<u>-</u>	<u>758,758</u>	<u>1,492,360</u>	<u>4,726,417</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	383,749	-	-	779,400	1,163,149
Payments in lieu of taxes levied for the next fiscal year	-	3,366,942	-	-	3,366,942
Delinquent property tax revenue not available	90,592	-	-	-	90,592
Accrued interest not available	27,491	-	44,133	-	71,624
Special assessments revenue not available	101,373	-	-	-	101,373
Miscellaneous revenue not available	9,679	-	-	-	9,679
Municipal income tax revenue not available	1,458,084	-	-	-	1,458,084
Intergovernmental revenue not available	368,197	-	-	366,358	734,555
Leases	265,363	-	-	-	265,363
Total deferred inflows of resources	<u>2,704,528</u>	<u>3,366,942</u>	<u>44,133</u>	<u>1,145,758</u>	<u>7,261,361</u>
Fund balances:					
Nonspendable	8,587,858	-	-	140,020	8,727,878
Restricted	-	5,745,487	9,132,422	5,020,919	19,898,828
Committed	1,523,326	-	-	6,358,147	7,881,473
Assigned	1,776,229	-	-	49,077	1,825,306
Unassigned (deficit)	1,975,304	-	-	(22,670)	1,952,634
Total fund balances	<u>13,862,717</u>	<u>5,745,487</u>	<u>9,132,422</u>	<u>11,545,493</u>	<u>40,286,119</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,042,544</u>	<u>\$ 9,112,429</u>	<u>\$ 9,935,313</u>	<u>\$ 14,183,611</u>	<u>\$ 52,273,897</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

Total governmental fund balances	\$ 40,286,119
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	59,727,343
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds.	
Municipal income taxes receivable	\$ 1,458,084
Delinquent property taxes receivable	90,592
Accounts receivable	9,679
Accrued interest receivable	71,624
Special assessments receivable	101,373
Intergovernmental receivable	<u>734,555</u>
Total	2,465,907
On the statement of net position, interest is accrued on outstanding bonds, whereas in funds, interest is accrued when due.	(141,613)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:	
General obligation bonds payable	(20,260,000)
Revenue bonds payable	(12,210,000)
OPWC loan	(2,010,769)
FCIB loan	(2,081,642)
Note payable - financed purchase	(1,078,915)
Lease obligations payable	(59,652)
Compensated absences payable	<u>(2,384,629)</u>
Total	(40,085,607)
Unamortized premiums on bond issuances are not recognized in the funds.	(1,138,789)
The net pension asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds.	1,874
The net pension liability is not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.	
Deferred outflows of resources	20,730,087
Deferred inflows of resources	(2,321,110)
Net pension liability	<u>(51,734,986)</u>
Total	(33,326,009)
The net OPEB liability is not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.	
Deferred outflows of resources	3,301,708
Deferred inflows of resources	(3,359,589)
Net OPEB liability	<u>(3,289,472)</u>
Total	(3,347,353)
Net position of governmental activities	<u><u>\$ 24,441,872</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO

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

	General	TIF Fund	Police Building Renovation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income taxes	\$ 26,178,088	\$ -	\$ -	\$ -	\$ 26,178,088
Property and other taxes	381,021	-	-	973,041	1,354,062
Payments in lieu of taxes	-	2,049,327	-	-	2,049,327
Charges for services	695,784	-	-	1,018,147	1,713,931
Licenses and permits	357,661	-	-	-	357,661
Fines and forfeitures	351,220	-	-	243,773	594,993
Intergovernmental	1,352,669	-	-	5,918,668	7,271,337
Special assessments	35,018	-	-	-	35,018
Investment income	792,464	-	332,573	2,643	1,127,680
Rental income	155,612	-	-	-	155,612
Other	1,381,256	-	-	138,872	1,520,128
Total revenues	31,680,793	2,049,327	332,573	8,295,144	42,357,837
Expenditures:					
Current:					
General government	9,262,414	-	-	11,374	9,273,788
Security of persons and property	16,359,277	-	-	2,399,747	18,759,024
Public health and welfare	205,506	-	-	-	205,506
Transportation	530,377	501,930	-	1,211,367	2,243,674
Community environment	130,070	-	-	-	130,070
Leisure time activity	1,337,477	-	-	-	1,337,477
Economic development	637,511	-	-	28,233	665,744
Utility services	1,437,670	-	-	535,502	1,973,172
Capital outlay	37,592	-	1,706,401	10,256,786	12,000,779
Debt service:					
Principal retirement	-	-	-	1,109,616	1,109,616
Interest and fiscal charges	585,756	-	-	618,680	1,204,436
Bond issuance costs	-	-	-	880,422	880,422
Total expenditures	30,523,650	501,930	1,706,401	17,051,727	49,783,708
Excess (deficiency) of revenues over (under) expenditures	1,157,143	1,547,397	(1,373,828)	(8,756,583)	(7,425,871)
Other financing sources (uses):					
Bond issuance	-	-	10,580,000	13,245,000	23,825,000
Sale of capital assets	503	-	-	-	503
Transfers in	12,155,756	-	-	6,292,653	18,448,409
Transfers (out)	(5,714,346)	(450,779)	-	(12,283,284)	(18,448,409)
Premium on bond issuance	-	-	-	838,821	838,821
Other financing sources	2,000,000	-	-	-	2,000,000
Loan issuance	-	-	-	2,594,200	2,594,200
Total other financing sources (uses)	8,441,913	(450,779)	10,580,000	10,687,390	29,258,524
Net change in fund balances	9,599,056	1,096,618	9,206,172	1,930,807	21,832,653
Fund balances (deficit) at beginning of year	4,263,661	4,648,869	(73,750)	9,614,686	18,453,466
Fund balances at end of year	\$ 13,862,717	\$ 5,745,487	\$ 9,132,422	\$ 11,545,493	\$ 40,286,119

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

Net change in fund balances - total governmental funds \$ 21,832,653

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

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

Capital asset additions	\$ 11,522,265
Current year depreciation	<u>(3,267,884)</u>
Total	8,254,381

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

Municipal income taxes	(1,186,874)
Delinquent property taxes	13,675
Accounts	<u>(256,181)</u>
Accrued interest	61,025
Special assessments	89,788
Intergovernmental	<u>31,906</u>
Total	(1,246,661)

Repayment of bond, loan, lease, and lease-purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

1,109,616

Proceeds of bonds and loans are recorded as an other financing source in the funds, however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net position.

(26,419,200)

Premiums related to the issuance of bonds are amortized over the life of the issuance in the statement of activities.

(838,821)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items contributed to less interest being reported in the statement of activities:

Increase in accrued interest payable	(111,877)
Amortization of bond premium	<u>65,074</u>
Total	(46,803)

Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	3,830,224
OPEB	<u>71,513</u>

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

Pension	(7,768,310)
OPEB	<u>56,600</u>

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

(56,269)

Change in net position of governmental activities \$ (1,221,077)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income taxes	\$ 26,481,945	\$ 32,510,771	\$ 26,816,559	\$ (5,694,212)
Property and other taxes	347,869	455,821	381,021	(74,800)
Charges for services	300,754	394,085	329,416	(64,669)
Licenses and permits	358,360	469,568	392,512	(77,056)
Fines and forfeitures	339,126	444,365	371,445	(72,920)
Intergovernmental	1,161,428	1,521,844	1,272,111	(249,733)
Special assessments	25,920	33,963	28,390	(5,573)
Investment income	587,723	770,107	643,733	(126,374)
Rental income	149,981	196,523	164,274	(32,249)
Other	998,555	1,308,429	1,257,285	(51,144)
Total revenues	30,751,661	38,105,476	31,656,746	(6,448,730)
Expenditures:				
Current:				
General government	13,332,184	11,863,656	9,255,499	2,608,157
Security of persons and property	17,279,204	17,619,647	16,240,666	1,378,981
Public health and welfare	215,857	215,857	207,431	8,426
Transportation	547,294	571,660	533,240	38,420
Community environment	55,850	55,850	46,786	9,064
Leisure time activity	1,428,745	1,544,217	1,388,522	155,695
Utility services	1,607,150	1,601,357	1,484,855	116,502
Capital outlay	136,620	125,898	57,538	68,360
Debt service:				
Principal retirement	-	11,570,000	11,570,000	-
Interest and fiscal charges	-	585,756	585,756	-
Total expenditures	34,602,904	45,753,898	41,370,293	4,383,605
Excess/deficiency of revenues over/under expenditures	(3,851,243)	(7,648,422)	(9,713,547)	(2,065,125)
Other financing sources (uses):				
Sale of capital assets	459	503	503	-
Advances in	200,356	219,450	219,450	-
Advances out	(25,000)	(32,147)	(21,268)	10,879
Transfers in	11,659,603	12,155,756	12,155,756	-
Transfers out	(11,992,130)	(12,170,568)	(7,478,573)	4,691,995
Total other financing sources (uses)	(156,712)	172,994	4,875,868	4,702,874
Net change in fund balance	(4,007,955)	(7,475,428)	(4,837,679)	2,637,749
Fund balance at beginning of year	5,486,538	5,486,538	5,486,538	-
Prior year encumbrances appropriated	1,319,027	1,319,027	1,319,027	-
Fund balance (deficit) at end of year	\$ 2,797,610	\$ (669,863)	\$ 1,967,886	\$ 2,637,749

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Payments in lieu of taxes	\$ 1,403,225	\$ 1,403,225	\$ 2,049,327	\$ 646,102
Total revenues	<u>1,403,225</u>	<u>1,403,225</u>	<u>2,049,327</u>	<u>646,102</u>
Expenditures:				
Transportation	450,789	572,308	501,930	70,378
Capital outlay	-	115,000	115,000	-
Total expenditures	<u>450,789</u>	<u>687,308</u>	<u>616,930</u>	<u>70,378</u>
Excess/deficiency of revenues over/under expenditures	952,436	715,917	1,432,397	716,480
Other financing uses:				
Transfers (out)	-	(450,779)	(450,779)	-
Total other financing uses	-	(450,779)	(450,779)	-
Net change in fund balance	952,436	265,138	981,618	716,480
Fund balance at beginning of year	4,648,869	4,648,869	4,648,869	-
Fund balance at end of year	<u>\$ 5,601,305</u>	<u>\$ 4,914,007</u>	<u>\$ 5,630,487</u>	<u>\$ 716,480</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023**

	<u>Custodial</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 231,723
Receivables (net of allowances for uncollectibles):	
Accounts	108
Due from other governments	<u>61,651</u>
Total assets	<u>293,482</u>
Liabilities:	
Accounts payable	70,014
Due to other governments	<u>587</u>
Total liabilities	<u>70,601</u>
Net position:	
Restricted for individuals, organizations and other governments	<u>222,881</u>
Total net position	<u>\$ 222,881</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

	<u>Custodial</u>
Additions:	
Amounts received as fiscal agent	\$ 134,703
Licenses, permits and fees for other governments	22,335
Other custodial fund collections	<u>27,292</u>
 Total additions	 <u>184,330</u>
 Deductions:	
Distributions as fiscal agent	134,296
Licenses, permits and fees distributions to other governments	<u>267,360</u>
 Total deductions	 <u>401,656</u>
 Net change in fiduciary net position	 (217,326)
 Net position beginning of year	 <u>440,207</u>
 Net position end of year	 <u>\$ 222,881</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE CITY

The City of Whitehall (the "City") is a home rule corporation established under the laws of the State of Ohio that operates under its own Charter. The current Charter, which provides for the Mayor-Council form of government, was adopted November 8, 1966 and became effective December 31, 1966.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. To provide necessary services to its citizens, the City is divided into various departments including police, fire fighting and prevention, emergency medical services, street maintenance, parks and recreation, public service and planning and zoning. The operation of each of these departments is directly controlled by the City through the budgetary process and therefore is included as a part of the reporting entity.

For financial reporting purposes, the City's financial statements include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on the City. The City may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete.

Based upon the application of these criteria, the City has one component unit.

DISCRETELY PRESENTED COMPONENT UNIT

The Whitehall Community Improvement Corporation - The Whitehall Community Improvement Corporation (CIC) was formed in 1984 and incorporated as a not-for-profit corporation under Chapters 1724 of the Ohio Revised Code for the purpose to advance, encourage, and promote industrial, economic, commercial and civic development of the City. The CIC has been designated as the City's agent for industrial and commercial distributions and research development. The Board of Directors of the CIC is comprised of thirteen members. Seven of the Board members are citizens of the City and six of the Board members are City employees. The City is considered to be financially accountable for the CIC and, therefore, the CIC is presented as a component unit of the City. Financial statements can be obtained from Mr. Steven B. Quincel, Treasurer, Whitehall Community Improvement Corporation, 360 S Yearling Road, Whitehall, Ohio, 43213.

Information relative to the component unit is presented in Note 24.

The City participates in one jointly governed organization, in the Mid-Ohio Regional Planning Commission, which is further discussed in Note 18.

The City also participates in one risk sharing pool, the Public Entities Pool of Ohio. This organization is presented in Notes 12 and 23 to the Basic Financial Statements.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

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

B. Basis of Presentation - Fund Accounting

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

C. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The City has no proprietary funds.

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

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

TIF fund - The TIF fund accounts for the financial resources restricted for use for construction, improvements and various projects within the TIF district, which are funded by monies received in connection with tax increment financing agreements.

Police Building Renovation fund - The police building renovation fund accounts for the financial resources restricted for renovating the police department building.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

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

Other governmental funds of the City are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City has no trust funds. The City's only fiduciary funds are custodial funds. The City's custodial fund includes activity for COBRA extended benefits, electrical inspector fees, inspection deposits, special deposits, street maintenance deposits, plumbing permits, acreage fees, state sales tax, energy projects and flexible spending.

D. Measurement Focus and Basis of Accounting

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

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows and current liabilities and deferred inflows are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

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

E. Basis of Accounting

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

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

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 13 and 14 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

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

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

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

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

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

F. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. For all funds, Council appropriations are made at the fund, department and object level. This is known as the legal level of budgetary control.

Tax Budget - A tax budget of estimated revenue and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except custodial funds, are legally required to be budgeted; however, only certain governmental funds are required to be reported in the basic financial statements.

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

Appropriations - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the legal level of budgetary control. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations for a fund may only be modified during the year by an ordinance of Council. The amounts on the budgetary statement reflect the final appropriation amounts, including all amendments and modifications legally enacted.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

G. Cash and Cash Equivalents

Cash balances of the City's funds are pooled and invested in investments maturing within five years in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank account is presented on the balance sheet as "equity in pooled cash and investments."

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

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

During 2023, investments were limited to federal agency securities, U.S. Government money market, negotiable certificates of deposit, commercial paper, US Treasury Note and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments other than STAR Ohio, are reported at fair value which is based on quoted market prices. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

At year end, the City had monies on deposit with the Franklin County Treasurer. This deposit relates to undistributed permissive taxes and has been reported on the financial statements as "cash with fiscal and escrow agent".

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During 2023, interest revenue credited to the general fund amounted to \$792,464 which includes \$509,751 assigned from other City funds.

For purpose of presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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

H. Inventories of Materials and Supplies

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

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

Inventory consists of expendable supplies held for consumption.

I. Assets Held for Resale

As part of an economic development program, the City has acquired land and buildings for the purpose of revitalization. The City's intent is to sell the land and buildings for development. These transactions are conducted through the City's general fund and the streetscape project fund (a nonmajor governmental fund). The associated assets have been reported at lower of cost or market.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

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

J. Capital Assets

These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000 for all capital assets. The City's infrastructure consists of streets and curbs, traffic signals/lights and water/sewer improvements. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>	<u>Estimated Lives</u>
Land improvements		20 - 50 years
Buildings and improvements		20 - 50 years
Equipment		5 - 20 years
Intangible leased assets		5 years
Vehicles		3 - 10 years
Infrastructure		25 years
Works of art		15 years

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

K. Compensated Absences

Compensated absences of the City consist of vacation leave, sick leave and compensatory time to the extent that payment to the employee for these absences is attributable to services already rendered and is not contingent on a specific event that is outside the control of the City and the employee.

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", vacation and compensatory benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

The total liability for vacation leave, compensatory time and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

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

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

M. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which it was consumed.

N. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivables/payables”. These amounts are eliminated in the governmental column of the statement of net position.

O. Interfund Activity

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

Interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements.

P. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes land held for resale in the general fund, unclaimed monies in the general fund, and year-end balances of materials and supplies inventory and prepayments.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

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

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

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

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

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Q. Estimates

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

R. Net Position

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

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

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2023.

T. Pensions/Other Postemployment Benefits (OPEB)

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

U. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2023, the City has implemented GASB Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, GASB Statement No. 96, “Subscription Based Information Technology Arrangements”, certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, “Omnibus 2022”.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the City.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the City.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

B. Deficit Fund Balances

Fund balances at December 31, 2023 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor governmental funds</u>	
Police Department Grant Fund	\$ 3,067
OPWC Improvement Fund	<u>19,603</u>
	<u><u>\$ 22,670</u></u>

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash with Fiscal and Escrow Agent

At year-end, the City had \$517,863 on deposit with the Franklin County Treasurer. The data regarding insurance and collateralization can be obtained from the Franklin County Annual Comprehensive Financial Report for the year ended December 31, 2023. This amount is not included in the City's depository balance below.

B. Cash in Segregated Accounts

At year-end, the City had \$1,543 in cash in segregated accounts related to farmers market activity that is being passed through the City. This amount is not included in the City's depository balance below.

C. Deposits with Financial Institutions

At December 31, 2023, the carrying amount of all City deposits was \$6,655,266 and the bank balance of all City deposits was \$7,093,046. Of the bank balance, \$500,000 was covered by the FDIC, \$5,699,499 was covered by the Ohio Pooled Collateral System and \$893,547 was exposed to custodial risk as discussed below because those deposits were uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, some of the City's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

D. Investments

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

Measurement/ Investment type	Measurement Amount	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
FHLMC	\$ 140,346	\$ -	\$ -	\$ -	\$ 140,346	\$ -
FFCB	249,286	-	-	-	249,286	-
Negotiable CD's	6,426,929	396,553	1,508,785	2,094,565	983,070	1,443,956
U.S. Treasury notes	244,640	-	-	244,640	-	-
Commercial paper	5,493,740	4,987,057	506,683	-	-	-
<i>Amortized Cost:</i>						
U.S. Government money market	36,710	36,710	-	-	-	-
STAR Ohio	14,018,409	14,018,409	-	-	-	-
Total	\$ 26,610,060	\$ 19,438,729	\$ 2,015,468	\$ 2,339,205	\$ 1,372,702	\$ 1,443,956

The weighted average maturity of investments is 0.48 years.

The City's investments in U.S. Government money market and a U.S. Treasury note are valued using quoted prices in active markets (Level 1 inputs). The City's investments in federal agency securities (FNMA, FHLMC, FFCB, FHLB), commercial paper and Negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: The City's investment policy states that the City will minimize interest rate risk by investing operating funds primarily in shorter-term securities and by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. With certain limitations, the City's investment policy states that the maximum maturity period for securities bearing interest at a fixed rate should be no greater than five years.

In addition, eligible investments bearing interest rates at a variable rate must have a maturity not greater than two years. The Ohio Revised Code requires repurchase agreements to not exceed 30 days and the fair value of securities for repurchase agreements must exceed the principal value by an amount greater than or equal to two percent.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The City's investments in federal agency securities and U.S. Treasury Notes were rated AA+ and Aaa by Standard and Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. The City's U.S. Government money market mutual funds were rated AAAm by Standard & Poor's. The City's investments in commercial paper were rated A-1 or A-1+ by Standard & Poor's. The negotiable CDs are fully covered by the FDIC. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy limits investments to those authorized by State statute.

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

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

The following table includes the percentage of each investment type held by the City at December 31, 2023:

<u>Measurement/ Investment type</u>	<u>Measurement</u>	
	<u>Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FHLMC	\$ 140,346	0.53
FFCB	249,286	0.94
Negotiable CD's	6,426,929	24.15
U.S. Treasury notes	244,640	0.92
Commercial paper	5,493,740	20.65
<i>Amortized Cost:</i>		
U.S. Government money market	36,710	0.14
STAR Ohio	<u>14,018,409</u>	<u>52.67</u>
	<u><u>\$ 26,610,060</u></u>	<u><u>100.00</u></u>

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 6,655,266
Investments	26,610,060
Cash with fiscal and escrow agents	517,863
Cash in segregated accounts	<u>1,543</u>
Total	<u>\$ 33,784,732</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 33,553,009
Custodial funds	<u>231,723</u>
Total	<u>\$ 33,784,732</u>

NOTE 5 - INTERFUND

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

<u>Transfers to nonmajor governmental funds from:</u>	<u>Amount</u>
General fund	\$ 5,714,346
TIF fund	450,779
Nonmajor governmental funds	127,528
<u>Transfers to general fund from:</u>	
Nonmajor governmental funds	<u>12,155,756</u>
Total transfers	<u>\$ 18,448,409</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund (a nonmajor governmental fund) as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers from the TIF fund to the general fund and to nonmajor governmental funds were for debt service and economic development incentives. Transfers from nonmajor governmental funds to nonmajor governmental funds were for debt service and new fund establishment.

All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. Interfund transfers between governmental funds are eliminated for reporting on the statement of activities.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 5 - INTERFUND - (Continued)

B. Interfund loans consisted of the following at December 31, 2023, as reported on the fund financial statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 120,096
Nonmajor governmental funds	Nonmajor governmental funds	<u>14,000</u>
Total		<u><u>\$ 134,096</u></u>

The interfund loans are expected to be repaid once the anticipated revenues are received by the borrowing funds. Interfund balances between governmental funds are eliminated for reporting on the statement of net position.

C. The City had the following amounts due to/from other funds at December 31, 2023:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General fund	\$ 181,770	\$ -
Nonmajor governmental	<u>-</u>	<u>181,770</u>
Total	<u><u>\$ 181,770</u></u>	<u><u>\$ 181,770</u></u>

Amounts due to/from other funds represent amounts owed between funds. Due to/from other fund balances between governmental funds are eliminated for reporting on the government-wide statement of net position.

NOTE 6 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Whitehall. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is considered a deferred inflow of resources.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 6 - PROPERTY TAXES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2023 was \$4.33 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2022 property tax receipts were based are as follows:

Real property

Residential/agricultural	\$ 270,078,850
Commercial/industrial/mineral	104,692,750

Public utility

Real	146,920
Personal	<u>15,172,670</u>

Total assessed value	<u>\$ 390,091,190</u>
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NOTE 7 - LOCAL INCOME TAX

The City levies a municipal income tax of 2.5% on all salaries, wages, commissions and other compensation; on net profits earned within the City; and on incomes of residents earned outside of the City. In the latter case, the City allows a credit of 100% for any income tax paid to another municipality to a maximum of the total amount assessed. Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax revenue has been reported as revenue in the general fund to the extent that it was measurable and available to finance current operations at December 31. Income tax revenue for 2023 was \$26,178,088 in the general fund.

NOTE 8 - TAX INCREMENT FINANCING DISTRICTS (TIF)

The City, pursuant to the Ohio Revised Code and City ordinances, has established eight TIFs. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as "payments in lieu of taxes (PILOT)", as though the TIF had not been established. These "PILOTS" are then dedicated to the payments for various public improvements within or adjacent to the TIF area. Property values existing before the commencement date of a TIF continue to be subjected to property taxes. PILOT revenue was \$2,049,327 in 2023 as reported in the fund financial statements. The TIFs have a longevity of the shorter period of 30 years or until the public improvements are paid for. The property tax exemption then ceases; PILOT's cease and property taxes then apply to the increased property values.

NOTE 9 - RECEIVABLES

A. Receivables at December 31, 2023, consisted of taxes, accounts (billings for user charged services), leases, accrued interest, special assessments, and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the financial statements. Receivables have been recorded to the extent that they are measurable at December 31, 2023.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 9 - RECEIVABLES - (Continued)

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

Governmental activities:

Municipal income taxes	\$ 2,716,900
Property and other taxes	1,256,436
Payment in lieu of taxes	3,366,942
Accounts	530,987
Leases	276,750
Special assessments	34,759
Accrued interest	132,269
Due from other governments	<u>1,285,458</u>
Total	<u><u>\$ 9,600,501</u></u>

Receivables have been disaggregated on the face of the financial statements. The only receivable not expected to be collected within the subsequent year is the special assessments which are collected over the life of the assessment.

B. Leases Receivable

The City is reporting leases receivable of \$276,750 in the general fund. For fiscal year 2023, the City recognized lease revenue of \$27,456, which is reported in rental income, and interest revenue of \$14,587 in the governmental funds.

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

Purpose	Fund	Lease Commencement		Years	Lease End Date	Payment Method
		Date	Years			
Cell Tower	General	2022	10	10	2031	Monthly
Cell Tower	General	2022	10	10	2031	Monthly

Lease payments will be paid into the general fund. The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2024	\$ 28,862	\$ 13,182	\$ 42,044
2025	30,338	11,705	42,043
2026	31,890	10,153	42,043
2027	33,522	8,522	42,044
2028	35,237	6,807	42,044
2029-2031	<u>116,901</u>	<u>9,230</u>	<u>126,131</u>
Total	<u><u>\$ 276,750</u></u>	<u><u>\$ 59,599</u></u>	<u><u>\$ 336,349</u></u>

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 10 - CAPITAL ASSETS

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

	Balance			Balance
	<u>12/31/22</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/23</u>
<u>Governmental activities:</u>				
<i>Capital assets, not being depreciated/amortization:</i>				
Land	\$ 1,970,582	\$ -	\$ -	\$ 1,970,582
Construction in progress	<u>4,862,306</u>	<u>9,490,059</u>	<u>(4,204,192)</u>	<u>10,148,173</u>
Total capital assets, not being depreciated/amortized	<u>6,832,888</u>	<u>9,490,059</u>	<u>(4,204,192)</u>	<u>12,118,755</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	2,086,941	400,989		2,487,930
Buildings and improvements	17,632,675	10,775	(14,104)	17,629,346
Equipment	3,597,395	499,244	(16,238)	4,080,401
Intangible right to use:				
Leased equipment	93,867	-	-	93,867
Vehicles	<u>5,473,824</u>	<u>263,482</u>	<u>(16,342)</u>	<u>5,720,964</u>
Works of Art	17,434	-	-	17,434
Infrastructure	<u>57,389,607</u>	<u>5,061,908</u>	<u>-</u>	<u>62,451,515</u>
Total capital assets, being depreciated/amortized	<u>86,291,743</u>	<u>6,236,398</u>	<u>(46,684)</u>	<u>92,481,457</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(587,936)	(93,369)	-	(681,305)
Buildings and improvements	(6,967,086)	(487,220)	14,104	(7,440,202)
Equipment	(2,181,506)	(293,748)	16,238	(2,459,016)
Intangible right to use:				
Leased equipment	(18,081)	(18,773)	-	(36,854)
Vehicles	<u>(3,604,247)</u>	<u>(420,243)</u>	<u>16,342</u>	<u>(4,008,148)</u>
Works of Art	(4,068)	(1,162)	-	(5,230)
Infrastructure	<u>(28,288,745)</u>	<u>(1,953,369)</u>	<u>-</u>	<u>(30,242,114)</u>
Total accumulated depreciation/amortization	<u>(41,651,669)</u>	<u>(3,267,884)</u>	<u>46,684</u>	<u>(44,872,869)</u>
Total capital assets, being depreciated/amortized, net	<u>44,640,074</u>	<u>2,968,514</u>	<u>-</u>	<u>47,608,588</u>
Governmental activities capital assets, net	<u>\$ 51,472,962</u>	<u>\$ 12,458,573</u>	<u>\$ (4,204,192)</u>	<u>\$ 59,727,343</u>

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

Governmental activities:

General government	\$ 77,849
Security of persons and property	494,496
Transportation	2,093,345
Community environment	174
Leisure time activity	<u>602,020</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 3,267,884</u>

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 11 - LONG -TERM OBLIGATIONS

A. In 2023, the following changes occurred in the City's governmental activities long-term obligations.

<u>Governmental activities:</u>	Balance			Balance	Amounts Due in One Year
	12/31/22	Additions	Reductions		
General obligation bonds	\$ 6,745,000	\$ 13,985,000	\$ (470,000)	\$ 20,260,000	\$ 725,000
OPWC loans - direct borrowings	1,509,052	594,200	(92,483)	2,010,769	92,483
Revenue bonds	2,635,000	9,840,000	(265,000)	12,210,000	370,000
FCIB loan - direct borrowing	192,718	2,000,000	(111,076)	2,081,642	160,795
Note payable - financed purchase	1,232,790	-	(153,875)	1,078,915	155,193
Lease payable	76,834	-	(17,182)	59,652	15,751
Net pension liability	28,221,936	23,513,050	-	51,734,986	-
Net OPEB liability	4,410,043	220,726	(1,341,297)	3,289,472	-
Compensated absences	<u>2,339,105</u>	<u>1,476,163</u>	<u>(1,385,328)</u>	<u>2,429,940</u>	<u>1,233,921</u>
Total governmental activities	<u>\$ 47,362,478</u>	<u>\$ 51,629,139</u>	<u>\$ (3,836,241)</u>	<u>\$ 95,155,376</u>	<u>\$ 2,753,143</u>
Add: unamortized bond premiums					1,138,789
Total on statement of net position					<u>\$ 96,294,165</u>

General Obligation Bonds

On September 24, 2014, the City issued \$1,475,000 in general obligation serial bonds, for the purpose of improving streetscapes and acquiring land. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds have an annual interest rate of 2.75% and are scheduled to mature on December 1, 2028. Principal and interest payments are made out of the debt service fund (a nonmajor governmental fund). At December 31, 2023, the City had \$80,725 of unspent bond proceeds remaining on the general obligation serial bonds.

On July 14, 2015, the City issued \$2,500,000 in recreational facilities construction and improvement bonds, for the purpose of designing, constructing and improving various recreational facilities. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds have an annual interest rate of 2.69% and are scheduled to mature on June 1, 2030. Principal and interest payments are made out of the debt service fund (a nonmajor governmental fund).

On July 31, 2019, the City issued \$5,000,000 in recreational facilities improvement bonds, for the purpose of designing, constructing and improving various recreational facilities. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds have an annual interest rate of 5.00% and are scheduled to mature on December 31, 2039. Principal and interest payments are made out of the debt service fund (a nonmajor governmental fund).

On October 24, 2023, the City issued \$4,100,000 in capital facilities bonds, for the purpose of improving City Hall and other municipal facilities. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds have an average interest rate of 5.13% and are scheduled to mature on December 31, 2051. Principal and interest payments are made out of the debt service fund (a nonmajor governmental fund).

On October 24, 2023, the City issued \$1,805,000 in judgement bonds, for the purpose of providing funds to pay the costs of a court-approved final settlement. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds have an average interest rate of 5.31% and are scheduled to mature on December 31, 2048. Principal and interest payments are made out of the debt service fund (a nonmajor governmental fund).

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 11 - LONG -TERM OBLIGATIONS - (Continued)

On January 25, 2023, the City issued \$8,080,000 in capital facilities bonds, for the purpose of providing funds to pay the costs of the improvement of municipal facilities and the current police department. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment. The bonds have an average interest rate of 4.09% and are scheduled to mature on December 31, 2051. Principal and interest payments are made out of the debt service fund (a nonmajor governmental fund).

The following is a summary of the City's future annual debt service requirements to maturity for the general obligation bonds payable:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 725,000	\$ 893,797	\$ 1,618,797
2025	795,000	831,130	1,626,130
2026	835,000	797,173	1,632,173
2027	860,000	761,295	1,621,295
2028	910,000	724,215	1,634,215
2029 - 2033	3,755,000	3,099,038	6,854,038
2034 - 2038	4,075,000	2,340,615	6,415,615
2039 - 2043	3,015,000	1,565,851	4,580,851
2044 - 2048	3,325,000	891,950	4,216,950
2049 - 2053	<u>1,965,000</u>	<u>175,242</u>	<u>2,140,242</u>
Total	\$ 20,260,000	\$ 12,080,306	\$ 32,340,306

Ohio Public Works Commission (OPWC) Loans

OPWC loans were issued during 2010 for the Mayflower Boulevard reconstruction, 2011 for the Country Club Village Roadway Improvements, 2012 for the Rosemore Avenue reconstruction, 2015 for Hamilton Road improvements, 2016 for additional Hamilton Road improvements, for Etna Road improvements, and during 2017 for additional Hamilton Road and Etna Road improvements, during 2019 for Roadway Improvements for Yearling Road, during 2020 and 2021 for additional Roadway Improvements for Yearling Road and during 2023 for Woodcliff Drive realignment. The proceeds were deposited into the City's nonmajor capital improvement funds. The loans are interest free and principal payments are made from the debt service fund (a nonmajor governmental fund). At December 31, 2023, the City's loan related to the Woodcliff Drive project was "open", meaning the final disbursements have not yet been made from OWDA. As of the date of this report, an amortization schedule is not yet available.

In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 11 - LONG -TERM OBLIGATIONS - (Continued)

The following is a summary of the City's future debt service principal and interest requirements for the OPWC loans.

Year Ending December 31,	Principal	Interest	Total
2024	\$ 92,483	\$ -	\$ 92,483
2025	92,483	-	92,483
2026	92,483	-	92,483
2027	92,483	-	92,483
2028	92,483	-	92,483
2029 - 2033	459,730	-	459,730
2034 - 2038	281,497	-	281,497
2039 - 2043	184,489	-	184,489
2044	<u>28,438</u>	-	<u>28,438</u>
Total	<u><u>\$ 1,416,569</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,416,569</u></u>

Revenue Bonds

The City has pledged future nontax revenues in the City's general fund to repay \$4,100,000 in Series 2016 nontax revenue bonds and \$9,840,000 in Series 2023 nontax revenue bonds. The City transfers the required amount of the debt payment to the debt service fund (a nonmajor governmental fund) yearly. The Series 2016 proceeds were used to acquire the real and personal property within the City generally known as the Commons at Royal Landing as part of a project to redevelop that property with a mix of commercial and residential uses. The Series 2023 proceeds were used to acquire a 37-acre parcel in the northeast corner of Hamilton Road and East Broad Street. The revenue bonds are payable solely from nontax revenues in the general fund and are payable through 2053. The bonds have an annual interest rate of 2.20%-8.00%. The most significant amounts of nontax revenues in the City's general fund which are pledged for these purposes are derived from charges for services, licenses and permits and fines and forfeitures. Annual principal and interest payments on the revenue bonds are expected to require less than 12.84 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2016 and 2023 revenue bonds is \$22,948,482. Principal and interest paid for the current year was \$265,000 and \$55,055, respectively. General fund nontax revenues for the current year were \$2,493,036.

The following is a summary of the City's future debt service principal and interest requirements for the Revenue Bonds.

Year Ending December 31,	Principal	Interest	Total
2024	\$ 370,000	\$ 626,687	\$ 996,687
2025	410,000	588,295	998,295
2026	430,000	573,780	1,003,780
2027	440,000	558,155	998,155
2028	460,000	542,065	1,002,065
2029 - 2033	1,910,000	2,453,600	4,363,600
2034 - 2038	1,305,000	2,084,400	3,389,400
2039 - 2043	1,735,000	1,671,250	3,406,250
2044 - 2048	2,240,000	1,154,550	3,394,550
2049 - 2053	<u>2,910,000</u>	<u>485,700</u>	<u>3,395,700</u>
Total	<u><u>\$ 12,210,000</u></u>	<u><u>\$ 10,738,482</u></u>	<u><u>\$ 22,948,482</u></u>

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 11 - LONG -TERM OBLIGATIONS - (Continued)

Franklin County Infrastructure Bank (FCIB) Loan

During 2016, the City entered into a Franklin County Infrastructure Bank (FCIB) Loan in the amount of \$550,000. The proceeds will be used to finance improvements to the north Hamilton Road corridor. The interest rate on the loan is 1.70%. Principal and interest payments on the bonds are due on April 1 and October 1 of each year and will be paid from the debt service fund (a nonmajor governmental fund). The final maturity date is October 1, 2025. This loan is a direct borrowing that has terms negotiated between the City and the creditor.

During 2023, the City entered into a Franklin County Infrastructure Bank (FCIB) Loan in the amount of \$2,000,000. The proceeds will be used to finance the Woodcliff Redevelopment Public Infrastructure Project. The interest rate on the loan is 1.00%. Principal and interest payments on the bonds are due on April 1 and October 1 of each year and will be paid from the debt service fund (a nonmajor governmental fund). The final maturity date is October 1, 2042. This loan is a direct borrowing that has terms negotiated between the City and the creditor.

The following is a summary of the City's future debt service principal and interest requirements for the FCIB Loan.

Year Ending December 31,	Principal	Interest	Total
2024	\$ 160,795	\$ 21,211	\$ 182,006
2025	162,860	19,145	182,005
2026	98,508	17,334	115,842
2027	99,495	16,347	115,842
2028	100,493	15,349	115,842
2029 - 2033	517,778	61,432	579,210
2034 - 2038	544,258	34,952	579,210
2039 - 2042	<u>397,455</u>	<u>7,988</u>	<u>405,443</u>
Total	<u>\$ 2,081,642</u>	<u>\$ 193,758</u>	<u>\$ 2,275,400</u>

Note Payable - Financed Purchase

A. During a prior year, the City entered into a Master Lease Agreement in the amount of \$273,949 for the purchase of a freightliner. The interest rates on the note is 4.26%. Capital assets consisting of vehicles have been capitalized in the amount of \$273,949. This amount represents the present value of the minimum payments at the time of acquisition. Accumulated depreciation as of December 31, 2023 was \$123,277, leaving a current book value of \$150,672. A corresponding liability was recorded in the government-wide financial statements. Principal and interest payments on the note are due monthly and will be paid from the fleet reserve & maintenance fund (a nonmajor governmental fund). During the current year, principal and interest payments totaled \$52,775 and \$3,075, respectively.

The following is a summary of the City's future debt service principal and interest requirements for the note payable.

Year Ending December 31,	Principal	Interest	Total
2024	\$ 49,793	\$ 977	\$ 50,770
Total	<u>\$ 49,793</u>	<u>\$ 977</u>	<u>\$ 50,770</u>

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 11 - LONG -TERM OBLIGATIONS - (Continued)

B. During a prior year, the City entered into a Master Lease Agreement in the amount of \$1,631,772 for energy conservation measures. The interest rates on the note is 2.90%. Principal and interest payments on the note are due on April 29 and October 29 of each year and will be paid from the mechanical upgrades fund (a nonmajor governmental fund). The final maturity date is April 29, 2032.

The following is a summary of the City's future debt service principal and interest requirements for the note.

Year Ending December 31,	Principal	Interest	Total
2024	\$ 105,400	\$ 29,088	\$ 134,488
2025	109,900	25,997	135,897
2026	114,450	22,777	137,227
2027	119,300	19,424	138,724
2028	124,300	15,928	140,228
2029 - 2032	<u>455,772</u>	<u>26,043</u>	<u>481,815</u>
Total	<u>\$ 1,029,122</u>	<u>\$ 139,257</u>	<u>\$ 1,168,379</u>

Lease Payable

The City has entered into a lease agreement for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the City will report an intangible capital asset and corresponding liability for the future scheduled payments under the lease. The lease payments will be paid from the general fund.

The City has entered into lease agreements with the following terms:

Purpose	Lease Commencement Date	Years	Lease End Date	Payment Method
Copiers	2019	5	2024	Monthly
Copiers	2020	5	2025	Monthly
Copiers	2022	5	2028	Monthly

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

Fiscal Year	Principal	Interest	Total
2024	\$ 15,751	\$ 2,607	\$ 18,358
2025	14,756	1,849	16,605
2026	13,612	1,148	14,760
2027	14,308	452	14,760
2028	<u>1,225</u>	<u>5</u>	<u>1,230</u>
Total	<u>\$ 59,652</u>	<u>\$ 6,061</u>	<u>\$ 65,713</u>

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 11 - LONG -TERM OBLIGATIONS - (Continued)

Net Pension Liability and Net OPEB Liability

See Notes 13 and 14 for more details. The City pays obligations related to employee compensation from their service which for the City, is primarily the general fund.

Compensated Absences

Compensated absences are paid primarily from the general fund and the street maintenance and repair fund (a nonmajor governmental fund).

B. Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2023, the City's total debt margin was \$20,748,652 and the unvoted debt margin was \$21,455,015.

NOTE 12 - RISK MANAGEMENT

A. Comprehensive

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the City was a member of and was insured through the Public Entities Pool of Ohio (The Pool) for all property, general liability, auto, public official liability, errors and omissions and law enforcement liability. The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

<u>Type of Coverage</u>	<u>Limits of Coverage</u>	<u>Deductible</u>
Property	\$22,786,147	\$2,500
General liability	6,000,000	0
Vehicles - Comprehensive/Collision	6,000,000	0
Law enforcement	6,000,000	10,000
Public management	6,000,000	5,000
Employment practices	6,000,000	5,000
Aggregate		

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities at December 31, 2023 (latest information available) and December 31, 2021:

<u>Casualty and Property Coverage</u>	<u>2023</u>	<u>2022</u>
Assets	\$43,996,442	\$42,310,794
Liabilities	19,743,401	15,724,479
Net Position- Unrestricted	<u>\$24,253,041</u>	<u>\$26,586,315</u>

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 12 - RISK MANAGEMENT - (Continued)

B. Health Insurance

The City has a Risk Management program (within its general fund) to account for and finance its uninsured risks of loss. Under this program, the City provides coverage for up to a maximum of \$90,000 per person per year for 2023. The City purchases commercial insurance for claims in excess of coverage provided by the Plan and for all other risks of loss.

<u>Year</u>	Current Year			
	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2023	\$ 491,786	\$ 2,328,026	\$ (2,525,295)	\$ 294,517
2022	599,245	2,242,655	(2,350,114)	491,786

The entire claims liability of \$294,517 will be liquidated using expendable available resources and, therefore, is reported as a liability of the general fund.

C. Workers' Compensation

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Claims have not exceeded coverage limitations in any of the past three years and there has been no significant reduction in coverage from the prior year, with the exception of property coverage and inland marine coverage.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability

The net pension liability/asset and the net OPEB liability reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and OPEB are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The remainder of this note includes the pension disclosures. See Note 14 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

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FRANKLIN COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

**CITY OF WHITEHALL
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

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

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

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

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,144,301 for 2023. Of this amount, \$10,192 is reported as due to other governments.

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 or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

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

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

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2023 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	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 \$2,685,923 for 2023. Of this amount, \$290,732 is reported as to other governments.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2022, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.03546700%	0.02358000%	0.40234460%	
Proportion of the net pension liability/asset current measurement date	<u>0.03653400%</u>	<u>0.02396400%</u>	<u>0.43102110%</u>	
Change in proportionate share	<u>0.00106700%</u>	<u>0.00038400%</u>	<u>0.02867650%</u>	
Proportionate share of the net pension liability	\$ 10,792,160	\$ -	\$ 40,942,826	\$ 51,734,986
Proportionate share of the net pension asset	-	(1,874)	-	(1,874)
Pension expense	2,023,718	(182)	5,744,775	7,768,311

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources				
Differences between expected and actual experience	\$ 358,470	\$ 5,376	\$ 614,126	\$ 977,972
Net difference between projected and actual earnings on pension plan investments	3,076,104	878	5,960,771	9,037,753
Changes of assumptions	114,011	120	3,692,903	3,807,034
Changes in employer's proportionate percentage/ difference between employer contributions	391,210	-	2,685,894	3,077,104
Contributions subsequent to the measurement date	1,124,557	19,744	2,685,923	3,830,224
Total deferred outflows of resources	\$ 5,064,352	\$ 26,118	\$ 15,639,617	\$ 20,730,087
 Deferred inflows of resources				
Differences between expected and actual experience	\$ -	\$ -	\$ 932,798	\$ 932,798
Changes of assumptions	-	-	798,374	798,374
Changes in employer's proportionate percentage/ difference between employer contributions	-	-	589,938	589,938
Total deferred inflows of resources	\$ -	\$ -	\$ 2,321,110	\$ 2,321,110

\$3,830,224 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2024.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Year Ending December 31:	OPERS -		OP&F	Total
	OPERS - Traditional	Member- Directed		
2024	\$ 715,861	\$ 895	\$ 1,255,292	\$ 1,972,048
2025	811,600	955	2,478,368	3,290,923
2026	905,447	978	2,808,536	3,714,961
2027	1,506,887	1,106	3,884,367	5,392,360
2028	-	634	206,021	206,655
Thereafter	-	1,806	-	1,806
Total	<u>\$ 3,939,795</u>	<u>\$ 6,374</u>	<u>\$ 10,632,584</u>	<u>\$ 14,578,753</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

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FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

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

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

**CITY OF WHITEHALL
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2022 was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 16,166,295	\$ 10,792,160	\$ 6,321,843
Member-Directed Plan	(1,198)	(1,874)	(2,396)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Experience study assumptions were performed by OP&F's prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful lives of the participants which was 5.81 years at December 31, 2022.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2022, compared to December 31, 2021, are presented below.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Valuation date	1/1/22 with actuarial liabilities rolled forward to 12/31/22
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

Health Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

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

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

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FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation		
linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 54,011,488	\$ 40,942,826	\$ 30,078,847

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees and are no longer participating in OPERS provided self-insured group plans.

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

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

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

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

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

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

The Ohio Revised Code permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$7,897 for 2023. Of this amount, \$73 is reported as due to other governments.

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

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

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

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

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The City's contractually required contribution to OP&F was \$63,616 for 2023. Of this amount, \$6,886 is reported as due to other governments.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.03395600%	0.40234460%	
Proportion of the net OPEB liability current measurement date	<u>0.03500700%</u>	<u>0.43102110%</u>	
Change in proportionate share	<u>0.00105100%</u>	<u>0.02867650%</u>	
Proportionate share of the net OPEB liability	\$ 220,726	\$ 3,068,746	\$ 3,289,472
OPEB expense	(423,206)	366,606	(56,600)

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**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	OPERS	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 183,125	\$ 183,125
Net difference between projected and actual earnings on OPEB plan investments	438,371	263,207	701,578
Changes of assumptions	215,588	1,529,292	1,744,880
Changes in employer's proportionate percentage/ difference between employer contributions	8,787	591,825	600,612
Contributions subsequent to the measurement date	7,897	63,616	71,513
Total deferred outflows of resources	<u>\$ 670,643</u>	<u>\$ 2,631,065</u>	<u>\$ 3,301,708</u>
 Deferred inflows of resources			
Differences between expected and actual experience	\$ 55,057	\$ 605,095	\$ 660,152
Changes of assumptions	17,739	2,509,984	2,527,723
Changes in employer's proportionate percentage/ difference between employer contributions	1,756	169,958	171,714
Total deferred inflows of resources	<u>\$ 74,552</u>	<u>\$ 3,285,037</u>	<u>\$ 3,359,589</u>

\$71,513 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2024.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Year Ending December 31:	OPERS	OP&F	Total
2024	\$ 80,073	\$ 70,021	\$ 150,094
2025	159,655	97,299	256,954
2026	136,699	(99,457)	37,242
2027	211,767	(38,973)	172,794
2028	-	(213,911)	(213,911)
Thereafter	-	(532,567)	(532,567)
Total	\$ 588,194	\$ (717,588)	\$ (129,394)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

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**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
Prior Measurement date	2.75 to 10.75%
including wage inflation	
Single Discount Rate:	
Current measurement date	5.22%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6% for 2022.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)	
		2.56	%
Fixed Income	34.00		
Domestic equities	26.00	4.60	
Real Estate Investment Trusts (REITs)	7.00	4.70	
International equities	25.00	5.51	
Risk parity	2.00	4.37	
Other investments	6.00	1.84	
Total	100.00	%	

Discount Rate - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22%) or one-percentage-point higher (6.22%) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	\$ 751,250	\$ 220,726	\$ (217,043)

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	Current Health Care Trend Rate		
	1% Decrease	Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 206,891	\$ 220,726	\$ 236,297

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.27%
Prior measurement date	2.84%
Cost of Living Adjustments	2.20% simple per year

Health Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

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

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

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation		
linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	<u>2.00</u>	3.60
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - For 2022, the total OPEB liability was calculated using the discount rate of 4.27%. For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65% was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27%.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27%), or one percentage point higher (5.27%) than the current rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 3,778,872	\$ 3,068,746	\$ 2,469,216

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

NOTE 15 - SHORT TERM NOTES PAYABLE

On December 1, 2022, the City issued a short-term special obligation nontax revenue note, series 2022A and 2022B in the amount of \$7,545,000 and \$2,220,000, respectively. The notes matured during 2023.

On December 1, 2022, the City issued a short-term judgement note, series 2022 in the amount of \$1,805,000. The note matured during 2023.

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

	Net Change in Fund Balance	
	<u>General fund</u>	<u>TIF</u>
Budget basis	\$ (4,837,679)	\$ 981,618
Net adjustment for revenue accruals	(36,569)	-
Net adjustment for expenditure accruals	9,735,556	115,000
Net adjustment for other sources/uses	3,566,045	-
Funds budgeted elsewhere	806,380	-
Adjustment for encumbrances	<u>365,323</u>	<u>-</u>
GAAP basis	<u>\$ 9,599,056</u>	<u>\$ 1,096,618</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the unclaimed monies fund, self-funded insurance trust fund, tax incentive program fund, accrued benefits fund and recreation trust fund.

NOTE 17 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2023.

B. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 18 - JOINTLY GOVERNED ORGANIZATION

The City is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 104 representatives appointed by member governments who make up the Commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes more than 80 political subdivisions in and around Franklin, Ross, Fayette, Delaware, Pickaway, Madison, Licking, Morrow, Union, Hocking, Logan, Perry, Marion, Knox and Fairfield counties, Ohio. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 19 - OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	Year-End
	<u>Encumbrances</u>
General fund	\$ 309,761
Other governmental	<u>2,297,035</u>
	<u><u>\$ 2,606,796</u></u>

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CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO

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

NOTE 20 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	TIF	Police Building Renovation	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 121,726	\$ -	\$ -	\$ 113,353	\$ 235,079
Prepays	425,940	-	-	26,667	452,607
Land held for resale	8,001,835	-	-	-	8,001,835
Unclaimed monies	38,357	-	-	-	38,357
Total nonspendable	<u>8,587,858</u>	<u>-</u>	<u>-</u>	<u>140,020</u>	<u>8,727,878</u>
Restricted:					
Judicial operations	-	-	-	39,254	39,254
Security programs	-	-	-	1,374,388	1,374,388
Public health service programs	-	-	-	74,469	74,469
Leisure time activities	-	-	-	50,706	50,706
Economic development	-	-	-	213,903	213,903
Street maintenance	-	5,745,487	-	1,477,684	7,223,171
Capital projects	-	-	9,132,422	1,790,515	10,922,937
Total restricted	<u>-</u>	<u>5,745,487</u>	<u>9,132,422</u>	<u>5,020,919</u>	<u>19,898,828</u>
Committed:					
Security programs	-	-	-	579,872	579,872
General government	41,936	-	-	2,460	44,396
Insurance contingency	1,481,390	-	-	-	1,481,390
Capital projects	-	-	-	5,775,815	5,775,815
Total committed	<u>1,523,326</u>	<u>-</u>	<u>-</u>	<u>6,358,147</u>	<u>7,881,473</u>
Assigned:					
General government	72,638	-	-	-	72,638
Security programs	154,295	-	-	-	154,295
Public health service programs	1,925	-	-	-	1,925
Transportation	2,279	-	-	-	2,279
Community development programs	1,468,530	-	-	-	1,468,530
Leisure time activities	42,436	-	-	-	42,436
Utility services	12,997	-	-	-	12,997
Capital projects	21,129	-	-	-	21,129
Debt service	-	-	-	49,077	49,077
Total assigned	<u>1,776,229</u>	<u>-</u>	<u>-</u>	<u>49,077</u>	<u>1,825,306</u>
Unassigned (deficit)	<u>1,975,304</u>	<u>-</u>	<u>-</u>	<u>(22,670)</u>	<u>1,952,634</u>
Total fund balances	<u>\$ 13,862,717</u>	<u>\$ 5,745,487</u>	<u>\$ 9,132,422</u>	<u>\$ 11,545,493</u>	<u>\$ 40,286,119</u>

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 21 - TAX ABATEMENTS AND TAX CREDITS

Income Tax Credits

The City, by Ordinance, may grant a refundable or nonrefundable credit against its tax on income to a taxpayer to foster job creation and/or for the purpose of fostering job retention in the City of Whitehall. For new job creation, if a credit is granted, it shall be measured as a percentage of the new income tax revenue the City derives from new employees of the taxpayer. For job retention, if a credit is granted, it shall be measured as a percentage of the income tax revenue the City derives from the retained employees of the taxpayer. Before the City passes an Ordinance granting a credit and/or allowing such a credit, the City and the taxpayer shall enter into an agreement specifying all the conditions of the credit.

As a result of entering into four grant agreements, the City awarded \$631,661 to local businesses during 2023.

NOTE 22 - OTHER COMMITMENTS

At December 31, 2023, the City had uncompleted contracts, as follows:

Description	Contract Amount	Amount Paid	Remaining Commitment
FRA Whitehall Signals (PID 90383 & 99827)	\$ 5,079,218	\$ 5,005,894	\$ 73,324
2022 Sanitary Sewer Rehabilitation/Improvements	389,421	343,701	45,720
Woodcliff Drive Realignment (CC01Y/CC02Y)	4,244,963	2,988,630	1,256,333
Broad Street and Hamilton Road (OPWC) (DCY01-0)	10,923,278	767,492	10,155,786
Poth Road	3,997,033	3,286,313	710,720
Columbus Blue Jackets Street Hockey Park	261,000	205,894	55,106
2022/2023 Water Main Replacement	646,099	645,843	256
2022 Street Maintenance Program	1,334,818	1,293,986	40,832
E Broad St Improvement Phase 1 (CC01Z/CC02Z)	3,073,723	241,477	2,832,246
Police Department Renovation	8,080,010	53,150	8,026,860
2023 Sewer Rehabilitation Program	1,107,000	54,338	1,052,662
2023 Street Maintenance Project	1,709,311	932,959	776,352
E Broad St Improvement Phase 2 (CC15AA/CC16AA)	6,367,084	98,180	6,268,904
Total	<u>\$ 47,212,958</u>	<u>\$ 15,917,857</u>	<u>\$ 31,295,101</u>

NOTE 23 - RISK SHARING POOL

The Public Entities Pool of Ohio (PEP) is a statutory entity created pursuant to section 2744.081, of the Ohio Revised Code, by the execution of an intergovernmental contract ("Participation Agreements"). PEP enables the subscribing subdivisions to pool risk for property, liability and public official liability. PEP has no employees, rather it is administered through contracts with various professionals.

Pursuant to a contract, the firm of Wells Fargo Insurance Services administers PEP. PEP is a separate legal entity. PEP subcontracts certain self-insurance, administrative and claims functions to a "Pool Operator," currently Pottering Insurance. PEP has executed contracts with various professionals for actuary services, as independent auditors, as loss control representatives, as litigation management and defense law firms, as counsel to PEP and others as required.

PEP is governed by a seven member Board of Trustees elected by the members of PEP. The City makes an annual contribution to PEP for the coverage it is provided, based on rates established by PEP. Financial information may be obtained by writing to the Public Entities Pool of Ohio, 229 Riverside Drive, Dayton, Ohio, 45402.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 24 - WHITEHALL COMMUNITY IMPROVEMENT CORPORATION

The Whitehall Community Improvement Corporation (CIC) was formed in 1984 and incorporated as a not-for-profit corporation under Chapters 1724 of the Ohio Revised Code for the purpose to advance, encourage, and promote industrial, economic, commercial and civic development of the City. The CIC has been designated as the City's agent for industrial and commercial distributions and research development. The Board of Directors of the CIC is comprised of thirteen members. Seven of the Board members are citizens of the City and six of the Board members are City employees. The City is considered to be financially accountable for the CIC and, therefore, the CIC is presented as a component unit of the City. Financial statements can be obtained from the Whitehall Community Improvement Corporation, 360 S Yearling Road, Whitehall, Ohio, 43213.

Summary of Significant Accounting Policies

The basic financial statements of the CIC have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The CIC's significant accounting policies are described below.

A. Basis of Accounting

The basic financial statements of the CIC are prepared using the accrual basis of accounting in conformity with GAAP.

B. Federal Income Tax

The Whitehall Community Improvement Corporation is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, all cash in the CIC's checking account is considered to be cash and cash equivalents. All monies received by the CIC are deposited into a demand deposit account.

D. Capital Assets and Depreciation

The CIC's capital assets consist of a building which is recorded at cost. Improvements are capitalized; however, the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

The CIC's building is depreciated using the straight-line method over an estimated useful life of 30 years.

E. Assets Held for Resale

As part of an economic development program, the CIC has acquired land and buildings for the purpose of revitalization. The CIC's intent is to sell the land and buildings for development. The associated assets have been reported at lower of cost or market.

F. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The CIC has no restricted net position.

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

NOTE 24 - WHITEHALL COMMUNITY IMPROVEMENT CORPORATION - (Continued)

G. Estimates

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

H. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent occurrence. Special items are transactions or events that are within the control of the CIC Board and that are either unusual in nature or infrequent in occurrence. During 2023, the CIC did not have any extraordinary or special items.

Deposits

At December 31, 2023, the carrying amount of the CIC's deposits was \$139,686. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2023, the entire bank balance of \$139,686 was covered by the Federal Deposit Insurance Corporation. There are no significant statutory restrictions regarding the deposits and investments of funds held by the not-for-profit corporation.

Capital Assets

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

	<u>Balance</u>	<u>12/31/22</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>	<u>12/31/23</u>
<i>Capital assets, being depreciated:</i>						
Buildings and improvements	\$ 261,944	\$ _____	\$ _____	\$ _____	\$ 261,944	\$ 261,944
Total capital assets, being depreciated	\$ 261,944	\$ _____	\$ _____	\$ _____	\$ 261,944	\$ 261,944
<i>Less: accumulated depreciation:</i>						
Buildings and improvements	\$ (91,679)	\$ (8,731)	\$ _____	\$ _____	\$ (100,410)	\$ (100,410)
Total accumulated depreciation	\$ (91,679)	\$ (8,731)	\$ _____	\$ _____	\$ (100,410)	\$ (100,410)
Total capital assets, net	\$ 170,265	\$ (8,731)	\$ _____	\$ _____	\$ 161,534	\$ 161,534

Lease Receivable

The CIC is reporting leases receivable of \$7,096. For fiscal year 2023, the CIC recognized lease revenue of \$17,136, which is reported in rental income and interest revenue of \$693 related to the leases.

The CIC has entered into lease agreements for building space rental with multiple companies at varying years and terms.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,096	\$ 104	\$ 7,200

Litigation

The CIC is a plaintiff in pending litigation related to property ownership. The financial impact of this litigation is uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.036534%	0.035467%	0.033854%	0.035258%
City's proportionate share of the net pension liability	\$ 10,792,160	\$ 3,085,773	\$ 5,013,040	\$ 6,968,983
City's covered payroll	\$ 7,781,479	\$ 7,128,079	\$ 6,604,436	\$ 6,836,850
City's proportionate share of the net pension liability as a percentage of its covered payroll	138.69%	43.29%	75.90%	101.93%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	96.62%	86.88%	82.17%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.000000%	0.000000%	0.000000%	0.000000%
City's proportionate share of the net pension asset	n/a	n/a	n/a	n/a
City's covered payroll	n/a	n/a	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	n/a	n/a	n/a	n/a
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.023964%	0.023580%	0.020379%	0.002753%
City's proportionate share of the net pension asset	\$ 1,874	\$ 4,281	\$ 3,715	\$ 1,041
City's covered payroll	\$ 163,100	\$ 147,840	\$ 122,390	\$ 163,670
City's proportionate share of the net pension asset as a percentage of its covered payroll	1.15%	2.90%	3.04%	0.64%
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%	188.21%	118.84%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.035567%	0.033657%	0.033642%	0.033649%	0.034235%	0.034235%
\$ 9,741,080	\$ 5,280,131	\$ 7,639,526	\$ 5,828,431	\$ 4,129,124	\$ 4,035,860
\$ 6,625,729	\$ 6,121,031	\$ 5,983,242	\$ 5,707,225	\$ 5,838,775	\$ 4,155,192
147.02%	86.26%	127.68%	102.12%	70.72%	97.13%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
n/a	n/a	\$ 35	n/a	n/a	n/a
n/a	n/a	\$ 242	n/a	n/a	n/a
n/a	n/a	14.46%	n/a	n/a	n/a
n/a	n/a	116.55%	n/a	n/a	n/a
0.002825%	0.002242%	0.008605%	0.008758%	n/a	n/a
\$ 644	\$ 783	\$ 36	\$ 33	n/a	n/a
\$ 161,510	\$ 122,890	\$ 35,358	\$ 48,775	n/a	n/a
0.40%	0.64%	0.10%	0.07%	n/a	n/a
113.42%	124.45%	103.40%	103.91%	n/a	n/a

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
City's proportion of the net pension liability	0.43102110%	0.40234460%	0.38687040%	0.40137030%
City's proportionate share of the net pension liability	\$ 40,942,826	\$ 25,136,163	\$ 26,373,302	\$ 27,038,447
City's covered payroll	\$ 12,321,444	\$ 11,784,795	\$ 10,982,595	\$ 10,857,436
City's proportionate share of the net pension liability as a percentage of its covered payroll	332.29%	213.29%	240.14%	249.03%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	75.03%	70.65%	69.89%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.42180500%	0.40537000%	0.40866200%	0.41011200%	0.40483340%	0.40483340%
\$ 34,430,434	\$ 24,879,438	\$ 25,884,265	\$ 26,382,785	\$ 20,972,058	\$ 19,716,657
\$ 10,844,104	\$ 10,019,950	\$ 9,948,383	\$ 9,197,518	\$ 9,215,999	\$ 9,075,058
317.50%	248.30%	260.19%	286.85%	227.56%	217.26%
63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,124,557	\$ 1,089,407	\$ 997,931	\$ 924,621
Contributions in relation to the contractually required contribution	<u>(1,124,557)</u>	<u>(1,089,407)</u>	<u>(997,931)</u>	<u>(924,621)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 8,032,550	\$ 7,781,479	\$ 7,128,079	\$ 6,604,436
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	n/a	n/a	n/a	n/a
Contributions in relation to the contractually required contribution	n/a	n/a	n/a	n/a
Contribution deficiency (excess)	n/a	n/a	n/a	n/a
City's covered payroll	n/a	n/a	n/a	n/a
Contributions as a percentage of covered payroll	n/a	n/a	n/a	n/a
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 19,744	\$ 16,310	\$ 14,784	\$ 12,239
Contributions in relation to the contractually required contribution	<u>(19,744)</u>	<u>(16,310)</u>	<u>(14,784)</u>	<u>(12,239)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 197,440	\$ 163,100	\$ 147,840	\$ 122,390
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
\$ 957,159	\$ 927,602	\$ 795,734	\$ 717,989	\$ 684,867	\$ 700,653
<u>(957,159)</u>	<u>(927,602)</u>	<u>(795,734)</u>	<u>(717,989)</u>	<u>(684,867)</u>	<u>(700,653)</u>
<u>\$ -</u>					
\$ 6,836,850	\$ 6,625,729	\$ 6,121,031	\$ 5,983,242	\$ 5,707,225	\$ 5,838,775
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
n/a	n/a	n/a	\$ 29	n/a	n/a
n/a	n/a	n/a	<u>(29)</u>	n/a	n/a
n/a	n/a	n/a	<u>\$ -</u>	n/a	n/a
n/a	n/a	n/a	\$ 242	n/a	n/a
n/a	n/a	n/a	12.00%	n/a	n/a
\$ 16,367	\$ 16,151	\$ 12,289	\$ 4,243	\$ 5,853	n/a
<u>(16,367)</u>	<u>(16,151)</u>	<u>(12,289)</u>	<u>(4,243)</u>	<u>(5,853)</u>	n/a
<u>\$ -</u>	n/a				
\$ 163,670	\$ 161,510	\$ 122,890	\$ 35,358	\$ 48,775	n/a
10.00%	10.00%	10.00%	12.00%	12.00%	n/a

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
<i>Police:</i>				
Contractually required contribution	\$ 1,283,772	\$ 1,247,917	\$ 1,139,814	\$ 1,079,089
Contributions in relation to the contractually required contribution	<u>(1,283,772)</u>	<u>(1,247,917)</u>	<u>(1,139,814)</u>	<u>(1,079,089)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,756,695	\$ 6,567,984	\$ 5,999,021	\$ 5,679,416
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 1,402,151	\$ 1,352,063	\$ 1,359,657	\$ 1,246,247
Contributions in relation to the contractually required contribution	<u>(1,402,151)</u>	<u>(1,352,063)</u>	<u>(1,359,657)</u>	<u>(1,246,247)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,966,600	\$ 5,753,460	\$ 5,785,774	\$ 5,303,179
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
\$ 1,063,976	\$ 1,067,363	\$ 946,522	\$ 918,456	\$ 863,865	\$ 887,962
<u>(1,063,976)</u>	<u>(1,067,363)</u>	<u>(946,522)</u>	<u>(918,456)</u>	<u>(863,865)</u>	<u>(887,962)</u>
<u>\$ -</u>					
\$ 5,599,874	\$ 5,617,700	\$ 4,981,695	\$ 4,833,979	\$ 4,546,658	\$ 4,673,484
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
\$ 1,235,527	\$ 1,228,205	\$ 1,183,990	\$ 1,201,885	\$ 1,092,952	\$ 1,067,491
<u>(1,235,527)</u>	<u>(1,228,205)</u>	<u>(1,183,990)</u>	<u>(1,201,885)</u>	<u>(1,092,952)</u>	<u>(1,067,491)</u>
<u>\$ -</u>					
\$ 5,257,562	\$ 5,226,404	\$ 5,038,255	\$ 5,114,404	\$ 4,650,860	\$ 4,542,515
23.50%	23.50%	23.50%	23.50%	23.50%	23.50%

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	2023	2022	2021	2020
City's proportion of the net OPEB liability/asset	0.035007%	0.033956%	0.323380%	0.033919%
City's proportionate share of the net OPEB liability(asset)	\$ 220,726	\$ (1,063,554)	\$ (576,127)	\$ 4,685,095
City's covered payroll	\$ 7,944,579	\$ 7,275,919	\$ 6,726,826	\$ 7,000,520
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	2.78%	14.62%	8.56%	66.92%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.034234%	0.032270%	0.031681%
\$ 4,463,305	\$ 3,504,284	\$ 3,199,907
\$ 6,787,239	\$ 6,243,921	\$ 6,018,842
65.76%	56.12%	53.16%
46.33%	54.14%	54.05%

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	2023	2022	2021	2020
City's proportion of the net OPEB liability	0.43102110%	0.40234460%	0.38687040%	0.40137030%
City's proportionate share of the net OPEB liability	\$ 3,068,746	\$ 4,410,043	\$ 4,098,955	\$ 3,964,628
City's covered payroll	\$ 12,321,444	\$ 11,784,795	\$ 10,982,595	\$ 10,857,436
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	24.91%	37.42%	37.32%	36.52%
Plan fiduciary net position as a percentage of the total OPEB liability	52.59%	46.86%	45.42%	47.08%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019 **2018** **2017**

0.42180500% 0.40537000% 0.40866200%

\$ 3,841,182 \$ 22,967,753 \$ 19,398,266

\$ 10,844,104 \$ 10,019,950 \$ 9,948,383

35.42% 229.22% 194.99%

46.57% 14.13% 15.96%

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Contractually required contribution	\$ 7,897	\$ 6,524	\$ 5,913	\$ 4,896
Contributions in relation to the contractually required contribution	<u>(7,897)</u>	<u>(6,524)</u>	<u>(5,913)</u>	<u>(4,896)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
City's covered payroll	\$ 8,229,990	\$ 7,944,579	\$ 7,275,919	\$ 6,726,826
Contributions as a percentage of covered payroll	0.10%	0.08%	0.08%	0.07%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
\$ 6,547	\$ 6,460	\$ 66,126	\$ 121,680	\$ 114,145	\$ 83,992
<u>(6,547)</u>	<u>(6,460)</u>	<u>(66,126)</u>	<u>(121,680)</u>	<u>(114,145)</u>	<u>(83,992)</u>
<u><u>\$ -</u></u>					
\$ 7,000,520	\$ 6,787,239	\$ 6,243,921	\$ 6,018,600	\$ 5,756,000	\$ 5,838,775
0.09%	0.10%	1.06%	2.02%	1.98%	1.44%

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
<i>Police:</i>				
Contractually required contribution	\$ 33,783	\$ 32,840	\$ 29,995	\$ 28,397
Contributions in relation to the contractually required contribution	<u>(33,783)</u>	<u>(32,840)</u>	<u>(29,995)</u>	<u>(28,397)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,756,695	\$ 6,567,984	\$ 5,999,021	\$ 5,679,416
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 29,833	\$ 28,767	\$ 28,929	\$ 26,516
Contributions in relation to the contractually required contribution	<u>(29,833)</u>	<u>(28,767)</u>	<u>(28,929)</u>	<u>(26,516)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,966,600	\$ 5,753,460	\$ 5,785,774	\$ 5,303,179
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
\$ 27,999	\$ 28,088	\$ 24,170	\$ 24,170	\$ 23,348	\$ 23,234
<u>(27,999)</u>	<u>(28,088)</u>	<u>(24,170)</u>	<u>(24,170)</u>	<u>(23,348)</u>	<u>(23,234)</u>
<u>\$ -</u>					
\$ 5,599,874	\$ 5,617,700	\$ 4,981,695	\$ 4,833,979	\$ 4,546,658	\$ 4,673,484
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
\$ 26,288	\$ 26,132	\$ 25,572	\$ 25,572	\$ 23,254	\$ 18,126
<u>(26,288)</u>	<u>(26,132)</u>	<u>(25,572)</u>	<u>(25,572)</u>	<u>(23,254)</u>	<u>(18,126)</u>
<u>\$ -</u>					
\$ 5,257,562	\$ 5,226,404	\$ 5,038,255	\$ 5,114,404	\$ 4,650,860	\$ 4,542,515
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- There were no changes in assumptions for 2023.

(Continued)

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

PENSION

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

(Continued)

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

(Continued)

**CITY OF WHITEHALL
FRANKLIN COUNTY, OHIO**

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed from 2.84% to 4.27% and (b) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

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OHIO AUDITOR OF STATE KEITH FABER



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

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

City of Whitehall
Franklin County
360 South Yearling Road
Whitehall, Ohio 43213

To the City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Whitehall, Franklin County, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 4, 2025.

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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a material weakness.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2023-002.

City's Response to Findings

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

February 4, 2025

**CITY OF WHITEHALL
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023**

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

FINDING NUMBER 2023-001

Material Weakness- Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

We noted the following errors in financial statement presentation:

- On the Statement of Net Position, the City overstated Deferred Inflow of Resources- Pension and understated Deferred Outflow of Resources Pension by \$16,857,274 and \$287,984, respectively.
- On the Statement of Net Position and the Balance Sheet, Assets held for resale were understated by \$2,000,000 within Governmental Activities and the General Fund.
- On the Statement of Activities, the City overstated General Government expense by \$17,145,258.
- Within the General Fund, the City should have recorded income tax refunds as a reduction of income tax receipts, resulting in an overstatement of income tax receipts and general government expenditures of \$2,189,096.

Additionally, multiple errors and omissions were identified on the Notes to the Basic Financial Statements. These adjustments are reflected in the financial statements and the related notes to the financial statements.

Other misstatements ranging from \$46,675 to \$500,000 were identified under audit and have been brought to the City's attention.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The City should implement controls to help ensure that all transactions are reviewed to help ensure posting to the proper funds. Additionally, reporting inaccuracies can impact the decision-making of those charged with governance and the general public.

To help reduce errors and to increase the reliability of the financial data, we recommend the City review its internal controls over the reporting compilation process and review the identified errors to help prevent similar errors from occurring in subsequent years.

Officials' Response

We will review financial statement adjustments and entries to assure over or understatements do not recur going forward.

**CITY OF WHITEHALL
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2023**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2023-002

Noncompliance-Illegal Transfers

Ohio Rev. Code § 5705.14 states no transfer shall be made from one fund of a subdivision to any other fund, by order of the court or otherwise, with some exceptions outlined in the statute.

Ohio Rev. Code § 5705.14(D) states the unexpended balance in any special fund, other than an improvement fund, existing in accordance with division (D), (F), or (G) of section 5705.09 or section 5705.12 of the Revised Code, may be transferred to the general fund or to the sinking fund or bond retirement fund after the termination of the activity, service, or other undertaking for which such special fund existed, but only after the payment of all obligations incurred and payable from such special fund.

Ohio Rev. Code § 5705.15 states that in addition to the transfers authorized in section 5705.14 of the Revised Code, the taxing authority of any political subdivision may, in the manner provided in this section and section 5705.16 of the Revised Code, transfer from one fund to another any public funds under its supervision, except the proceeds or balances of loans, bond issues, special levies for the payment of loans or bond issues, the proceeds or balances of funds derived from any excise tax levied by law for a specified purpose, and the proceeds or balances of any license fees imposed by law for a specified purpose.

Ohio Rev. Code § 5705.16 states a resolution of the taxing authority of any political subdivision shall be passed by a majority of all the members thereof, declaring the necessity for the transfer of funds authorized by section 5705.15 of the Revised Code, and such taxing authority shall submit to the tax commissioner a petition that includes the name and amount of the fund, the fund to which it is desired to be transferred, a copy of such resolution with a full statement of the proceedings pertaining to its passage, and the reason or necessity for the transfer.

For the fiscal year ending December 31, 2023, City Council approved transfers totaling \$547,534 from the American Rescue Plan Fund to the General Fund and FRM Transfer Fund (via Ordinance 077-2023 & 078-2023), a transfer from the TIF Fund to the General Fund for \$115,000 (ordinance 080-2023), and a transfer from the Police Grant Fund to the Law Enforcement Trust Fund for \$46,675 (ordinance 036-2023). However, these transfers were not permissible under Ohio Rev. Code § 5705.14 and no proper request for approval was sent to the tax commissioner under Ohio Rev. Code §§ 5705.15-16. As such, the transfer was not permissible under the Ohio Revised Code. Audit adjustments have been made to the financial statement presentation to eliminate the illegal transfers and place the funds back to the original creditor funds.

Failure to comply with Ohio Rev. Code §§ 5705.14, 5705.15, & 5705.16 can result in restricted money being spent for unallowable purposes.

The City should establish and implement procedures to verify that all interfund transfers are in accordance with the Ohio Revised Code. Failure to do so could result in findings for adjustment and noncompliance citations being issued in future audits.

Officials' Response

We will inquire with legal counsel before transferring monies from special revenue funds to other than the debt service fund.

OHIO AUDITOR OF STATE KEITH FABER



CITY OF WHITEHALL

FRANKLIN 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 2/18/2025

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