



OHIO AUDITOR OF STATE
KEITH FABER



**CITY OF BELPRE
WASHINGTON COUNTY
DECEMBER 31, 2024**

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**CITY OF BELPRE
WASHINGTON COUNTY
DECEMBER 31, 2024**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

City of Belpre
Washington County
715 Park Drive
Belpre, Ohio 45714

To the City Council:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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


Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, required budgetary comparison schedules and Schedules of Net Pension (Asset) and Other Post-Employment Benefit Liabilities (Assets) 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 January 14, 2026, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

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

January 14, 2026

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CITY OF BELPRE, OHIO

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

The discussion and analysis of the City of Belpre's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the 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 2024 are as follows:

- The total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at December 31, 2024 by \$24,841,812 (net position). Of this amount, \$890,533 is considered restricted for various purposes. Another \$19,332,103 represents the net investment in capital assets and the remaining unrestricted net position is \$4,619,176.
- Total net position increased \$1,827,204 during the year after 2023's net position was restated (see Note 3 for more detail). Net position of governmental activities increased \$1,320,354, while the net position of business-type activities increased \$506,850.
- The total cost of the City's service programs was \$4,885,999. These costs were offset by program revenues (primarily charges for services and sales) of \$2,390,103 and general revenues (primarily property taxes and income taxes) of \$3,816,250.

Using this Annual Financial Report

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major 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 dollars remain 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.

Reporting the City of Belpre as a Whole

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net position and the changes in those assets. This change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, nonfinancial information such as the condition of City capital assets will also need to be evaluated.

CITY OF BELPRE, OHIO

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

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

Governmental Activities - Most of the City's services are reported here including police, fire, administration, and all departments with the exception of our sewer and water activities.

Business-Type Activities - Sewer and water services have charges based upon the amount of usage. The City charges fees to recoup the cost of the entire operations of our Sewer and Water Treatment Plants as well as all depreciation associated with the facilities.

Reporting the City of Belpre's Most Significant Funds

Fund Financial Statements

The basic governmental fund financial statements begin on page 18. Fund financial statements provide detailed information about the City's major funds. Based upon restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Belpre, our major funds are the General, Street, Local Fiscal Recovery, EMS Levy, Water, and Sewer Funds.

Governmental Funds - Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled as part of the financial statements.

Proprietary Funds - When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. They are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

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 general fund and major special revenue funds budgetary schedules and the City's net pension liability and the net OPEB liability and the City's required contributions to the pension and OPEB plans.

CITY OF BELPRE, OHIO

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

The City of Belpre as a Whole

Recall that the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2024 compared to 2023. The net position of December 31, 2023 was restated as described in Note 3.

(Table 1)
Net Position

	Governmental Activities	(Restated) Governmental Activities	Business Type Activities	(Restated) Business Type Activities	Total	(Restated) Total
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other Assets	\$ 6,813,226	\$ 5,243,675	\$ 4,226,995	\$ 3,332,543	\$ 11,040,221	\$ 8,576,218
Capital Assets, Net	7,447,559	7,503,629	12,114,507	12,450,133	19,562,066	19,953,762
<i>Total Assets</i>	<u>14,260,785</u>	<u>12,747,304</u>	<u>16,341,502</u>	<u>15,782,676</u>	<u>30,602,287</u>	<u>28,529,980</u>
Deferred outflows of resources						
Pension	974,064	1,320,911	311,991	482,836	1,286,055	1,803,747
OPEB	112,224	199,291	28,279	68,482	140,503	267,773
<i>Total deferred outflows of resources</i>	<u>1,086,288</u>	<u>1,520,202</u>	<u>340,270</u>	<u>551,318</u>	<u>1,426,558</u>	<u>2,071,520</u>
<i>Total Assets and Deferred Outflows of Resources</i>	<u>15,347,073</u>	<u>14,267,506</u>	<u>16,681,772</u>	<u>16,333,994</u>	<u>32,028,845</u>	<u>30,601,500</u>
Liabilities						
Current and Other Liabilities	391,080	415,933	371,470	431,481	762,550	847,414
Long-term Liabilities:						
Due Within One Year	79,700	4,882	22,912	13,775	102,612	18,657
Net Pension Liability	3,376,408	3,680,967	1,000,588	1,146,976	4,376,996	4,827,943
Net OPEB Liability	147,173	187,048	-	22,800	147,173	209,848
Other Amounts	292,881	297,705	225,937	193,749	518,818	491,454
<i>Total Liabilities</i>	<u>4,287,242</u>	<u>4,586,535</u>	<u>1,620,907</u>	<u>1,808,781</u>	<u>5,908,149</u>	<u>6,395,316</u>
Deferred inflows of resources						
Property Taxes Levied for The Next Fiscal Year	855,457	804,069	-	-	855,457	804,069
Pension	205,978	180,711	17,212	-	223,190	180,711
OPEB	180,509	198,658	19,728	8,138	200,237	206,796
<i>Total Deferred Inflows Of Resources</i>	<u>1,241,944</u>	<u>1,183,438</u>	<u>36,940</u>	<u>8,138</u>	<u>1,278,884</u>	<u>1,191,576</u>
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>5,529,186</u>	<u>5,769,973</u>	<u>1,657,847</u>	<u>1,816,919</u>	<u>7,187,033</u>	<u>7,586,892</u>
Net Position						
Net Investment in Capital Assets	7,359,052	7,465,807	11,973,051	12,385,375	19,332,103	19,851,182
Restricted	858,374	562,098	32,159	-	890,533	562,098
Unrestricted	1,600,461	469,628	3,018,715	2,131,700	4,619,176	2,601,328
<i>Total Net Position</i>	<u>\$ 9,817,887</u>	<u>\$ 8,497,533</u>	<u>\$ 15,023,925</u>	<u>\$ 14,517,075</u>	<u>\$ 24,841,812</u>	<u>\$ 23,014,608</u>

CITY OF BELPRE, OHIO

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

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/asset 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 and net OPEB asset.

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

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

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

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

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

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

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

CITY OF BELPRE, OHIO

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

As the preceding table illustrates, some of the more significant changes in net position compared to the prior year were a result of reporting the net pension liability/asset and net OPEB liability/asset, and the related deferred inflows and outflows of resources. These will fluctuate annually based on a number of factors including investment returns, actuarial assumptions used, and the City's proportionate share of the net pension and net OPEB cost. See notes 13 and 14 in the notes to the basic financial statements for more detailed information.

The following table shows the changes in net position for 2024 and 2023. The net position as of December 31, 2023, was restated as described in Note 3.

(Table 2)
Changes in Net Position

	Governmental Activities 2024	Business- Type Activities 2024	Total 2024	(Restated) Governmental Activities 2023	(Restated) Business- Type Activities 2023	(Restated) Total 2023
Revenues						
Program Revenues						
Charges for Services	\$ 1,654,901	\$ 3,246,908	\$ 4,901,809	\$ 1,633,201	\$ 2,909,158	\$ 4,542,359
Operating Grants, Contributions and Interest	635,202	-	635,202	568,224	-	568,224
Capital Grants and Contributions	100,000	-	100,000	-	-	-
Total Program Revenues	<u>2,390,103</u>	<u>3,246,908</u>	<u>5,637,011</u>	<u>2,201,425</u>	<u>2,909,158</u>	<u>5,110,583</u>
General Revenues						
Property Taxes	777,396	-	777,396	749,797	-	749,797
Income Tax	2,283,493	-	2,283,493	2,208,617	-	2,208,617
Franchise Tax	89,344	-	89,344	91,694	-	91,694
Permissive Tax	34,906	-	34,906	35,742	-	35,742
Grants and Entitlements	248,027	-	248,027	260,611	-	260,611
Interest	295,398	-	295,398	197,451	-	197,451
Donations	25,451	-	25,451	7,655	-	7,655
Other	62,235	62,337	124,572	54,999	43,060	98,059
Total General Revenues	<u>3,816,250</u>	<u>62,337</u>	<u>3,878,587</u>	<u>3,606,566</u>	<u>43,060</u>	<u>3,649,626</u>
Total Revenues	<u>6,206,353</u>	<u>3,309,245</u>	<u>9,515,598</u>	<u>5,807,991</u>	<u>2,952,218</u>	<u>8,760,209</u>

CITY OF BELPRE, OHIO

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

(Table 2)
Changes in Net Position (Continued)

	Governmental Activities 2024	Business- Type Activities 2024	Total 2024	(Restated) Governmental Activities 2023	(Restated) Business- Type Activities 2023	(Restated) Total 2023
Program Expenses						
General Government	692,148	-	692,148	950,647	-	950,647
Security of Persons and Property:		-				
Police	1,725,240	-	1,725,240	1,951,727	-	1,951,727
Fire	264,673	-	264,673	376,838	-	376,838
Public Health Services	1,240,559	-	1,240,559	1,279,204	-	1,279,204
Transportation	699,795	-	699,795	650,820	-	650,820
Leisure Time Activities	258,168	-	258,168	381,646	-	381,646
Interest	5,416	-	5,416	1,632	-	1,632
Water		1,096,402	1,096,402	-	1,472,485	1,472,485
Sewer		1,705,993	1,705,993	-	1,807,761	1,807,761
Total Program Expenses	4,885,999	2,802,395	7,688,394	5,592,514	3,280,246	8,872,760
 <i>Increase (Decrease) in Net Position</i>	 1,320,354	 506,850	 1,827,204	 215,477	 (328,028)	 (112,551)
 <i>Net Position Beginning of Year</i>	 8,497,533	 14,517,075	 23,014,608	 8,282,056	 14,845,103	 23,127,159
<i>Net Position End of Year</i>	<u>\$ 9,817,887</u>	<u>\$ 15,023,925</u>	<u>\$ 24,841,812</u>	<u>\$ 8,497,533</u>	<u>\$ 14,517,075</u>	<u>\$ 23,014,608</u>

Governmental Activities

Several revenue sources fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate is 1.0 percent. General revenues from property taxes and grants and entitlements, such as local government funds, are also a large revenue generator. The City monitors all of these revenue sources very closely for fluctuations because these three revenue sources represent 53.20 percent of all revenues in the governmental activities.

The most noticeable changes in revenue for 2024 came from a capital grant and contribution awarded to the City during 2024 for \$100,000 and an increase in interest revenue from \$197,451 in 2023 to \$295,398 in 2024 due to the City earning more on investments.

The City has worked very hard on increasing our income tax base by being proactive with new businesses and is continuing to strive to provide better service to the taxpayers at the lowest possible cost. The ability of the City to continue to provide quality services without income tax increases rests on City Management's ability to keep costs in line. The level of services provided have put a strain on the City's finances since no increase has occurred in the income tax rates since the enactment of the income tax levy in 1976.

The City's governmental activity expenses totaled \$4,885,999 in 2024, which represents a decrease of \$706,515 from 2023. This is primarily due to lower spending on capital projects and assets.

Security of persons and property is a major activity of the City, representing 40.73% of the governmental expenses in 2024. These activities are, for the most part, funded by the municipal income tax. The City attempts to supplement the activities of the police department with grants to enable the police department to widen the scope of its activities. The Belpre Volunteer Firefighters, Inc., an entity separate and distinct from the City, has worked hand in hand with the City to help reduce costs to the taxpayer by providing much of the equipment used by the fire department.

CITY OF BELPRE, OHIO

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

The City's second largest category of expenses is public health and welfare, comprising 25.39% of the governmental expenses in 2024. These expenses are primarily for costs of providing sanitation services to the City's residents. Finally, general government is another major activity for the City, accounting for 14.17% of the governmental expenses. The expenses were related to legislative, executive, and judicial services.

Business-Type Activities

The City's business-type activities provide water and sewer services. Business-type activities are primarily funded by charges to users for services provided. Charges for services and other revenues were sufficient to cover the costs of operating these activities in 2024 and total net position increased \$506,850.

The City's Funds

The City's governmental funds are accounted for using the modified accrual basis of accounting. Total fund balance for all governmental funds increased during 2024, from \$3,385,318 to \$4,881,325 at December 31, 2024.

The fund balance of the General Fund increased \$1,166,620. Revenues increased \$415,149 from 2023 levels mainly due to an increase in income tax collections and more investment income as a result of higher interest rates. Expenditures decreased by \$405,487 compared to the prior year. This is due in part to lower capital outlay expenditures, which in 2023.

The City's other major governmental funds in 2024 were the Street Fund, Local Fiscal Recovery Fund, and EMS Levy Fund. The Local Fiscal Recovery Fund was established in 2023 to account for the federal ARPA grant money. The City began spending the funds in 2023, and expenditures amounted to \$5,425 in 2024 with total unspent monies of \$299,969 as of December 31, 2024.

The City's major enterprise funds are the Water and Sewer Funds. Charges for services revenues increased slightly for the Water Fund while decreasing slightly for the Sewer Fund. Expenses for both funds were higher in 2024 due to the higher pension and OPEB expense reported in 2024, as discussed above. Despite the increased expenses, the Water Fund still reported operating income for the year. The Sewer Fund reported an operating income. The overall increase in net position for 2024 was \$298,980 for the Water Fund and increase in net position for 2024 was \$207,870 for the Sewer Fund.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. From time to time during the year, the fund's budget may be amended as needs or conditions change.

During the course of 2024, the City's original estimated revenues were \$4,552,950 and final estimated revenues were \$4,660,959. Actual revenues totaled \$4,914,308 which is \$253,349 more than the final budget. This variance is due in large part to a conservative estimate of several revenue sources, including income taxes, real and other taxes, charges for services, and investment income.

Appropriations were increased \$63,206 during the year to \$4,451,880 from the original to the final budget. Actual expenditures amounted to \$4,058,291 which is \$393,589 less than the final budget. Recommendations for any budget changes come from the City Auditor to the Finance Committee of Council for review before going to Council for Ordinance enactment on the change. The allocation of appropriations among objects, except personal services, within a fund may be modified during the year by the City Auditor without an ordinance of Council. With the General Fund supporting many of our major activities such as our police and fire departments, as well as most legislative and executive activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

CITY OF BELPRE, OHIO

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

Capital Assets and Debt Administration

(Table 3)

Capital Assets at December 31, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,727,575	\$ 2,727,575	\$ 242,194	\$ 242,194	\$ 2,969,769	\$ 2,969,769
Construction in Progress	-	18,576	212,379	373,847	212,379	392,423
Buildings and Improvements	2,086,434	2,122,303	73,770	80,993	2,160,204	2,203,296
Machinery and Equipment	474,478	342,613	844,924	517,760	1,319,402	860,373
Vehicles	510,138	533,899	412,658	606,093	922,796	1,139,992
Infrastructure:						
City Streets	1,520,963	1,618,743	-	-	1,520,963	1,618,743
Street Signals	95,092	102,752	-	-	95,092	102,752
Water System	-	-	4,917,681	5,056,171	4,917,681	5,056,171
Sewer System	-	-	5,410,901	5,573,075	5,410,901	5,573,075
Intangible Right to Use:						
Leased Land	32,879	37,168	-	-	32,879	37,168
Totals	\$ 7,447,559	\$ 7,503,629	\$ 12,114,507	\$ 12,450,133	\$ 19,562,066	\$ 19,953,762

The capital assets of the City are reported at historical cost, net of depreciation/amortization. The City added several capital assets in 2024 for both the governmental activities and business-type activities, consisting of machinery and equipment, vehicles, and building improvements. For governmental activities, total asset additions amounted to \$362,798 and depreciation/amortization expense was \$369,862. Net capital asset disposals amounted to \$49,006. The business-type activities recognized asset additions of \$263,868 and depreciation expense of \$464,972 in 2024.

For additional information on capital assets, see Note 7 in the notes to the basic financial statements.

The following table shows the City's outstanding debt obligations as of December 31, 2024 and 2023.

(Table 4)

Outstanding Debt at December 31, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
OPWC Loans	\$ -	\$ -	\$ -	\$ 6,600	\$ -	\$ 6,600
OWDA Loan	-	-	141,456	72,858	141,456	72,858
Note Payable	54,758	-	-	-	54,758	-
Police Pension Liability	10,933	11,743	-	-	10,933	11,743
Leases Payable	33,749	37,822	-	-	33,749	37,822
Totals	\$ 99,440	\$ 49,565	\$ 141,456	\$ 79,458	\$ 240,896	\$ 129,023

During 2024, the City entered into a new loan agreement with the Ohio Water Development Authority (OWDA) with first principal payments occurring in 2024 and ending in 2030.

For additional information on debt, see Note 8 in the notes to the basic financial statements.

CITY OF BELPRE, OHIO

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

Current Financial Related Activities

The City has contracted with Tiano-Knopp Associates to explore grant opportunities. The Mayor continues to offer guidance to them regarding specific needs in the community. Grants have not been plentiful but they are continuing to look for opportunities.

Contacting the City Auditor's Department

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with an overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Tina Nolan, Belpre City Auditor, 715 Park Drive, Belpre, Ohio 45714, 740-423-7592.

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CITY OF BELPRE, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 4,682,711	\$ 3,759,048	\$ 8,441,759
Cash and cash equivalents in segregated accounts	3,402	-	3,402
Cash with fiscal and escrow agents	47,481	-	47,481
Receivables:			
Income taxes	617,433	-	617,433
Property taxes	863,341	-	863,341
Accounts	167,264	401,644	568,908
Intergovernmental	303,149	-	303,149
Accrued interest	1,271	-	1,271
Materials and supplies inventory	58,143	10,507	68,650
Prepayments	23,104	23,637	46,741
Net OPEB asset	45,927	32,159	78,086
Capital assets:			
Not being depreciated/amortized	2,727,575	454,573	3,182,148
Being depreciated/amortized, net	4,719,984	11,659,934	16,379,918
Total capital assets, net	7,447,559	12,114,507	19,562,066
Total assets	14,260,785	16,341,502	30,602,287
Deferred outflows of resources:			
Pension	974,064	311,991	1,286,055
OPEB	112,224	28,279	140,503
Total deferred outflows of resources	1,086,288	340,270	1,426,558
Total assets and deferred outflows of resources .	15,347,073	16,681,772	32,028,845
Liabilities:			
Accounts payable	38,674	99,115	137,789
Contracts payable	-	13,131	13,131
Accrued wages and benefits payable	43,020	16,985	60,005
Intergovernmental payable	9,414	3,094	12,508
Unearned revenue	299,969	-	299,969
Accrued interest payable	3	-	3
Customer deposits payable	-	239,145	239,145
Long-term liabilities:			
Due within one year	79,700	22,912	102,612
Due in more than one year:			
Net pension liability	3,376,408	1,000,588	4,376,996
Net OPEB liability	147,173	-	147,173
Other amounts due in more than one year	292,881	225,937	518,818
Total liabilities	4,287,242	1,620,907	5,908,149
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	855,457	-	855,457
Pension	205,978	17,212	223,190
OPEB	180,509	19,728	200,237
Total deferred inflows of resources	1,241,944	36,940	1,278,884
Total liabilities and deferred inflows of resources.	5,529,186	1,657,847	7,187,033
Net position:			
Net investment in capital assets	7,359,052	11,973,051	19,332,103
Restricted for:			
Capital projects	6,705	-	6,705
Street improvements	290,509	-	290,509
Community development programs	39,030	-	39,030
Law enforcement	18,401	-	18,401
Parks and recreation	1	-	1
Mayor's court	29,178	-	29,178
Unclaimed monies	13,317	-	13,317
Pension and OPEB	45,927	32,159	78,086
Other purposes	415,306	-	415,306
Unrestricted	1,600,461	3,018,715	4,619,176
Total net position	\$ 9,817,887	\$ 15,023,925	\$ 24,841,812

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELPRE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

		Program Revenues		
		Charges for	Operating Grants	Capital Grants
	Expenses	Services and Sales	and Contributions	and Contributions
Governmental activities:				
Current:				
General government	\$ 692,148	\$ 266,442	\$ 9,330	\$ -
Security of persons and property:				
Police	1,725,240	53,796	-	-
Fire	264,673	-	7,310	-
Public health and welfare	1,240,559	1,304,942	3,859	100,000
Transportation	699,795	25,721	592,180	-
Leisure time activities	258,168	4,000	22,523	-
Interest	5,416	-	-	-
Total governmental activities	4,885,999	1,654,901	635,202	100,000
Business-type activities:				
Water	1,096,402	1,336,545	-	-
Sewer	1,705,993	1,910,363	-	-
Total business-type activities	2,802,395	3,246,908	-	-
Total primary government	\$ 7,688,394	\$ 4,901,809	\$ 635,202	\$ 100,000

General revenues:

Property taxes levied for general purposes
Property taxes levied for fire/EMS
Income taxes levied for general purposes
Franchise taxes
Permissive taxes
Grants and entitlements not restricted
to specific programs
Investment earnings
Donations
Miscellaneous

Total general revenues

Change in net position

**Net position at beginning of
year, as previously reported**

Change in accounting principle

Net position at beginning of year, restated

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (416,376)	\$ -	\$ (416,376)
(1,671,444)	-	(1,671,444)
(257,363)	-	(257,363)
168,242	-	168,242
(81,894)	-	(81,894)
(231,645)	-	(231,645)
(5,416)	-	(5,416)
(2,495,896)	-	(2,495,896)
-	240,143	240,143
-	204,370	204,370
-	444,513	444,513
(2,495,896)	444,513	(2,051,383)
538,425	-	538,425
238,971	-	238,971
2,283,493	-	2,283,493
89,344	-	89,344
34,906	-	34,906
248,027	-	248,027
295,398	-	295,398
25,451	-	25,451
62,235	62,337	124,572
3,816,250	62,337	3,878,587
1,320,354	506,850	1,827,204
8,701,469	14,638,358	23,339,827
(203,936)	(121,283)	(325,219)
8,497,533	14,517,075	23,014,608
<u>\$ 9,817,887</u>	<u>\$ 15,023,925</u>	<u>\$ 24,841,812</u>

CITY OF BELPRE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Street	Local Fiscal Recovery	EMS Levy	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Equity in pooled cash and cash equivalents	\$ 3,589,450	\$ 149,320	\$ 299,969	\$ 367,251	\$ 263,404	\$ 4,669,394
Cash and cash equivalents in segregated accounts	3,194	-	-	-	208	3,402
Cash with fiscal and escrow agents	-	-	-	-	47,481	47,481
Receivables:						
Income taxes	617,433	-	-	-	-	617,433
Property taxes	615,294	-	-	248,047	-	863,341
Accounts	151,027	-	-	-	16,237	167,264
Intergovernmental	80,357	200,268	-	3,475	19,049	303,149
Accrued interest	1,271	-	-	-	-	1,271
Materials and supplies inventory	3,138	55,005	-	-	-	58,143
Prepayments	17,879	2,750	-	-	2,475	23,104
Restricted assets:						
Equity in pooled cash and cash equivalents	13,317	-	-	-	-	13,317
Total assets	\$ 5,092,360	\$ 407,343	\$ 299,969	\$ 618,773	\$ 348,854	\$ 6,767,299
Liabilities:						
Accounts payable	\$ 6,808	\$ 30,894	\$ -	\$ 623	\$ 349	\$ 38,674
Accrued wages and benefits payable	35,870	7,150	-	-	-	43,020
Intergovernmental payable	8,309	1,105	-	-	-	9,414
Unearned revenue	-	-	299,969	-	-	299,969
Total liabilities	50,987	39,149	299,969	623	349	391,077
Deferred inflows of resources:						
Property taxes levied for the next fiscal year	609,207	-	-	246,250	-	855,457
Delinquent property tax revenue not available	6,087	-	-	1,797	-	7,884
Accrued interest not available	1,271	-	-	-	-	1,271
Miscellaneous revenue not available	-	-	-	-	16,237	16,237
Income tax revenue not available	419,488	-	-	-	-	419,488
Other nonexchange transactions	47,543	132,777	-	3,475	10,765	194,560
Total deferred inflows of resources	1,083,596	132,777	-	251,522	27,002	1,494,897
Total liabilities and deferred inflows of resources	1,134,583	171,926	299,969	252,145	27,351	1,885,974
Fund balances:						
Nonspendable	21,017	57,755	-	-	2,475	81,247
Restricted	13,317	177,662	-	366,628	283,415	841,022
Committed	759,199	-	-	-	35,613	794,812
Unassigned	3,164,244	-	-	-	-	3,164,244
Total fund balances	3,957,777	235,417	-	366,628	321,503	4,881,325
Total liabilities, deferred inflows of resources and fund balances	\$ 5,092,360	\$ 407,343	\$ 299,969	\$ 618,773	\$ 348,854	\$ 6,767,299

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELPRE, OHIO

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

Total governmental fund balances		\$ 4,881,325
<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.		7,447,559
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 419,488	
Real and other taxes receivable	7,884	
Accounts receivable	16,237	
Intergovernmental receivable	194,560	
Accrued interest receivable	1,271	
Total		639,440
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(3)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows of resources are the liability and related deferred inflows/outflows are not reported not reported in governmental funds.		
Deferred outflows of resources	974,064	
Deferred inflows of resources	(205,978)	
Net pension liability	(3,376,408)	
Total		(2,608,322)
The net OPEB asset is not available pay for current period expenditures and the The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows of resources are not reported in governmental funds.		
Net OPEB asset	45,927	
Deferred outflows of resources	112,224	
Deferred inflows of resources	(180,509)	
Net OPEB liability	(147,173)	
Total		(169,531)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
in the funds.		
Compensated absences	(273,141)	
Police pension liability	(10,933)	
Notes payable	(54,758)	
Leases payable	(33,749)	
Total		(372,581)
Net position of governmental activities		<u>\$ 9,817,887</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELPRE, OHIO

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

	General	Street	Local Fiscal Recovery	EMS Levy	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Income taxes	\$ 2,314,888	\$ -	\$ -	\$ -	\$ -	\$ 2,314,888
Property and other taxes	537,490	-	-	238,727	34,906	811,123
Charges for services	1,546,670	-	-	-	-	1,546,670
Licenses and permits	97,355	-	-	-	-	97,355
Fines, forfeitures and settlements	50,568	-	-	-	3,228	53,796
Intergovernmental	242,896	414,779	5,425	6,950	265,200	935,250
Investment income	294,127	28,108	-	7,310	3,212	332,757
Rental income	7,235	-	-	-	-	7,235
Contributions and donations	25,451	-	-	-	7,523	32,974
Other	55,000	25,721	-	-	9,330	90,051
Total revenues	<u>5,171,680</u>	<u>468,608</u>	<u>5,425</u>	<u>252,987</u>	<u>323,399</u>	<u>6,222,099</u>
Expenditures:						
Current:						
General government	737,504	-	-	-	-	737,504
Security of persons and property:						
Police	1,699,841	-	-	-	13,954	1,713,795
Fire	77,281	-	-	122,876	-	200,157
Public health and welfare	1,240,176	-	-	-	-	1,240,176
Transportation	75,975	410,345	-	-	33,478	519,798
Leisure time activities	203,094	-	-	-	-	203,094
Capital outlay	75,457	88,789	5,425	-	97,641	267,312
Debt service:						
Principal retirement	4,883	34,031	-	-	-	38,914
Interest	849	4,567	-	-	-	5,416
Total expenditures	<u>4,115,060</u>	<u>537,732</u>	<u>5,425</u>	<u>122,876</u>	<u>145,073</u>	<u>4,926,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,056,620</u>	<u>(69,124)</u>	<u>-</u>	<u>130,111</u>	<u>178,326</u>	<u>1,295,933</u>
Other financing sources:						
Note issuance	-	88,789	-	-	-	88,789
Sale of capital assets	110,000	1,285	-	-	-	111,285
Total other financing sources	<u>110,000</u>	<u>90,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,074</u>
Net change in fund balances	1,166,620	20,950	-	130,111	178,326	1,496,007
Fund balances at beginning of year	<u>2,791,157</u>	<u>214,467</u>	<u>-</u>	<u>236,517</u>	<u>143,177</u>	<u>3,385,318</u>
Fund balances at end of year	<u><u>\$ 3,957,777</u></u>	<u><u>\$ 235,417</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 366,628</u></u>	<u><u>\$ 321,503</u></u>	<u><u>\$ 4,881,325</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELPRE, OHIO

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

Net change in fund balances - total governmental funds \$ 1,496,007

*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/amortization expense.

Capital asset additions	\$ 362,798	
Current year depreciation/amortization	(369,862)	
Total		(7,064)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(49,006)
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Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds.

Income taxes	(31,395)	
Property taxes	1,179	
Accounts	16,237	
Intergovernmental revenues	(3,038)	
Interest	1,271	
Total		(15,746)

Note proceeds are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		(88,789)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		38,914
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Contractually required pension/OPEB contributions are reported as expenditures in
governmental funds; however, the statement of net position reports these amounts
as deferred outflows of resources.

Pension	252,050	
OPEB	3,601	
Total		255,651

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

Pension	(319,605)	
OPEB	13,283	
		(306,322)

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.		(3,291)
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Change in net position of governmental activities \$ 1,320,354

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELPRE, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 1,451,345	\$ 2,068,558	\$ 3,519,903
Receivables:			
Accounts	146,765	254,879	401,644
Materials and supplies inventory	5,254	5,253	10,507
Prepayments	4,948	18,689	23,637
Restricted assets:			
Customer deposits - cash	239,145	-	239,145
Total current assets	1,847,457	2,347,379	4,194,836
Noncurrent assets:			
Net OPEB asset	7,125	25,034	32,159
Capital assets:			
Non-depreciable capital assets	384,358	70,215	454,573
Depreciable capital assets, net	5,836,951	5,822,983	11,659,934
Total capital assets, net	6,221,309	5,893,198	12,114,507
Total noncurrent assets	6,228,434	5,918,232	12,146,666
Total assets	8,075,891	8,265,611	16,341,502
Deferred outflows of resources:			
Pension	66,735	245,256	311,991
OPEB	6,799	21,480	28,279
Total deferred outflows of resources	73,534	266,736	340,270
Total assets and deferred outflows of resources	8,149,425	8,532,347	16,681,772
Liabilities:			
Current liabilities:			
Accounts payable	69,229	29,886	99,115
Contracts payable	5,297	7,834	13,131
Accrued wages and benefits payable	6,641	10,344	16,985
Intergovernmental payable	1,261	1,833	3,094
Compensated absences payable - current	6,973	15,939	22,912
Customer deposits payable from restricted assets	239,145	-	239,145
Total current liabilities	328,546	65,836	394,382
Long-term liabilities:			
Compensated absences payable	19,195	65,286	84,481
OWDA loan payable	114,399	27,057	141,456
Net pension liability	221,676	778,912	1,000,588
Total long-term liabilities	355,270	871,255	1,226,525
Total liabilities	683,816	937,091	1,620,907
Deferred inflows of resources:			
Pension	17,212	-	17,212
OPEB	4,140	15,588	19,728
Total deferred inflows of resources	21,352	15,588	36,940
Total liabilities and deferred inflows of resources	705,168	952,679	1,657,847
Net position:			
Net investment in capital assets	6,106,910	5,866,141	11,973,051
Restricted for pension and OPEB	7,125	25,034	32,159
Unrestricted	1,330,222	1,688,493	3,018,715
Total net position	\$ 7,444,257	\$ 7,579,668	\$ 15,023,925

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELPRE, OHIO

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

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating revenues:			
Charges for services	\$ 1,336,545	\$ 1,910,363	\$ 3,246,908
Other operating revenues	56,997	3,500	60,497
Total operating revenues	<u>1,393,542</u>	<u>1,913,863</u>	<u>3,307,405</u>
Operating expenses:			
Personal services	138,894	643,512	782,406
Contract services	552,387	526,250	1,078,637
Materials and supplies	129,502	168,233	297,735
Depreciation	232,317	232,655	464,972
Other	42,804	228	43,032
Total operating expenses	<u>1,095,904</u>	<u>1,570,878</u>	<u>2,666,782</u>
Operating income	<u>297,638</u>	<u>342,985</u>	<u>640,623</u>
Nonoperating revenues (expenses):			
Interest expense	(498)	(593)	(1,091)
Gain on disposal of capital assets	1,840	(134,522)	(132,682)
Total nonoperating revenues (expenses)	<u>1,342</u>	<u>(135,115)</u>	<u>(133,773)</u>
Change in net position	298,980	207,870	506,850
Net position at beginning of year, as previously reported	7,202,043	7,436,315	14,638,358
Change in accounting principle	<u>(56,766)</u>	<u>(64,517)</u>	<u>(121,283)</u>
Net position at beginning of year, restated	<u>7,145,277</u>	<u>7,371,798</u>	<u>14,517,075</u>
Net position at end of year	<u><u>\$ 7,444,257</u></u>	<u><u>\$ 7,579,668</u></u>	<u><u>\$ 15,023,925</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash flows from operating activities:			
Cash received from customers	\$ 1,329,007	\$ 1,792,964	\$ 3,121,971
Cash received from other operations	56,997	3,500	60,497
Cash payments for personal services	(172,661)	(620,930)	(793,591)
Cash payments for contractual services	(572,596)	(615,447)	(1,188,043)
Cash payments for materials and supplies	(101,699)	(127,878)	(229,577)
Cash payments for other expenses	(16,761)	(228)	(16,989)
Net cash provided by operating activities	522,287	431,981	954,268
Cash flows from capital and related financing activities:			
Proceeds from sale of capital assets	1,840	-	1,840
Acquisition of capital assets	(226,807)	(37,061)	(263,868)
Loan proceeds	92,258	588	92,846
Principal retirement	(11,044)	(19,804)	(30,848)
Interest and fiscal charges	(498)	(717)	(1,215)
Net cash used in capital and related financing activities	(144,251)	(56,994)	(201,245)
Net change in cash and cash equivalents	378,036	374,987	753,023
Cash and cash equivalents at beginning of year	<u>1,312,454</u>	<u>1,693,571</u>	<u>3,006,025</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,690,490</u></u>	<u><u>\$ 2,068,558</u></u>	<u><u>\$ 3,759,048</u></u>

-Continued

CITY OF BELPRE, OHIO

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

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 297,638	\$ 342,985	\$ 640,623
Adjustments:			
Depreciation	232,317	232,655	464,972
Changes in assets, deferred outflows of resources, liabilities and deferred outflows of resources:			
Materials and supplies inventory	2,976	17,424	20,400
Accounts receivable	(7,538)	(117,399)	(124,937)
Prepayments	(956)	(3,777)	(4,733)
Net OPEB asset	(7,125)	(25,034)	(32,159)
Deferred outflows - pension	58,821	112,024	170,845
Deferred outflows - OPEB	11,177	29,026	40,203
Accounts payable	42	(67,599)	(67,557)
Contracts payable	5,297	7,834	13,131
Accrued wages and benefits	(877)	(13,015)	(13,892)
Intergovernmental payable	93	(4,750)	(4,657)
Compensated absences payable	(37,247)	3,619	(33,628)
Customer deposits payable	26,043	-	26,043
Net pension liability	(71,802)	(74,586)	(146,388)
Net OPEB liability	(5,834)	(16,966)	(22,800)
Deferred inflows - pension	17,212	-	17,212
Deferred inflows - OPEB	2,050	9,540	11,590
Net cash provided by operating activities	<u>\$ 522,287</u>	<u>\$ 431,981</u>	<u>\$ 954,268</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELPRE, OHIO

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

	<u>Custodial</u>
Assets:	
Cash and cash equivalents in segregated accounts	<u>\$ 4,473</u>
Total assets	<u>4,473</u>
Liabilities:	
Intergovernmental payable	<u>4,473</u>
Total liabilities	<u><u>\$ 4,473</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BELPRE, OHIO

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

	<u>Custodial</u>
Additions:	
Fines and forfeitures collected for other governments	<u>\$ 19,852</u>
Total additions	<u>19,852</u>
Deductions:	
Fines and forfeitures distributed to other governments	<u>19,852</u>
Total deductions	<u>19,852</u>
Change in net position	-
Net position at beginning of year	<u>-</u>
Net position at end of year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF BELPRE, OHIO

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

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Belpre (the "City") is a home-rule municipal corporation, incorporated under the laws of the State of Ohio. The City is organized as a Mayor/Council form of government. Located in the southern part of Washington County, Belpre became a city in 1961. The Mayor, Auditor, Treasurer, and Law Director, all with four-year terms, and an eight-member Council, with two-year terms, are elected. Department directors and public members of various boards and commissions are appointed by the Mayor.

Reporting Entity

A reporting entity consists of the primary government, component units, and other organizations that are included to ensure that financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City of Belpre, this includes various services including police protection, recreation (including parks), planning and zoning, street maintenance and repair, sanitation, water and sewer, and general administrative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. There are no component units included as part of this report.

The City participates in the Community Action Program Corporation of Washington-Morgan Counties, Ohio, and the Wood, Washington, Wirt Planning Commission and the Regional Income Tax Agency, which are defined as jointly governed organizations. Additional information concerning the jointly governed organizations is presented in Note 16.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Belpre 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 more significant of the City's accounting policies are described below.

A. Basis of Presentation

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

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

CITY OF BELPRE, OHIO

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

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

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

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

B. Fund Accounting

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

Governmental Funds - Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the 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 and liabilities 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.

Street Fund - The Street Fund is used to account for the portion of the State gasoline tax and motor vehicle registration fees restricted for maintenance of streets within the City.

Local Fiscal Recovery Fund - The Local Fiscal Recovery Fund is used to account for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

EMS Levy Fund - The EMS Levy Fund is used to account for the proceeds of a property tax levied for provision of EMS services.

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.

CITY OF BELPRE, OHIO

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

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

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The City's proprietary funds are all classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water Fund - The Water Fund is used to account for the revenues generated from the charges for distribution of water to the residential and commercial users of the City.

Sewer Fund - The Sewer Fund is used to account for the revenues generated from the charges for sanitary sewer services provided to the residential and commercial users of the City.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. There are four categories of fiduciary funds: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Custodial funds are used to report other fiduciary activities that are not required to be reported in a trust fund. The City's only fiduciary fund is a custodial fund. The City's custodial fund accounts for mayor's court collections that are distributed to various local governments.

C. Measurement Focus

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of changes in revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

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

CITY OF BELPRE, OHIO

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

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

Revenues - Exchange and Non-exchange Transactions- Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is 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.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 6). 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 (See Note 6). 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 a nonexchange transaction 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: municipal income taxes, hotel taxes, charges for services, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), interest, grants, fees, and rentals.

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 11 and 12 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.

See Notes 11 and 12 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 BELPRE, OHIO

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

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

E. Budget Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. 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 tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department level and, within each, at the personal services and other operating level within each fund.

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

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

F. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool except for funds from the Mayor's Court, which is reported separately in cash and cash equivalents in segregated accounts. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

At year-end, the City had \$47,481 on deposit with the Washington County Treasurer for permissive funds collected, but not distributed yet to the City. The data regarding insurance and collateralization can be obtained from the Washington County Audit Report for the year ended December 31, 2024. This amount is not included in the City's depository balance.

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

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

Investment procedures are restricted by provisions of the Ohio Revised Code. Following the Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the General Fund, Street Fund, EMS Levy Fund, State Highway Fund, and Permissive Tax Fund. Interest revenue credited to the General Fund during 2024 amounted to \$294,127, which includes \$156,754 assigned from other City funds.

CITY OF BELPRE, OHIO

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

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

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

G. Inventory

Inventories of all funds are stated at cost which is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as expenditures in the governmental fund types and as expenses in the proprietary fund type.

H. Prepaid Items

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

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash and cash equivalents set aside for repayment of deposits to utility customers. Unclaimed monies that are required to be held for five years before they may be utilized by the City are reported as restricted in the General Fund.

J. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of one thousand dollars. The City's infrastructure consists of City streets, street signs, traffic signals, and water and sewer systems. 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 capital assets are depreciated/amortized, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. 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 over the shorter of the lease term or the useful life of the underlying asset.

CITY OF BELPRE, OHIO

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

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

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

Description	Governmental	Business-Type
	Activities	Activities
	Estimated Lives	Estimated Lives
Buildings and Improvements	20 - 50 years	20 - 50 years
Machinery and Equipment	5 - 20 years	5 - 20 years
Vehicles	8 years	8 years
Infrastructure	30 years	50 - 65 years
Intangible right to use - leased land	11 years	N/A

The City's infrastructure consists of City streets, street signs, traffic signals, and water and sewer systems and includes infrastructure acquired prior to December 31, 1980.

K. Compensated Absences

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

Vacation

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

Sick Leave

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

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and special termination benefits 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. Long-term loans, lease purchase agreements and capital leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

CITY OF BELPRE, OHIO

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

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

M. Fund Balance

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

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

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

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

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

N. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested 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. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

CITY OF BELPRE, OHIO

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

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer and water utility services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting the definition are reported as non-operating.

P. Contributions of Capital

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

Q. Internal Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments of interfund services provided and used are not eliminated.

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

R. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

S. 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 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.

T. 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.

CITY OF BELPRE, OHIO

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

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

U. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable/payable” or “due to/from other funds”. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did have not an effect on the financial statements of the City.

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

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

CITY OF BELPRE, OHIO

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Restatement of Net Position

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

	12/31/2023 As Previously Reported	Change in Accounting Principle	12/31/2023 As Restated
Net Position			
Governmental Activities	\$ 8,701,469	\$ (203,936)	\$ 8,497,533
Business-Type Activities	14,638,358	(121,283)	14,517,075
Total Net Position	<u>\$ 23,339,827</u>	<u>\$ (325,219)</u>	<u>\$ 23,014,608</u>
Proprietary Funds			
Major Funds:			
Sewer	\$ 7,436,315	\$ (64,517)	\$ 7,371,798
Water	7,202,043	(56,766)	7,145,277
Total Proprietary Funds	<u>\$ 14,638,358</u>	<u>\$ (121,283)</u>	<u>\$ 14,517,075</u>

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CITY OF BELPRE, OHIO

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

NOTE 4 - FUND BALANCES

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	Street	EMS Levy	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 3,138	\$ 55,005	\$ -	\$ -	\$ 58,143
Prepayments	17,879	2,750	-	2,475	23,104
Total nonspendable	21,017	57,755	-	2,475	81,247
Restricted:					
Street improvements	-	177,662	-	162,931	340,593
Community development	-	-	-	39,030	39,030
Law enforcement	-	-	-	17,301	17,301
Parks and recreation	-	-	-	1	1
Public safety programs	-	-	-	1,100	1,100
Mayor's Court	-	-	-	29,178	29,178
Unclaimed monies	13,317	-	-	-	13,317
EMS Services	-	-	366,628	-	366,628
Deposits held	-	-	-	20,030	20,030
Pool improvements	-	-	-	2,500	2,500
Issue II improvements	-	-	-	4,205	4,205
Other purposes	-	-	-	7,139	7,139
Total restricted	13,317	177,662	366,628	283,415	841,022
Committed:					
Swimming pool improvements	-	-	-	35,613	35,613
Capital improvements	759,199	-	-	-	759,199
Total committed	759,199	-	-	35,613	794,812
Unassigned	3,164,244	-	-	-	3,164,244
Total fund balances	\$ 3,957,777	\$ 235,417	\$ 366,628	\$ 321,503	\$ 4,881,325

NOTE 5 - 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 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.

CITY OF BELPRE, OHIO

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

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the 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.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities described in 1 or 2 above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio; and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2 above; and repurchase agreements secured by such obligations, provided these investments 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.

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. Historically, the City has not purchased these types of investments or issued these types of notes. 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 treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

CITY OF BELPRE, OHIO

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

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

A. Deposits with Financial Institutions

At December 31, 2024, the carrying amount of all City deposits was \$8,137,298 and the bank balance of all City deposits was \$8,315,941. Of the bank balance, \$757,875 was covered by the FDIC and \$7,558,066 was covered by the Ohio Pooled Collateral System.

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

B. Investments

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

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>Investment Maturity 6 months or less</u>	<u>% of Total</u>
<i>Amortized cost:</i>			
STAR Ohio	\$ 359,817	\$ 359,817	100.00%

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities 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 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 places no limit on the amount that may be invested in any one issuer.

CITY OF BELPRE, OHIO

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

NOTE 6 - RECEIVABLES

Receivables at December 31, 2024, consisted of municipal income tax, property taxes, accounts (billings for user charged services including unbilled utility services), and intergovernmental receivables arising from entitlements and shared revenues. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables are expected to be collected within the subsequent year with the exception of the opioid settlement receivable which will be collected over the course of the settlement agreements. Receivables in the amount of \$15,095 will not be received within one year.

A. Property Taxes

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Belpre. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2024 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2024 operations and the collection of delinquent taxes has been offset by deferred inflows 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 reported as a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2024 was \$5.15 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2023 property tax receipts were based are as follows:

Real Property	\$ 168,057,830
Public Utility Tangible Property	<u>5,512,360</u>
Total Assessed Value	<u><u>\$ 173,570,190</u></u>

B. Income Taxes

The City levies a municipal income tax of one percent on substantially all earned income arising from employment or business activities within the City as well as income of residents earned outside of the City.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are distributed to the General Fund.

CITY OF BELPRE, OHIO

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

NOTE 6 - RECEIVABLES - (Continued)

The City contracts with Regional Income Tax Agency (RITA) to collect income taxes on its behalf.

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental activities:

Income taxes	\$ 617,433
Real and other taxes	863,341
Accounts	167,264
Accrued interest	1,271
Intergovernmental	303,149

Business-type activities:

Accounts	401,644
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NOTE 7 - CAPITAL ASSETS

Changes in capital assets for the governmental activities for the year ended December 31, 2024 were as follows.

	Balance 12/31/23	Increases	Decreases	Balance 12/31/24
Governmental Activities:				
Capital Assets not being Depreciated/Amortized:				
Land	\$ 2,727,575	\$ -	\$ -	\$ 2,727,575
Construction in Progress	18,576	8,963	(27,539)	-
Total Capital Assets not being Depreciated/Amortized	<u>2,746,151</u>	<u>8,963</u>	<u>(27,539)</u>	<u>2,727,575</u>
Capital Assets being Depreciated/Amortized:				
Buildings and Improvements	5,037,208	102,249	(49,006)	5,090,451
Machinery and Equipment	1,700,152	217,161	(21,875)	1,895,438
Vehicles	3,121,072	61,964	-	3,183,036
City Streets	22,127,293	-	-	22,127,293
Street Signals	698,289	-	-	698,289
Intangible Right to Use - Leased Land	45,744	-	-	45,744
Total Capital Assets being Depreciated/Amortized	<u>32,729,758</u>	<u>381,374</u>	<u>(70,881)</u>	<u>33,040,251</u>
Less Accumulated Depreciation/Amortization:				
Buildings and Improvements	(2,914,905)	(89,112)	-	(3,004,017)
Machinery and Equipment	(1,357,539)	(85,296)	21,875	(1,420,960)
Vehicles	(2,587,173)	(85,725)	-	(2,672,898)
City Streets	(20,508,550)	(97,780)	-	(20,606,330)
Street Signals	(595,537)	(7,660)	-	(603,197)
Intangible Right to Use - Leased Land	(8,576)	(4,289)	-	(12,865)
Total Accumulated Depreciation/Amortization	<u>(27,972,280)</u>	<u>(369,862)</u>	<u>21,875</u>	<u>(28,320,267)</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>4,757,478</u>	<u>11,512</u>	<u>(49,006)</u>	<u>4,719,984</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,503,629</u>	<u>\$ 20,475</u>	<u>\$ (76,545)</u>	<u>\$ 7,447,559</u>

CITY OF BELPRE, OHIO

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

NOTE 7 - CAPITAL ASSETS - (Continued)

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

General Government	\$48,002
Security of Persons and Property:	
Police	43,683
Fire	64,516
Transportation	160,181
Leisure Time Activities	53,480
Total	<u>\$ 369,862</u>

Changes in capital assets for the business-type activities for the year ended December 31, 2024 were as follows.

Business-Type Activities:	<u>Balance 12/31/23</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/24</u>
Capital Assets not being Depreciated:				
Land	\$ 242,194	\$ -	\$ -	\$ 242,194
Construction in Progress	373,847	186,811	(348,279)	212,379
Total Capital Assets not being Depreciated	<u>616,041</u>	<u>186,811</u>	<u>(348,279)</u>	<u>454,573</u>
Capital Assets being Depreciated:				
Buildings and Improvements	766,659	6,500	-	773,159
Machinery and Equipment	2,423,934	418,836	(19,780)	2,822,990
Vehicles	938,777	-	(159,434)	779,343
Infrastructure	18,038,737	-	-	18,038,737
Total Capital Assets being Depreciated	<u>22,168,107</u>	<u>425,336</u>	<u>(179,214)</u>	<u>22,414,229</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(685,666)	(13,723)	-	(699,389)
Machinery and Equipment	(1,906,174)	(91,672)	19,780	(1,978,066)
Vehicles	(332,684)	(58,913)	24,912	(366,685)
Infrastructure	(7,409,491)	(300,664)	-	(7,710,155)
Total Accumulated Depreciation	<u>(10,334,015)</u>	<u>(464,972)</u>	<u>44,692</u>	<u>(10,754,295)</u>
Total Capital Assets being Depreciated, Net	<u>11,834,092</u>	<u>(39,636)</u>	<u>(134,522)</u>	<u>11,659,934</u>
Business-Type Activities Capital Assets, Net	<u>\$ 12,450,133</u>	<u>\$ 147,175</u>	<u>\$ (482,801)</u>	<u>\$ 12,114,507</u>

CITY OF BELPRE, OHIO

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

NOTE 8 - LONG-TERM OBLIGATIONS

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

	(Restated) Balance 12/31/23	Additions	Retirements	Balance 12/31/2024	Amounts Due in One Year
Governmental Activities:					
Note Payable	\$ -	\$ 88,789	\$ (34,031)	54,758	\$ 17,744
Police Pension	11,743	-	(810)	10,933	844
Leases Payable	37,822	-	(4,073)	33,749	4,114
Net Pension Liability	3,680,967	-	(304,559)	3,376,408	-
Net OPEB Liability	187,048	-	(39,875)	147,173	-
Compensated Absences*	302,108	-	(28,967)	273,141	56,998
Total Governmental Activities	<u>\$ 4,219,688</u>	<u>\$ 88,789</u>	<u>\$ (412,315)</u>	<u>\$ 3,896,162</u>	<u>\$ 79,700</u>

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

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

	(Restated) Balance 12/31/23	Additions	Retirements	Balance 12/31/24	Amounts Due in One Year
Business-Type Activities:					
OPWC Loans (direct borrowing):					
Wastewater Treatment Plant - 2%	\$ 6,600	\$ -	\$ (6,600)	\$ -	\$ -
Total OPWC Loans	<u>6,600</u>	<u>-</u>	<u>(6,600)</u>	<u>-</u>	<u>-</u>
OWDA Loans (direct borrowing):					
Water System Improvements - 1.92%	33,185	498	(11,044)	22,639	-
Sewer System Improvements - 1.92%	39,673	588	(13,204)	27,057	-
Water Tank Supply & Watermain Replacements	-	91,760	-	91,760	-
Total OWDA Loans	<u>72,858</u>	<u>92,846</u>	<u>(24,248)</u>	<u>141,456</u>	<u>-</u>
Net Pension Liability	1,146,976	-	(146,388)	1,000,588	
Net OPEB Liability	22,800	-	(22,800)	-	
Compensated Absences*	141,021	-	(33,628)	107,393	22,912
Total Business-Type Activities	<u>\$ 1,390,255</u>	<u>\$ 92,846</u>	<u>\$ (233,664)</u>	<u>\$ 1,249,437</u>	<u>\$ 22,912</u>

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

The police pension is paid from general property tax revenues from the General Fund. Compensated absences for sick leave liabilities will be paid from the General Fund, Street Special Revenue Fund, and Sewer and Water Enterprise Funds. See Note 11 and Note 12 for details on the net pension liability and net OPEB liability, respectively.

CITY OF BELPRE, OHIO

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

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

The final draw on the OPWC wastewater treatment plant loan was received in 2003. The full amount of the loan was \$207,000. On November 18, 1999, the City was approved for a \$1,023,600 loan for its portion of the Issue II treatment plant project. Since the treatment plant improvements were completed under budget, the City did not borrow the full amount of the approved loan. The amount borrowed was \$850,444. Charges for services in the Sewer Enterprise Fund will repay these obligations.

OPWC loans are direct borrowings that have terms negotiated directly between the City and the OPWC and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the County 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. The City made the final payment July 9, 2024.

The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund capital improvements to the City's water and sewer infrastructure. The amount due to the OWDA is payable solely from water and sewer fund revenues. The loan agreements function similar to a line-of-credit agreement and require semi-annual payments based on the permissible borrowings rather than the actual amount loaned.

OWDA loans are direct borrowings that have terms negotiated directly between the City and the OWDA and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

All three of the City's OWDA loans have not been closed out as of December 31, 2024, therefore, the future annual debt service principal and interest requirements are not available.

The City has entered into a lease agreement for the right to use land. Payments are due monthly and are paid from the General Fund. The lease term ends August 31, 2027; however, the City has an option to extend the lease for an additional 5 years, which it is reasonably certain to exercise.

The City's overall legal debt margin was \$18,224,870 at December 31, 2024.

Principal and interest requirements to retire the police pension liability at December 31, 2024, are as follows:

Year	Principal	Interest	Total
2025	\$ 844	\$ 461	\$ 1,305
2026	879	426	1,305
2027	916	389	1,305
2028	955	350	1,305
2029	995	310	1,305
2030 - 2034	5,643	881	6,524
2035	701	-	701
	<u>\$ 10,933</u>	<u>\$ 2,817</u>	<u>\$ 13,750</u>

CITY OF BELPRE, OHIO

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

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire leases at December 31, 2024, are as follows:

Year	Principal	Interest	Total
2025	\$ 4,114	\$ 319	\$ 4,433
2026	4,155	277	4,432
2027	4,271	234	4,505
2028	4,462	192	4,654
2029	4,507	147	4,654
2030 - 2032	12,240	170	12,410
	<u>\$ 33,749</u>	<u>\$ 1,339</u>	<u>\$ 35,088</u>

During a prior year, the City entered into a Master Lease Agreement in the amount of \$137,489 for the purchase of a wheel loader. The City paid a down payment of \$40,000 and received a trade-in allowance of \$9,000. The interest rate on the note is 2.84%. Capital assets consisting of vehicles have been capitalized in the amount of \$137,489. This amount represents the present value of the minimum at the leave of acquisition. Accumulated depreciation/amortization as of December 31, 2024 was \$3,538, leaving a current book value of \$133,951. Principal and interest payments will be paid out of the street fund. The final maturity date is February 18, 2027.

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	
2025	\$ 17,744	\$ 1,555	\$ 19,299	
2026	18,248	1,051	19,299	
2027	18,766	533	19,299	
Total	<u>\$ 54,758</u>	<u>\$ 3,139</u>	<u>\$ 57,897</u>	

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the City contracted with USI Midwest, LLC and insurance coverage is provided by the Public Entity Risk Services of Ohio (PERSO).

The various types of coverages, limits, and deductibles are as follows:

Type of Coverage	Limit	Aggregate	Deductible
Property:			
Blanket Building and Contents	\$36,372,546		\$1,000
Liability:			
General	1,000,000 per occurrence	\$3,000,000	0
Public Officials Liability	1,000,000 per occurrence	3,000,000	2,000
Law Enforcement	1,000,000 per occurrence	3,000,000	2,000
Vehicle:			
Liability	3,000,000		0
Medical Expense	5,000		0

CITY OF BELPRE, OHIO

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

NOTE 9 - RISK MANAGEMENT – (Continued)

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the last three years.

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

NOTE 10 - EMPLOYEE BENEFITS

A. Insurance

The City provides life insurance and accidental death and dismemberment insurance for the union employees. The insurance is provided through the AFSCME Care Plan for AFSCME union members and through United Commercial Travelers for police personnel.

The City provides comprehensive major medical insurance for full time employees, other than police, through Ohio Insurance Services Agency and for police through the United Food & Commercial Workers Union. The City pays 80% of the total monthly premium for the first plan and 94% of the monthly premium for the second plan. Premiums are paid from the same funds that pay the employees' salaries.

B. Compensated Absences

The criteria for determining vested sick leave are derived from negotiated agreements and State laws. Upon retirement, all employees with ten or more years of service with the City are paid twenty-five percent of their sick leave up to a maximum of 240 hours; however, union employees under the American Federation of State, County, and Municipal Employees with twenty or more years of service are paid twenty-five percent of their sick leave up to a maximum of 300 hours. Upon voluntary termination, death, or retirement, all employees will receive 100% of vacation earned for the current year and not previously taken.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset) and Net OPEB Liability (Asset)

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

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

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

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

CITY OF BELPRE, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The remainder of this note includes the pension disclosures. See Note 12 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

CITY OF BELPRE, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

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

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

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

CITY OF BELPRE, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan was \$195,883 for 2024. Of this amount, \$5,484 is reported as intergovernmental payable.

CITY OF BELPRE, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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

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

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

CITY OF BELPRE, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$136,840 for 2024. Of this amount, \$3,959 is reported as intergovernmental payable.

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

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

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

	OPERS - Traditional	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.0093440%	0.0217677%	
Proportion of the net pension liability/asset current measurement date	0.0092800%	0.0201571%	
Change in proportionate share	-0.0000640%	-0.0016106%	
Proportionate share of the net pension liability	\$ 2,429,542	\$ 1,947,454	\$ 4,376,996
Pension expense	290,265	151,682	441,947

CITY OF BELPRE, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 39,709	\$ 62,519	\$ 102,228
Net difference between projected and actual earnings on pension plan investments	490,384	220,685	711,069
Changes of assumptions	-	123,077	123,077
Changes in employer's proportionate percentage/ difference between employer contributions	15,870	1,088	16,958
Contributions subsequent to the measurement date	195,883	136,840	332,723
Total deferred outflows of resources	<u>\$ 741,846</u>	<u>\$ 544,209</u>	<u>\$ 1,286,055</u>

	OPERS - Traditional	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 21,781	\$ 21,781
Changes of assumptions	-	29,575	29,575
Changes in employer's proportionate percentage/ difference between employer contributions	17,864	153,970	171,834
Total deferred inflows of resources	<u>\$ 17,864</u>	<u>\$ 205,326</u>	<u>\$ 223,190</u>

\$332,723 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2025.

CITY OF BELPRE, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Year Ending December 31:	OPERS -		
	Traditional	OP&F	Total
2025	\$ 122,970	\$ 48,254	\$ 171,224
2026	162,020	63,582	225,602
2027	312,936	127,347	440,283
2028	(69,827)	(27,236)	(97,063)
2029	-	(10,169)	(10,169)
Thereafter	-	265	265
Total	<u>\$ 528,099</u>	<u>\$ 202,043</u>	<u>\$ 730,142</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

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

Wage inflation		
Current measurement date		2.75%
Prior measurement date		2.75%
Future salary increases, including inflation		
Current measurement date	2.75% to 10.75% including wage inflation	
Prior measurement date	2.75% to 10.75% including wage inflation	
COLA or ad hoc COLA		
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 2.30%, simple through 2024, then 2.05% simple	
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, then 2.05% simple	
Investment rate of return		
Current measurement date		6.90%
Prior measurement date		6.90%
Actuarial cost method		Individual entry age

CITY OF BELPRE, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.20% for 2023.

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

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

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

CITY OF BELPRE, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 3,824,752	\$ 2,429,542	\$ 1,269,133

Actuarial Assumptions - OP&F

OP&F's total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No.67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. A comprehensive experience study was performed during 2022 by OP&F's actuary and completed as of December 31, 2021. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.03 years at December 31, 2023.

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

Valuation date	1/1/23 with actuarial liabilities rolled forward to 12/31/23
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year

CITY OF BELPRE, OHIO

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Healthy Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

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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CITY OF BELPRE, OHIO

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

NOTE 11 - 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, 2023 are summarized below:

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

Note: assumptions are geometric.

* levered 2x

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 2,579,548	\$ 1,947,454	\$ 1,421,807

CITY OF BELPRE, OHIO

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

NOTE 12 - POSTEMPLOYMENT BENEFITS

Net OPEB Liability (Asset)

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

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

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

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

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

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

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

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

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

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

Group A 30 years of qualified health care service credit;

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

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

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

CITY OF BELPRE, OHIO

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

NOTE 12 - POSTEMPLOYMENT BENEFITS - (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, as summarized in the following table:

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

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

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

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

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

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

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

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

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

CITY OF BELPRE, OHIO

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

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.00%. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2024.

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

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

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

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

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

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

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

CITY OF BELPRE, OHIO

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

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The City's contractually required contribution to OP&F was \$3,601 for 2024. Of this amount, \$104 is reported as intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	OPERS	OP&F	Total
Proportion of the net OPEB liability			
prior measurement date	0.0087020%	0.0217677%	
Proportion of the net OPEB liability/asset			
current measurement date	<u>0.0086520%</u>	<u>0.0201571%</u>	
Change in proportionate share	<u>-0.0000500%</u>	<u>-0.0016106%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 147,173	\$ 147,173
Proportionate share of the net OPEB asset	(78,086)	-	(78,086)
OPEB expense	(9,257)	(7,192)	(16,449)

CITY OF BELPRE, OHIO

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

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 7,077	\$ 7,077
Net difference between projected and actual earnings on OPEB plan investments	46,897	10,867	57,764
Changes of assumptions	20,104	50,645	70,749
Changes in employer's proportionate percentage/ difference between employer contributions	686	627	1,313
Contributions subsequent to the measurement date	-	3,600	3,600
Total deferred outflows of resources	<u>\$ 67,687</u>	<u>\$ 72,816</u>	<u>\$ 140,503</u>
	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 11,115	\$ 27,046	\$ 38,161
Changes of assumptions	33,567	94,774	128,341
Changes in employer's proportionate percentage/ difference between employer contributions	2,718	31,017	33,735
Total deferred inflows of resources	<u>\$ 47,400</u>	<u>\$ 152,837</u>	<u>\$ 200,237</u>

\$3,600 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2025.

CITY OF BELPRE, OHIO

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

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Year Ending December 31:	OPERS	OP&F	Total
2025	\$ (3,489)	\$ (13,769)	\$ (17,258)
2026	3,107	(10,254)	(7,147)
2027	36,503	(7,563)	28,940
2028	(15,834)	(16,214)	(32,048)
2029	-	(15,882)	(15,882)
Thereafter	-	(19,939)	(19,939)
Total	<u>\$ 20,287</u>	<u>\$ (83,621)</u>	<u>\$ (63,334)</u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023.

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CITY OF BELPRE, OHIO

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

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.70%
Prior Measurement date	5.22%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	3.77%
Prior Measurement date	4.05%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2038
Prior Measurement date	5.50% initial, 3.50% ultimate in 2036
Actuarial Cost Method	Individual Entry Age

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

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.00% for 2023.

CITY OF BELPRE, OHIO

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

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.82 %
Domestic equities	25.00	4.27
Real Estate Investment Trusts (REITs)	5.00	4.68
International equities	25.00	5.16
Risk parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00 %	

Discount Rate - A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate -

The following table presents the proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70%, as well as what the proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70%) or one-percentage-point higher (6.70%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	\$ 42,914	\$ (78,086)	\$ (178,318)

CITY OF BELPRE, OHIO

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

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

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

- Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ 81,329	\$ 78,086	\$ 74,407

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

CITY OF BELPRE, OHIO

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

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	
Current measurement date	3.50% to 10.50%
Prior measurement date	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.07%
Prior measurement date	4.27%
Cost of Living Adjustments	2.20% simple per year

Health Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

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

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

CITY OF BELPRE, OHIO

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

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

Note: assumptions are geometric.

* levered 2x

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

Discount Rate - Total OPEB liability was calculated using the discount rate of 4.07%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38% was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07%.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.07%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07%), or one percentage point higher (5.07%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 181,277	\$ 147,173	\$ 118,451

CITY OF BELPRE, OHIO

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

NOTE 13 - CONTINGENT LIABILITIES

A. Litigation

The City is not party to any legal proceedings that, in the opinion of management, are expected to have a significant adverse effect on the City's financial condition.

B. Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS

A. Community Action Program Corporation of Washington-Morgan Counties, Ohio

The Community Action Program Corporation of Washington-Morgan Counties, Ohio, is operated as a non-profit organization formed to provide various programs in Washington and Morgan Counties. Currently, the Corporation administers the Family Service and Outreach Program; the Community Action Bus Line (CABL); the Child Development Program; the Senior Nutrition Program; Women, Infants and Children's Supplemental Nutrition Program; the Home Weatherization Assistance and Energy Program; the Job Training and Partnership Act Program; Housing and Urban Development Section 8 Existing Housing Voucher/Certificate Program; and various other state and federal programs. The Corporation is the direct recipient of the federal and state monies. The Corporation is governed by a fifteen member council. The council is composed of the Mayor of the City of Marietta, the Mayor of the City of Belpre, two commissioners from Washington County, one Commissioner from Morgan County, five lower income representatives, and five private sector representatives from Washington and Morgan Counties selected by outreach workers. Currently, the Corporation, by contract with the City of Belpre and Washington and Morgan Counties, provides administrative services to these governments in specific programs. During 2024, the Corporation did not receive any administrative fees from the City. These fees were received by the Corporation directly from the granting agencies. The continued existence of the Corporation is not dependent on the City's continued participation and the City does not have an equity interest in the Corporation.

B. Wood, Washington, and Wirt Planning Commission

The Wood, Washington, and Wirt Planning Commission was created to fulfill the requirements governing urban transportation planning under the Federal Highway Administration and Urban Mass Transportation Administration program regulations in Wood, Washington, and Wirt Counties. The Commission was formed pursuant to West Virginia Code Sections and Ohio Revised Code Section 713.30 and serves as a form of a regional planning commission. The Commission is composed of representatives from county and city governments and a cross section of members from the community appointed by the governmental units. Currently, the Commission has eight governmental representatives including the Mayor of the City of Belpre. Revenues are derived from Federal Highway and Federal Transportation Administration Grants distributed by the States of Ohio and West Virginia. Local governments contribute a ten percent local match. The continued existence of the Commission is not dependent on the City's continued participation and the City does not have an equity interest in the Commission.

CITY OF BELPRE, OHIO

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

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

C. Regional Income Tax Agency (RITA)

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form RITA. The City began using RITA for its income tax collection effective January 1, 2012.

Each member municipality appoints its own delegate to the RCOG, including electing members to the RITA Board of Trustees. Regardless of the population or tax collections of member municipalities, each member of the RCOG has an equal say in the operations of RITA.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BELPRE, OHIO
WASHINGTON COUNTY, OHIO

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget - Over (Under) Actual Amounts
Budgetary revenues:				
Income taxes	\$ 1,896,314	\$ 1,941,300	\$ 2,055,144	\$ 113,844
Real and other taxes	534,696	547,381	537,490	(9,891)
Charges for services	1,444,873	1,479,150	1,528,172	49,022
Fees, licenses and permits	103,739	106,200	99,038	(7,162)
Fines and forfeitures	43,127	44,150	49,632	5,482
Intergovernmental	247,963	253,845	254,468	623
Investment income	175,829	180,000	294,127	114,127
Rental income	5,373	5,500	7,235	1,735
Contributions and donations	21,279	21,784	25,451	3,667
Other	79,757	81,649	63,551	(18,098)
Total budgetary revenues	4,552,950	4,660,959	4,914,308	253,349
Budgetary expenditures:				
Current:				
General government	874,905	887,505	735,043	(152,462)
Security of persons and property:				
Police	1,785,921	1,812,526	1,707,707	(104,819)
Fire	102,983	104,466	78,018	(26,448)
Public health services	1,207,613	1,225,005	1,240,824	15,819
Transportation	88,722	90,000	86,188	(3,812)
Leisure time activity	267,224	271,072	209,205	(61,867)
Debt service:				
Principal retirement	810	810	810	-
Interest	496	496	496	-
Total budgetary expenditures	4,328,674	4,391,880	4,058,291	(333,589)
Budgetary excess of revenues over expenditures	224,276	269,079	856,017	(80,240)
Budgetary other financing sources (uses):				
Transfers out	(60,000)	(60,000)	-	60,000
Total budgetary other financing sources (uses)	(60,000)	(60,000)	-	60,000
Net change in fund balances	164,276	209,079	856,017	(20,240)
Budgetary fund balances at beginning of year	1,974,234	1,974,234	1,974,234	-
Budgetary fund balance at end of year	<u>\$ 2,138,510</u>	<u>\$ 2,183,313</u>	<u>\$ 2,830,251</u>	<u>\$ (20,240)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BELPRE, OHIO
WASHINGTON COUNTY, OHIO**

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Intergovernmental	\$ 402,560	\$ 418,000	\$ 411,006	\$ (6,994)
Investment income	17,047	17,701	28,108	10,407
Other	22,632	23,500	25,721	2,221
Total budgetary revenues	442,239	459,201	464,835	5,634
Budgetary expenditures:				
Current:				
Transportation	497,471	500,564	381,450	(119,114)
Debt service:				
Principal retirement	34,031	34,031	34,031	-
Interest	4,567	4,567	4,567	-
Total budgetary expenditures	536,069	539,162	420,048	(119,114)
Budgetary excess (deficiency) of revenues over (under) expenditures	(93,830)	(79,961)	44,787	(113,480)
Budgetary other financing sources:				
Sale of capital assets	-	-	1,285	1,285
Transfers in	19,261	20,000	-	(20,000)
Total budgetary other financing sources	19,261	20,000	1,285	(18,715)
Net change in fund balances	(74,569)	(59,961)	46,072	(132,195)
Budgetary fund balances at beginning of year	103,006	103,006	103,006	-
Prior year encumbrances appropriated	242	242	242	-
Budgetary fund balance at end of year	<u>\$ 28,679</u>	<u>\$ 43,287</u>	<u>\$ 149,320</u>	<u>\$ (132,195)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BELPRE, OHIO
WASHINGTON COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget -</u>
			<u>Basis</u>	<u>Over (Under)</u>
				<u>Actual Amounts</u>
Budgetary expenditures:				
Capital outlay	\$ -	\$ -	\$ 305,394	\$ 305,394
Total budgetary expenditures	-	-	305,394	305,394
Budgetary excess of expenditures over revenues	-	-	(305,394)	305,394
Net change in fund balances	-	-	(305,394)	305,394
Budgetary fund balances at beginning of year	305,394	305,394	305,394	-
Budgetary fund balance at end of year	<u>\$ 305,394</u>	<u>\$ 305,394</u>	<u>\$ -</u>	<u>\$ 305,394</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BELPRE, OHIO
WASHINGTON COUNTY, OHIO**

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Real and other taxes	\$ 237,701	\$ 238,727	\$ 238,727	\$ -
Intergovernmental	6,671	6,700	6,950	250
Investment income	4,978	5,000	7,310	2,310
Total budgetary revenues	<u>249,350</u>	<u>250,427</u>	<u>252,987</u>	<u>2,560</u>
Budgetary expenditures:				
Current:				
Security of persons and property - fire	142,100	146,699	126,852	(19,847)
Total budgetary expenditures	<u>142,100</u>	<u>146,699</u>	<u>126,852</u>	<u>(19,847)</u>
Budgetary excess (deficiency) of revenues over (under) expenditures	<u>107,250</u>	<u>103,728</u>	<u>126,135</u>	<u>(17,287)</u>
Net change in fund balances	107,250	103,728	126,135	(17,287)
Budgetary fund balances at beginning of year	<u>241,116</u>	<u>241,116</u>	<u>241,116</u>	<u>-</u>
Budgetary fund balance at end of year	<u><u>\$ 348,366</u></u>	<u><u>\$ 344,844</u></u>	<u><u>\$ 367,251</u></u>	<u><u>\$ (17,287)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BELPRE
WASHINGTON, COUNTY**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.009280%	\$ 2,429,542	\$ 1,524,043	159.41%	79.01%
2023	0.009344%	2,760,223	1,445,100	191.01%	75.74%
2022	0.009163%	797,218	1,315,714	60.59%	92.62%
2021	0.008885%	1,315,675	1,201,943	109.46%	86.88%
2020	0.009131%	1,804,804	1,342,521	134.43%	82.17%
2019	0.009726%	2,663,754	1,315,486	202.49%	74.70%
2018	0.009879%	1,549,824	1,297,738	119.43%	84.66%
2017	0.010217%	2,320,107	1,255,750	184.76%	77.25%
2016	0.010255%	1,776,295	1,261,683	140.79%	81.08%
2015	0.010707%	1,291,384	1,278,467	101.01%	86.45%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 195,882	\$ (195,882)	\$ -	\$ 1,399,157	14.00%
2023	213,366	(213,366)	-	1,524,043	14.00%
2022	202,314	(202,314)	-	1,445,100	14.00%
2021	184,200	(184,200)	-	1,315,714	14.00%
2020	168,272	(168,272)	-	1,201,943	14.00%
2019	187,953	(187,953)	-	1,342,521	14.00%
2018	184,168	(184,168)	-	1,315,486	14.00%
2017	168,706	(168,706)	-	1,297,738	13.00%
2016	150,690	(150,690)	-	1,255,750	12.00%
2015	151,402	(151,402)	-	1,261,683	12.00%

(1) 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

**CITY OF BELPRE
WASHINGTON, COUNTY**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.020157100%	\$ 1,947,454	\$ 695,532	279.99%	63.63%
2023	0.021767700%	2,067,720	622,205	332.32%	62.90%
2022	0.021899000%	1,368,123	632,721	216.23%	75.03%
2021	0.022783400%	1,553,165	595,679	260.74%	70.65%
2020	0.023901300%	1,610,119	663,437	242.69%	69.89%
2019	0.023759000%	1,939,362	602,321	321.98%	63.07%
2018	0.023746000%	1,457,429	584,479	249.36%	70.91%
2017	0.025368000%	1,606,792	590,342	272.18%	68.36%
2016	0.022757000%	1,463,968	528,095	277.22%	66.77%
2015	0.023567200%	1,220,879	521,263	234.22%	72.20%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
<i>Police:</i>					
2024	\$ 136,840	\$ (136,840)	\$ -	\$ 720,211	19.00%
2023	132,151	(132,151)	-	695,532	19.00%
2022	118,219	(118,219)	-	622,205	19.00%
2021	120,217	(120,217)	-	632,721	19.00%
2020	113,179	(113,179)	-	595,679	19.00%
2019	126,053	(126,053)	-	663,437	19.00%
2018	114,441	(114,441)	-	602,321	19.00%
2017	111,051	(111,051)	-	584,479	19.00%
2016	112,165	(112,165)	-	590,342	19.00%
2015	100,338	(100,338)	-	528,095	19.00%

(1) 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

**CITY OF BELPRE
WASHINGTON, COUNTY**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	City's Proportion of the Net OPEB Liability/(Asset)	City's Proportionate Share of the Net OPEB Liability/(Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.008652000%	\$ (78,086)	\$ 1,524,043	5.12%	107.76%
2023	0.008702000%	54,868	1,445,100	3.80%	94.79%
2022	0.008528000%	(267,110)	1,315,714	20.30%	128.23%
2021	0.008275000%	(147,426)	1,201,943	12.27%	115.57%
2020	0.008504000%	1,174,623	1,342,521	87.49%	47.80%
2019	0.009056000%	1,180,689	1,297,738	90.98%	46.33%
2018	0.009220000%	1,001,224	1,255,750	79.73%	54.14%
2017	0.009523430%	961,899	1,261,683	76.24%	54.05%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ -	\$ -	\$ -	\$ 1,399,157	0.00%
2023	-	-	-	1,524,043	0.00%
2022	-	-	-	1,445,100	0.00%
2021	-	-	-	1,315,714	0.00%
2020	-	-	-	1,201,943	0.00%
2019	-	-	-	1,342,521	0.00%
2018	-	-	-	1,315,486	0.00%
2017	12,977	(12,977)	-	1,297,738	1.00%
2016	25,115	(25,115)	-	1,255,750	2.00%
2015	25,234	(25,234)	-	1,278,467	1.97%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BELPRE
WASHINGTON, COUNTY**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.020157100%	\$ 147,173	\$ 695,532	21.16%	51.89%
2023	0.021767700%	154,980	622,205	24.91%	52.59%
2022	0.021899000%	240,032	632,721	37.94%	46.86%
2021	0.022783400%	241,394	595,679	40.52%	45.42%
2020	0.023901300%	236,091	663,437	35.59%	47.08%
2019	0.023759000%	216,362	584,479	37.02%	46.57%
2018	0.023746000%	1,345,438	584,479	230.19%	14.13%
2017	0.025368000%	1,204,162	590,342	203.98%	15.96%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
<i>Police:</i>					
2024	\$ 3,601	\$ (3,601)	\$ -	\$ 720,211	0.50%
2023	3,478	(3,478)	-	695,532	0.50%
2022	3,111	(3,111)	-	622,205	0.50%
2021	3,164	(3,164)	-	632,721	0.50%
2020	2,978	(2,978)	-	595,679	0.50%
2019	3,317	(3,317)	-	663,437	0.50%
2018	3,012	(3,012)	-	602,321	0.50%
2017	2,922	(2,922)	-	584,479	0.50%
2016	3,031	(3,031)	-	590,342	0.50%
2015	2,712	(2,712)	-	528,095	0.50%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BELPRE, OHIO

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

NOTE 1 - BUDGETARY PROCESS

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

The schedule of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, street fund, local fiscal recovery fund, and EMS levy 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); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	<u>General fund</u>	<u>Street fund</u>	<u>Local Fiscal Recovery fund</u>	<u>EMS Levy fund</u>
Budget basis	\$ 856,017	\$ 46,072	\$ (305,394)	\$ 126,135
Net adjustment for revenue accruals	4,956	3,773	5,425	-
Net adjustment for expenditure accruals	18,788	(117,684)	-	3,976
Net adjustment for other sources/uses	-	88,789	-	-
Funds budgeted elsewhere	286,859	-	-	-
Adjustments for encumbrances	-	-	299,969	-
GAAP Basis	<u>\$ 1,166,620</u>	<u>\$ 20,950</u>	<u>\$ -</u>	<u>\$ 130,111</u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the unclaimed funds fund, capital improvements, and payroll fund.

CITY OF BELPRE, OHIO

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

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

Change in assumptions:

- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25%, (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75% and (d) COLA for post 1/7/2013 retirees were changed to 3.00%, simple through 2018, then 2.15% simple.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- For 2020, COLA for post 1/7/2013 retirees were changed to 1.40%, simple through 2020, then 2.15% simple.
- For 2021, COLA for post 1/7/2013 retirees were changed to 0.50%, simple through 2021, then 2.15% simple.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- For 2023, COLA for post 1/7/2013 retirees were changed to 3.00%, simple through 2023, then 2.05% simple.
- For 2024, COLA for post 1/7/2013 retirees were changed to 2.30%, simple through 2024, then 2.05% simple.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Change in benefit terms:

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

CITY OF BELPRE, OHIO

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

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

- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

Changes in assumptions:

- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.
- There were no changes in assumptions for 2024.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

CITY OF BELPRE, OHIO

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

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

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) the investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.
- For 2024, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed to 5.70%, (b) the municipal bond rate was changed to 3.77% and (c) the health care cost trend rate was changed to 5.50% initial, 3.50% ultimate in 2038.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

CITY OF BELPRE, OHIO

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

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

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) investment rate of return was reduced from 8.25% to 8.00%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66% and (b) the municipal bond rate was increased from 3.16% to 4.13%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56% and (b) the municipal bond rate was decreased from 4.13% to 2.75%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96% and (b) the municipal bond rate was decreased from 2.75% to 2.12%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50%, (b) the discount rate was changed from 2.96% to 2.84% and (c) the municipal bond rate was decreased from 2.12% to 2.05%.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed from 2.84% to 4.27% and (b) the municipal bond rate was increased from 2.05% to 3.65%.
- For 2024, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed to 4.07% and (b) and the municipal bond rate was changed to 3.38%.

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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 Belpre
Washington County
715 Park Drive
Belpre, Ohio 45714

To the City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belpre, Washington County, Ohio (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 14, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2024-002 and 2024-003 that we consider to be significant deficiencies.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2024-001 and 2024-002.

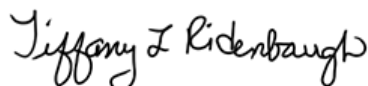
City's Response to Findings

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
Ohio Auditor of State



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

January 14, 2026

**CITY OF BELPRE
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024**

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

FINDING NUMBER 2024-001

Noncompliance

Ohio Rev. Code § 735.05 states the director of public service may make any contract, purchase supplies or material, or provide labor for any work under the supervision of the department of public service involving not more than the amount specified in § 9.17 of the Revised Code. When an expenditure within the department, other than the compensation of persons employed in the department, exceeds the amount specified in § 9.17 of the Revised Code, the expenditure shall first be authorized and directed by ordinance of the city legislative authority. When so authorized and directed, except where the contract is for equipment, services, materials, or supplies to be purchased under division (D) of § 713.23 or § 125.04 or 5513.01 of the Revised Code or available from a qualified nonprofit agency pursuant to §§ 4115.31 to 4115.35 of the Revised Code, the director shall make a written contract with the lowest and best bidder after advertisement for not less than two nor more than four consecutive weeks in a newspaper of general circulation within the city or as provided in § 7.16 of the Revised Code. No expenditure subject to this section shall be divided into component parts, separate projects, or separate items of work in order to avoid the requirements of this section.

The City did not have procedures in place to document the method of procurement for purchases under Ohio Rev. Code § 735.05. Failure to comply with the competitive bidding process and establishing procurement procedures could result in the City paying more for services and not receiving the lowest and best bids.

The City contracted for the restoration of a pond with a local contractor in the amount of \$97,500. The City did not follow competitive bidding procedures outlined in Ohio Rev. Code § 735.05 but solicited quotes from two vendors in order to have the job done by June 30, 2024, which was also the deadline for a grant that was received to fund this project.

The Council and Management should establish policies and procedures to ensure they are following proper competitive bidding procedures for purchases, projects and contracts exceeding the thresholds set forth in Ohio Rev. Code § 735.05 and § 9.17.

Official's Response: The large engineering firms the city deals with does their own bidding. Otherwise, we advertise projects in excess of \$75,000.00 on our city website under Community, Public bid posting, Current Bid Documents.

FINDING NUMBER 2024-002

Noncompliance and Significant Deficiency

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

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the City's Local Fiscal Recovery Fund had expenditures in excess of appropriations of \$305,394 as of December 31, 2024.

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

**CITY OF BELPRE
WASHINGTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2024-002 (Continued)

Noncompliance and Significant Deficiency (Continued)

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

Official's Response: Noted. This information will be provided to the new Auditor.

FINDING NUMBER 2024-003

Significant Deficiency

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.

The City's financial statement oversight and review procedures were not sufficient to help ensure activity is properly recorded and reported in the financial statements. As a result, we noted the following errors:

- A grant from the Southeast Ohio Public Energy Council for the pool pump and motor replacement in the amount of \$15,000 was posted to Contributions and Donations instead of Intergovernmental Revenue.
- Final Appropriations on the Local Fiscal Recovery Fund budgetary statement was overstated by \$38,000.

These reclassifications and adjustments, to which management agrees, are reflected in the accompanying financial statements.

When financial transactions are not properly recorded, financial activity could result in material misstatements occurring and remaining undetected and increase the risk that management would not be provided an accurate picture of the City's financial position and operations.

The City Auditor's office should implement financial statement oversight and review procedures to help ensure the completeness and accuracy of the City's year-end financial statements.

Officials' Response: The understanding of the SOPEC revenue received was considered a refund from SOPEC for using their aggregation. However, the memo line on the check stated grant. The Local Fiscal Recovery funds of \$38,000.00 were appropriated on the November 2024 Supplemental; however, were not entered into software to reduce the revenue.



City of
BELPRE
OHIO

715 Park Drive PO Box 160 Belpre OH 45714 740.423.7592 www.cityofbelpre.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 2024

Finding Number	Finding Summary	Status	Additional Information
2023-001	Noncompliance with Ohio Rev. Code § 735.05 for the City not having a procurement policy and for not being able to present bidding documentation for audit for the purchase of a Diesel Sewer Jetter truck and two Dodge Ram trucks with accessories.	Not Corrected	Repeated as Finding Number 2024-001.
2023-002	Significant Deficiency for posting errors.	Not Corrected	Repeated as Finding Number 2024-003.
2023-003	Significant Deficiency for capital assets not being accounted for in the City's accounting system and the City not using tag numbers for its capital assets.	Partially Corrected	Not all of the City's assets has tag numbers. The City is working to correct it. Repeated in the Management Letter.
2023-004	Significant Deficiency for the City not having a complete, documented, and tested policies and procedures over IT security and operations.	Corrected	

OHIO AUDITOR OF STATE KEITH FABER



CITY OF BELPRE

WASHINGTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 1/27/2026

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

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