



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

**CITY OF EAST LIVERPOOL, OHIO**  
COLUMBIANA COUNTY  
SINGLE AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2024





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City Council  
City of East Liverpool  
126 West Sixth Street  
East Liverpool, OH 43920

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

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

KEITH FABER  
Ohio Auditor of State

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

**August 20, 2025**

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## TABLE OF CONTENTS

Independent Auditors' Report .....	1 – 3
Management's Discussion and Analysis .....	5 – 12
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position .....	13
Statement of Activities .....	14 – 15
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	16 – 17
Statement of Revenues, Expenditures and Changes in Fund	
Balances – Governmental Funds .....	18 – 19
Statement of Revenues, Expenditures and Changes in Fund	
Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund .....	20
Statement of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual (Non-GAAP Budgetary Basis) – Police Fund .....	21
Statement of Revenues, Expenditures and Changes in Fund	
Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Fire Fund .....	22
Statement of Revenues, Expenditures, and Changes in Fund	
Balance – Budget and Actual (Non-GAAP Budgetary Basis – Street Levy Fund .....	23
Statement of Fund Net Position – Proprietary Funds .....	24
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds ..	25
Statement of Cash Flows – Proprietary Funds .....	26
Notes to the Basic Financial Statements .....	27 – 87
Required Supplementary Information:	
Schedule of the City's Proportionate Share of the Net Pension Liability/Asset (OPERS) .....	88 – 91
Schedule of the City's Proportionate Share of the Net Pension Liability (OP&F) .....	92 – 93
Schedule of the City's Proportionate Share of the Net OPEB Liability/Asset (OPERS) .....	94 – 95
Schedule of the City's Proportionate Share of the Net OPEB Liability (OP&F) .....	96 – 97
Schedule of the City's Pension/OPEB Contributions (OPERS) .....	98 – 99
Schedule of the City's Pension/OPEB Contributions (OP&F) .....	100 – 101
Notes to the Required Supplementary Information .....	102 – 106
Additional Information:	
Schedule of Expenditures of Federal Awards .....	107
Notes to the Schedule of Expenditures of Federal Awards .....	108
Report on Internal Control Over Financial Reporting and on Compliance and Other	
Matters Based on an Audit of Financial Statements Performed in Accordance with	
<i>Government Auditing Standards</i> .....	109 – 110
Report on Compliance for Each Major Program and	
Report on Internal Control Over Compliance Required by the Uniform Guidance .....	111 – 113
Schedule of Findings and Questioned Costs .....	114

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## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of East Liverpool, Ohio:

### Report on the Audit of the Financial Statements

#### Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Police, Fire, and Street Levy funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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.

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.



We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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.

*Clark, Schaefer, Hackett & Co.*

Columbus, Ohio  
June 27, 2025

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**City of East Liverpool, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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The management's discussion and analysis of the City of East Liverpool's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2024 are:

- The City-wide net position increased during 2024 due primarily to increases in current assets and decreases in current liabilities and the net pension and net OPEB liabilities.
- Capital asset additions in 2024 included construction in progress on the new City Garage, State Route 39 re-pavement project, Riverfront Trail project, and various water and sewer projects, infrastructure, building improvements, and purchases of various equipment and vehicles.

**Using This Financial Report**

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

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 non-major funds presented in total in one column.

**Reporting the City of East Liverpool as a Whole**

***Statement of Net Position and 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 the City do financially during 2024?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes 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 net position. The changes in net position are important because they tell 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, non-financial information such as changes in the City's tax base and the condition of the City's capital assets will also need to be evaluated.

**City of East Liverpool, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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The *Statement of Net Position* and the *Statement of Activities* are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position
- Program Revenue and Expenses
- General Revenues
- Net Position Beginning of Year and Year's End

**Reporting the City of East Liverpool's Most Significant Funds**

***Fund Financial Statements***

The analysis of the City's major funds begins with the discussion of the modified accrual statements. Fund financial statements provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to City residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of East Liverpool, the major funds are the general, police, fire, street levy, water, sewer and incinerator 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 future periods. Governmental funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Government 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 in the financial statements.

***Proprietary Funds***

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City's major enterprise funds are the water, sewer and incinerator funds.

Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The internal service fund accounts for any unanticipated run-off claims.

**City of East Liverpool, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

**The City as a Whole**

The *Statement of Net Position* looks at the City as a whole. Table 1 provides a summary of the City's net position for 2024 compared to 2023.

**Table 1 - Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and Other Assets	\$7,581,617	\$8,438,903	\$7,314,328	\$8,336,227	\$14,895,945	\$16,775,130
Noncurrent Assets:						
Net Pension Asset	12,336	9,143	15,924	11,365	28,260	20,508
Net OPEB Asset	71,217	0	81,926	0	153,143	0
Capital Assets, Net	16,099,600	16,339,700	13,967,048	10,755,255	30,066,648	27,094,955
<i>Total Assets</i>	<u>23,764,770</u>	<u>24,787,746</u>	<u>21,379,226</u>	<u>19,102,847</u>	<u>45,143,996</u>	<u>43,890,593</u>
<b>Deferred Outflows of Resources</b>						
Pension	2,537,952	3,193,444	832,370	1,321,143	3,370,178	4,514,420
OPEB	379,717	617,643	83,185	196,919	462,902	814,562
<i>Total Deferred Outflows of Resources</i>	<u>2,917,669</u>	<u>3,811,087</u>	<u>915,555</u>	<u>1,518,062</u>	<u>3,833,080</u>	<u>5,328,982</u>
<b>Liabilities</b>						
Current and Other Liabilities	694,234	1,163,342	286,710	383,709	980,944	1,547,051
Long-Term Liabilities:						
Due Within One Year	800,709	364,712	637,859	641,221	1,438,568	1,005,933
Due in More than One Year						
Net Pension Liability	8,794,860	9,262,612	2,647,272	3,292,723	11,442,132	12,555,335
Net OPEB Liability	509,725	549,101	0	66,307	509,725	615,408
Other Amounts	2,014,392	1,919,406	2,432,932	2,042,655	4,447,324	3,962,061
<i>Total Liabilities</i>	<u>12,813,920</u>	<u>13,259,173</u>	<u>6,004,773</u>	<u>6,426,615</u>	<u>18,818,693</u>	<u>19,685,788</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	1,622,697	1,594,171	0	0	1,622,697	1,594,171
Payments in Lieu of Taxes	27,410	27,410	0	0	27,410	27,410
Pension	755,389	982,260	136,514	48,519	891,759	1,030,612
OPEB	539,460	626,307	49,467	23,643	588,927	649,950
<i>Total Deferred Inflows of Resources</i>	<u>2,944,956</u>	<u>3,230,148</u>	<u>185,981</u>	<u>72,162</u>	<u>3,130,793</u>	<u>3,302,143</u>
<b>Net Position</b>						
Net Investment in Capital Assets	14,430,767	14,334,468	11,122,378	8,052,108	25,553,145	22,386,576
Restricted:						
Capital Projects	1,031,181	1,311,052	0	0	1,031,181	1,311,052
Debt Service	309,520	306,186	0	0	309,520	306,186
Street Maintenance and Repair	891,251	834,225	0	0	891,251	834,225
Community Development	47,794	87,589	0	0	47,794	87,589
Other Purposes	1,027,878	1,109,544	0	0	1,027,878	1,109,544
Unclaimed Monies	20,897	20,285	0	0	20,897	20,285
Pension and OPEB Plans	83,553	9,143	97,850	11,365	181,403	20,508
Unrestricted (Deficit)	(6,919,278)	(5,902,980)	4,883,799	6,058,659	(2,035,479)	155,679
<i>Total Net Position</i>	<u>\$10,923,563</u>	<u>\$12,109,512</u>	<u>\$16,104,027</u>	<u>\$14,122,132</u>	<u>\$27,027,590</u>	<u>\$26,231,644</u>

**City of East Liverpool, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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***New Accounting Pronouncements***

For 2024, the City implemented GASB Statement No. 101 *Compensated Absences*. The City also implemented GASB Statement No. 100 *Accounting Changes and Error Corrections*, which does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The implementation of GASB 101 resulted in recognizing an additional compensated absences liabilities of \$257,995 in governmental activities and \$179,870 in business-type activities at January 1, 2024. These amounts also impacted beginning net position for the cumulative effect of additional compensated absences expense. (See Note 19)

***Governmental and Business-Type Activities***

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2024. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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.

By comparing assets and deferred outflows of resources and liabilities and deferred inflows of resources, one can see the overall position of the City has increased when compared with the prior year as evidenced by the increase in total net position.

Total current and other assets for governmental activities decreased due mainly to a decrease in cash and cash equivalents, accounts receivables, and intergovernmental receivables. Net capital assets for governmental activities decreased due to current year deletions and depreciation and amortization exceeding annual additions. The decrease in long-term liabilities can be attributed to decreases in the net pension and net OPEB liabilities.

Total current and other assets for business-type activities decreased mainly due to the decrease in cash and cash equivalents. Net capital assets for business-type activities increased as a result of current year additions exceeding depreciation and deletions. The decrease in long-term liabilities for business-type activities was due to a decrease in the net pension and net OPEB liabilities.

**City of East Liverpool, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

Table 2 shows the changes in net position for the years ended December 31, 2024 and December 31, 2023.

**Table 2 - Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for Services	\$695,781	\$493,916	\$8,413,270	\$6,267,349	\$9,109,051	\$6,761,265
Operating Grants and Contributions	1,069,126	970,964	36,454	0	1,105,580	970,964
Capital Grants	516,519	723,417	10,408	39,994	526,927	763,411
<i>Total Program Revenues</i>	<u>2,281,426</u>	<u>2,188,297</u>	<u>8,460,132</u>	<u>6,307,343</u>	<u>10,741,558</u>	<u>8,495,640</u>
<i>General Revenues:</i>						
Property Taxes	1,669,279	1,680,778	0	0	1,669,279	1,680,778
Income Tax	3,812,467	4,338,357	0	0	3,812,467	4,338,357
Permissive Motor Vehicle License Tax	119,531	170,480	0	0	119,531	170,480
Hotel Taxes	1,685	2,013	0	0	1,685	2,013
Grants and Entitlements not Restricted to Specific Programs	78,773	43,578	0	0	78,773	43,578
Payment in Lieu of Taxes	27,971	28,020	0	0	27,971	28,020
Investment Earnings/Interest	125,914	558,136	152,225	189,595	278,139	747,731
Unrestricted Contributions	1,000	0	0	0	1,000	0
Other	267,579	225,774	181,037	173,167	448,616	398,941
<i>Total General Revenues</i>	<u>6,104,199</u>	<u>7,047,136</u>	<u>333,262</u>	<u>362,762</u>	<u>6,437,461</u>	<u>7,409,898</u>
<i>Total Revenues</i>	<u>8,385,625</u>	<u>9,235,433</u>	<u>8,793,394</u>	<u>6,670,105</u>	<u>17,179,019</u>	<u>15,905,538</u>
<b>Program Expenses:</b>						
General Government	1,658,395	1,677,222	0	0	1,658,395	1,677,222
Security of Persons and Property	4,700,145	4,400,156	0	0	4,700,145	4,400,156
Transportation	2,171,553	2,368,264	0	0	2,171,553	2,368,264
Public Health and Welfare	27,108	22,864	0	0	27,108	22,864
Leisure Time Activities	260,319	169,744	0	0	260,319	169,744
Community and Economic Development	194,475	281,323	0	0	194,475	281,323
Intergovernmental	221,547	251,321	0	0	221,547	251,321
Interest	80,037	79,021	0	0	80,037	79,021
Water	0	0	3,259,183	3,261,109	3,259,183	3,261,109
Sewer	0	0	1,656,547	1,465,914	1,656,547	1,465,914
Incinerator	0	0	1,305,158	1,361,911	1,305,158	1,361,911
Storm Sewer	0	0	342,607	427,080	342,607	427,080
Swimming Pool	0	0	66,740	84,484	66,740	84,484
Off Street Parking	0	0	1,394	2,538	1,394	2,538
<i>Total Program Expenses</i>	<u>9,313,579</u>	<u>9,249,915</u>	<u>6,631,629</u>	<u>6,603,036</u>	<u>15,945,208</u>	<u>15,852,951</u>
<i>Change in Net Position</i>	<u>(927,954)</u>	<u>(14,482)</u>	<u>2,161,765</u>	<u>67,069</u>	<u>1,233,811</u>	<u>52,587</u>
<i>Net Position Beginning of Year As Previously Reported</i>	12,109,512	12,123,994	14,122,132	14,055,063	26,231,644	26,179,057
Restatement - Change in Accounting Principle	(257,995)	0	(179,870)	0	(437,865)	0
<i>Restated Net Position Beginning of Year</i>	<u>11,851,517</u>	<u>12,123,994</u>	<u>13,942,262</u>	<u>14,055,063</u>	<u>25,793,779</u>	<u>26,179,057</u>
<i>Net Position End of Year</i>	<u>\$10,923,563</u>	<u>\$12,109,512</u>	<u>\$16,104,027</u>	<u>\$14,122,132</u>	<u>\$27,027,590</u>	<u>\$26,231,644</u>

**City of East Liverpool, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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***New Accounting Pronouncements***

The previous table separately reflects the restatement for changes in accounting principles related to the implementation of GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 100, *Accounting Changes and Error Corrections* does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The 2023 information does not reflect activity related to the additional compensated absences expenses required under GASB 101, *Compensated Absences*. (See also explanation of new accounting pronouncements provided related to Net Position - Table 1 and explanation provided in Note 19.)

***Governmental Activities***

Funding for the governmental activities comes from several different sources, with the most significant being the municipal income tax. Other prominent sources of revenue are property taxes, grants and entitlements, charges for services, operating grants and contributions and capital grants.

The City's income tax rate is 1.5 percent. Both residents of the City and nonresidents who work inside the City are subject to the income tax.

Charges for services program revenue increased due to increases in charges for sales and services. Operating grants and contributions increased because of an increase in State and Federal grant monies. Capital grants and contributions decreased due to fewer ODOT grants.

Expenses for general government represent the overhead costs of running the City and the support services provided for the other governmental activities. These include the costs of council, the mayor, administration, law, and finance.

Security of persons and property, which includes police and fire services, represents the largest expense items of the governmental activities. The police department is funded through the police special revenue fund. The department operates full time, 24 hours a day, 365 days a year with 17 officers and a full-time police chief.

The fire department employs 15 employees, including the fire chief. The City is committed to maintaining a very efficient department. Regular meetings, drills and training sessions are held. There is a strong emphasis on equipment with financial planning in place for replacement on a regular basis of worn equipment. The department's functions include firefighting, emergency medical service including paramedic service, fire prevention education and investigation.

Another major expense of the City in 2024 was transportation, or the street maintenance and repair department. The street department employs 6 full time employees who provide the City and its citizens many services which include road salting, leaf and debris pickup, paint striping and alley profiling.



**City of East Liverpool, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

Table 3 presents a summary for governmental activities, the total cost of services and the net cost of providing these services.

**Table 3**  
**Cost of Services**

	Governmental Activities			
	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services
	2024	2023	2024	2023
General Government	\$1,658,395	\$1,677,222	\$1,419,553	\$1,246,939
Security of Persons and Property	4,700,145	4,400,156	3,901,132	4,117,826
Transportation	2,171,553	2,368,264	1,057,220	1,036,086
Public Health and Welfare	27,108	22,864	(10,501)	(82,414)
Leisure Time Activities	260,319	169,744	238,448	147,529
Community and Economic Development	194,475	281,323	124,717	265,310
Intergovernmental	221,547	251,321	221,547	251,321
Interest	80,037	79,021	80,037	79,021
Total	<u>\$9,313,579</u>	<u>\$9,249,915</u>	<u>\$7,032,153</u>	<u>\$7,061,618</u>

### **The City's Funds**

The City of East Liverpool uses fund accounting as mandated by governmental legal requirements. The intent of accounting and reporting using this method is to demonstrate compliance with these finance related requirements. Information about the City's governmental funds begins with the balance sheet.

#### ***Governmental Funds***

The City's funds are accounted for using the modified accrual basis of accounting. The City focuses on its governmental funds to provide a financial picture on activities as they provide information on how the City did over a period of one year as well as where the City's funds stood at December 31, 2024. The information provided is useful to determine the City's available balances.

The City's major governmental funds are the general fund and the police, fire and street levy special revenue funds. The general fund had a decrease in fund balance due mainly to a decrease in cash and cash equivalents and income tax revenues and receivables. The police special revenue fund had an increase in fund balance due to an increase in cash and cash equivalents as a result of department revenues and transfers in exceeding expenditures. Despite increased transfers in, the fire special revenue fund had a decrease in fund balance due to increases in operational expenditures outpacing increases in revenues and transfers in. The street levy special revenue fund had an increase in fund balance due to an increase in cash and cash equivalents as a result of department revenues exceeding expenditures.

#### ***Business-Type Funds***

As mentioned earlier, the City's major business-type funds are water, sewer and incinerator. The largest sources of operating revenue for these funds in 2024 were charges for services. The water and sewer funds had an increase in net position due to operating revenues exceeding operating expenses. The incinerator fund had a decrease in net position due to operating expenses exceeding operating revenues during 2024.

**City of East Liverpool, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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***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. The general fund supports many major activities such as the legislative and executive, judicial, public health and planning activities. Some police, fire, and street activities are also funded with general fund dollars. By ordinance, these funds are transferred from the general fund to the police, fire, and street funds.

For the general fund, actual revenues were higher than the final budgeted revenues due mainly to higher than estimated income tax, intergovernmental, interest, and miscellaneous revenues. There was a decrease in actual expenditures and other financing uses compared to the final budget. This decrease was due to less than expected overall expenditures.

**Capital Assets and Debt Administration**

***Capital Assets***

Total governmental capital assets decreased due to depreciation outpacing additions during the year. Business-type capital assets increased as a result of current year additions outpacing annual depreciation. Current year additions for governmental and business-type activities included infrastructure, sewer lines, machinery and equipment and buildings and improvements. For additional information see Note 10 to the basic financial statements.

***Debt***

At December 31, 2024, outstanding debt is composed of installment loans, Ohio Public Works Commission (OPWC) loans, Ohio Water Development Authority (OWDA) loans, State Infrastructure Bank (SIB) loans, financed purchases, leases and police and fire pension liability. For additional information see Note 13 to the basic financial statements.

**Current Financial Related Activities**

The City continues to strive to provide the services its citizen's desire while maintaining costs. This is a challenge the City's administration deals with. The City is also continuing to upgrade its capital assets and infrastructure in an effort to make improvements when possible. During 2024, the City performed construction work on various paving and infrastructure improvement projects, purchased various equipment and vehicles, made improvements to buildings and continued to make water and sewer infrastructure improvements.

**Contacting the City's Finance Department**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends or invests. If you have any questions about this report or need financial information, contact the City Auditor, Marilyn Bosco at 126 West 6<sup>th</sup> Street, East Liverpool, Ohio 43920, by telephone at (330) 385-4224, or by email at [auditormb@gmail.com](mailto:auditormb@gmail.com).

**City of East Liverpool, Ohio**

*Statement of Net Position*

*December 31, 2024*

	Governmental Activities	Business-Type Activities *	Total *	Component Unit
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,451,624	\$5,884,787	\$9,336,411	\$20,421
Inventory Held for Resale	0	0	0	13,298
Materials and Supplies Inventory	69,190	42,431	111,621	0
Accounts Receivable	179,254	1,286,062	1,465,316	0
Due from Component Unit	22,136	0	22,136	0
Intergovernmental Receivable	377,501	960	378,461	27,494
Prepaid Items	168,660	100,088	268,748	3,502
Hotel Taxes Receivable	181	0	181	0
Income Taxes Receivable	1,302,929	0	1,302,929	0
Property Taxes Receivable	1,971,252	0	1,971,252	0
Permissive Motor Vehicle				
License Tax Receivable	11,480	0	11,480	0
Payment in Lieu of Taxes Receivable	27,410	0	27,410	0
Net Pension Asset (See Note 11)	12,336	15,924	28,260	2,013
Net OPEB Asset (See Note 12)	71,217	81,926	153,143	10,909
Nondepreciable Capital Assets	2,369,293	416,597	2,785,890	0
Depreciable Capital Assets, Net	13,730,307	13,550,451	27,280,758	10,705
<i>Total Assets</i>	<u>23,764,770</u>	<u>21,379,226</u>	<u>45,143,996</u>	<u>88,342</u>
<b>Deferred Outflows of Resources</b>				
Pension	2,537,952	832,370	3,370,178	122,413
OPEB	379,717	83,185	462,902	10,191
<i>Total Deferred Outflows of Resources</i>	<u>2,917,669</u>	<u>915,555</u>	<u>3,833,080</u>	<u>132,604</u>
<b>Liabilities</b>				
Accounts Payable	73,977	81,409	155,386	14,217
Contracts Payable	20,711	0	20,711	0
Accrued Wages	98,686	49,994	148,680	6,995
Due to Primary Government	0	0	0	22,136
Intergovernmental Payable	89,328	32,567	121,895	3,797
Deposits Held Payable	135,346	0	135,346	0
Accrued Interest Payable	21,292	22,657	43,949	0
Accrued Vacation Leave Payable	152,157	100,083	252,240	6,615
Unearned Revenue	102,737	0	102,737	0
Long-Term Liabilities:				
Due Within One Year	800,709	637,859	1,438,568	12,262
Due In More Than One Year:				
Net Pension Liability (See Note 11)	8,794,860	2,647,272	11,442,132	334,619
Net OPEB Liability (See Note 12)	509,725	0	509,725	0
Other Amounts	2,014,392	2,432,932	4,447,324	4,436
<i>Total Liabilities</i>	<u>12,813,920</u>	<u>6,004,773</u>	<u>18,818,693</u>	<u>405,077</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	1,622,697	0	1,622,697	0
Payment in Lieu of Taxes	27,410	0	27,410	0
Pension	755,389	136,514	891,759	14,082
OPEB	539,460	49,467	588,927	6,243
<i>Total Deferred Inflows of Resources</i>	<u>2,944,956</u>	<u>185,981</u>	<u>3,130,793</u>	<u>20,325</u>
<b>Net Position</b>				
Net Investment in Capital Assets	14,430,767	11,122,378	25,553,145	10,705
Restricted for:				
Capital Projects	1,031,181	0	1,031,181	0
Debt Service	309,520	0	309,520	0
Street Maintenance and Repair	891,251	0	891,251	0
Community Development	47,794	0	47,794	0
Other Purposes	1,027,878	0	1,027,878	21,758
Unclaimed Monies	20,897	0	20,897	0
Pension and OPEB Plans	83,553	97,850	181,403	12,922
Unrestricted (Deficit)	(6,919,278)	4,883,799	(2,035,479)	(249,841)
<i>Total Net Position</i>	<u>\$10,923,563</u>	<u>\$16,104,027</u>	<u>\$27,027,590</u>	<u>(\$204,456)</u>

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

See accompanying notes to the basic financial statements

**City of East Liverpool, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2024

	Program Revenues			
	Expenses	Charges for Services and Assessments	Operating Grants and Contributions	Capital Grants, Contributions, and Assessments
<b>Governmental Activities:</b>				
General Government	\$1,658,395	\$191,415	\$13,941	\$33,486
Security of Persons and Property	4,700,145	396,247	402,766	0
Transportation	2,171,553	53,470	584,624	476,239
Public Health and Welfare	27,108	22,903	14,706	0
Leisure Time Activities	260,319	15,077	0	6,794
Community and Economic Development	194,475	16,669	53,089	0
Intergovernmental	221,547	0	0	0
Interest	80,037	0	0	0
<i>Total Governmental Activities</i>	<u>9,313,579</u>	<u>695,781</u>	<u>1,069,126</u>	<u>516,519</u>
<b>Business-Type Activities:</b>				
Water	3,259,183	5,125,572	0	0
Sewer	1,656,547	1,729,759	0	10,408
Incinerator	1,305,158	1,127,209	407	0
Storm Sewer	342,607	421,260	349	0
Swimming Pool	66,740	9,470	35,698	0
Off Street Parking	1,394	0	0	0
<i>Total Business-Type Activities</i>	<u>6,631,629</u>	<u>8,413,270</u>	<u>36,454</u>	<u>10,408</u>
<i>Total - Primary Government</i>	<u>\$15,945,208</u>	<u>\$9,109,051</u>	<u>\$1,105,580</u>	<u>\$526,927</u>
<b>Component Unit</b>				
City of East Liverpool Board of Health	\$398,176	\$61,950	\$314,643	\$0

**General Revenues**

Property Taxes Levied for:

General Purposes  
Fire Department  
Police Department  
Street Maintenance and Repair  
General Obligation Bond Retirement  
Capital Improvements

Income Tax Levied for:

General Purposes  
Capital Improvements

Permissive Motor Vehicle License Tax

Hotel Taxes

Grants and Entitlements not Restricted to

Specific Programs

Payment in Lieu of Taxes

Investment Earnings/Interest

Unrestricted Contributions

Other

*Total General Revenues*

Change in Net Position

*Net Position Beginning of Year as Previously Reported*

Change in Accounting Principle (See Note 19)

*Restated Net Position Beginning of Year*

*Net Position End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	City of East Liverpool Board of Health
(\$1,419,553)	\$0	(\$1,419,553)	\$0
(3,901,132)	0	(3,901,132)	0
(1,057,220)	0	(1,057,220)	0
10,501	0	10,501	0
(238,448)	0	(238,448)	0
(124,717)	0	(124,717)	0
(221,547)	0	(221,547)	0
(80,037)	0	(80,037)	0
(7,032,153)	0	(7,032,153)	0
0	1,866,389	1,866,389	0
0	83,620	83,620	0
0	(177,542)	(177,542)	0
0	79,002	79,002	0
0	(21,572)	(21,572)	0
0	(1,394)	(1,394)	0
0	1,828,503	1,828,503	0
(7,032,153)	1,828,503	(5,203,650)	0
(21,583)	0	0	(21,583)
201,409	0	201,409	0
684,104	0	684,104	0
75,074	0	75,074	0
424,997	0	424,997	0
100,671	0	100,671	0
183,024	0	183,024	0
3,528,393	0	3,528,393	0
284,074	0	284,074	0
119,531	0	119,531	0
1,685	0	1,685	0
78,773	0	78,773	0
27,971	0	27,971	0
125,914	152,225	278,139	0
1,000	0	1,000	0
267,579	181,037	448,616	0
6,104,199	333,262	6,437,461	0
(927,954)	2,161,765	1,233,811	(21,583)
12,109,512	14,122,132	26,231,644	(178,004)
(257,995)	(179,870)	(437,865)	(4,869)
11,851,517	13,942,262	25,793,779	(182,873)
\$10,923,563	\$16,104,027	\$27,027,590	(\$204,456)

**City of East Liverpool, Ohio**

*Balance Sheet  
Governmental Funds  
December 31, 2024*

	General	Police	Fire	Street Levy	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and						
Cash Equivalents	\$426,945	\$74,777	\$7,585	\$695,317	\$2,081,258	\$3,285,882
Materials and Supplies Inventory	0	0	0	0	69,190	69,190
Accounts Receivable	94,075	24	0	0	84,918	179,017
Intergovernmental Receivable	42,435	2,576	36,009	24,003	294,614	399,637
Interfund Receivable	11,400	0	0	0	0	11,400
Prepaid Items	53,431	49,113	39,533	0	26,583	168,660
Income Taxes Receivable	1,205,216	0	0	0	97,713	1,302,929
Property Taxes Receivable	236,730	53,132	773,465	502,345	405,580	1,971,252
Permissive Motor Vehicle						
License Tax Receivable	0	0	0	0	11,480	11,480
Hotel Taxes Receivable	136	0	0	0	45	181
Payment in Lieu of Taxes Receivable	0	0	0	0	27,410	27,410
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	142,397	0	14,846	0	1,024	158,267
<b>Total Assets</b>	<b>\$2,212,765</b>	<b>\$179,622</b>	<b>\$871,438</b>	<b>\$1,221,665</b>	<b>\$3,099,815</b>	<b>\$7,585,305</b>
<b>Liabilities</b>						
Accounts Payable	\$50,765	\$2,023	\$9,989	\$0	\$11,200	\$73,977
Contracts Payable	0	0	0	0	15,000	15,000
Accrued Wages	16,388	37,426	35,707	0	9,165	98,686
Intergovernmental Payable	12,019	31,668	38,092	0	7,549	89,328
Interfund Payable	0	0	0	0	11,400	11,400
Deposits Held Payable from Restricted Assets	120,500	0	14,846	0	0	135,346
Unearned Revenue	0	0	0	0	102,737	102,737
<b>Total Liabilities</b>	<b>199,672</b>	<b>71,117</b>	<b>98,634</b>	<b>0</b>	<b>157,051</b>	<b>526,474</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	194,655	43,790	636,922	413,594	333,736	1,622,697
Payment In Lieu of Taxes	0	0	0	0	27,410	27,410
Unavailable Revenue	777,378	11,097	172,282	112,754	383,306	1,456,817
<b>Total Deferred Inflows of Resources</b>	<b>972,033</b>	<b>54,887</b>	<b>809,204</b>	<b>526,348</b>	<b>744,452</b>	<b>3,106,924</b>
<b>Fund Balances</b>						
Nonspendable	75,328	49,113	39,533	0	95,773	259,747
Restricted	0	4,505	0	695,317	2,075,847	2,775,669
Committed	0	0	0	0	16,034	16,034
Assigned	90,278	0	0	0	10,658	100,936
Unassigned (Deficit)	875,454	0	(75,933)	0	0	799,521
<b>Total Fund Balances (Deficit)</b>	<b>1,041,060</b>	<b>53,618</b>	<b>(36,400)</b>	<b>695,317</b>	<b>2,198,312</b>	<b>3,951,907</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$2,212,765</b>	<b>\$179,622</b>	<b>\$871,438</b>	<b>\$1,221,665</b>	<b>\$3,099,815</b>	<b>\$7,585,305</b>

See accompanying notes to the basic financial statements

**City of East Liverpool, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2024*

<b>Total Governmental Fund Balances</b>		<b>\$3,951,907</b>
<i>Amounts reported for governmental activities in 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.		16,099,600
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds:		
Income Taxes	679,640	
Delinquent Property Taxes	348,555	
Intergovernmental	249,641	
Fees, Licenses and Permits	94,063	
Opioid Settlements	67,418	
Contributions and Donations	17,500	
Total		1,456,817
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		2,001
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		(21,292)
Accrued vacation leave payable are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.		(152,157)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Installment Loans	(318,930)	
SIB Loans	(753,889)	
Financed Purchases Payable	(574,370)	
Leases Payable	(6,644)	
Judgement Payable	(316,500)	
Compensated Absences Payable	(386,205)	
Police and Fire Pension Payable	(458,563)	
Total		(2,815,101)
The net pension and net OPEB assets and liabilities are not due and payable in the current period and therefore the assets, liabilities, and related deferred inflows/outflows are not reported in governmental funds:		
Net Pension Asset	12,336	
Net OPEB Asset	71,217	
Deferred Outflows - Pension	2,537,952	
Deferred Outflows - OPEB	379,717	
Net Pension Liability	(8,794,860)	
Net OPEB Liability	(509,725)	
Deferred Inflows - Pension	(755,389)	
Deferred Inflows - OPEB	(539,460)	
Total		(7,598,212)
<i>Net Position of Governmental Activities</i>		<u><u>\$10,923,563</u></u>

See accompanying notes to the basic financial statements

**City of East Liverpool, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2024*

	General	Police	Fire	Street Levy	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property Taxes	\$198,515	\$44,033	\$644,346	\$418,789	\$339,121	\$1,644,804
Income Taxes	3,623,683	0	0	0	291,800	3,915,483
Hotel Taxes	1,264	0	0	0	421	1,685
Permissive Motor Vehicle License Tax	0	0	0	0	119,531	119,531
Payment in Lieu of Taxes	0	0	0	0	27,971	27,971
Intergovernmental	65,368	78,861	78,264	48,585	1,360,446	1,631,524
Investment Earnings/Interest	125,904	0	0	0	19,055	144,959
Fees, Licenses and Permits	234,047	0	0	0	53,470	287,517
Fines and Forfeitures	701	17,818	0	0	15,669	34,188
Opioid Settlements	0	0	0	0	29,007	29,007
Charges for Services	0	72,550	290,210	0	4,001	366,761
Contributions and Donations	1,000	0	1,000	0	66,806	68,806
Other	152,130	16,279	40,010	467	58,693	267,579
<i>Total Revenues</i>	<u>4,402,612</u>	<u>229,541</u>	<u>1,053,830</u>	<u>467,841</u>	<u>2,385,991</u>	<u>8,539,815</u>
<b>Expenditures</b>						
Current:						
General Government	1,330,737	0	0	0	16,553	1,347,290
Security of Persons and Property	0	1,860,509	2,187,730	0	311,257	4,359,496
Transportation	0	0	0	221,709	674,968	896,677
Public Health and Welfare	0	0	0	0	27,108	27,108
Leisure Time Activities	130,961	0	0	0	0	130,961
Community and Economic Development	110,036	0	0	0	78,584	188,620
Intergovernmental	221,547	0	0	0	0	221,547
Capital Outlay	0	0	1,495	0	1,450,900	1,452,395
Debt Service:						
Principal Retirement	25,237	22,951	22,843	21,430	196,961	289,422
Interest	2,248	7,795	13,651	3,625	49,409	76,728
<i>Total Expenditures</i>	<u>1,820,766</u>	<u>1,891,255</u>	<u>2,225,719</u>	<u>246,764</u>	<u>2,805,740</u>	<u>8,990,244</u>
<i>Excess of Revenues Over (Under) Expenditure</i>	<u>2,581,846</u>	<u>(1,661,714)</u>	<u>(1,171,889)</u>	<u>221,077</u>	<u>(419,749)</u>	<u>(450,429)</u>
<b>Other Financing Sources (Uses)</b>						
Inception of Leases	0	0	1,495	0	0	1,495
Installment Loans Issued	0	0	0	0	227,375	227,375
Transfers In	0	1,685,860	1,130,000	0	3,200	2,819,060
Transfers Out	(2,819,060)	0	0	0	0	(2,819,060)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,819,060)</u>	<u>1,685,860</u>	<u>1,131,495</u>	<u>0</u>	<u>230,575</u>	<u>228,870</u>
<i>Net Change in Fund Balances</i>	<u>(237,214)</u>	<u>24,146</u>	<u>(40,394)</u>	<u>221,077</u>	<u>(189,174)</u>	<u>(221,559)</u>
<i>Fund Balances Beginning of Year</i>						
As Previously Reported	1,278,274	29,472	3,994	-	2,861,726	4,173,466
Change Within Reporting Entity (See Note 19)						
Nonmajor Fund to Major Fund	0	0	0	474,240	(474,240)	0
<i>Adjusted Fund Balance Beginning of Year</i>	<u>1,278,274</u>	<u>29,472</u>	<u>3,994</u>	<u>474,240</u>	<u>2,387,486</u>	<u>4,173,466</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,041,060</u>	<u>\$53,618</u>	<u>(\$36,400)</u>	<u>\$695,317</u>	<u>\$2,198,312</u>	<u>\$3,951,907</u>

See accompanying notes to the basic financial statements



**City of East Liverpool, 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*

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	(\$221,559)
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*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. This is the amount by which depreciation/amortization exceeded capital outlay in the current period:

Capital Asset Additions	1,082,173	
Current Year Depreciation/Amortization	(1,322,273)	
Total		(240,100)

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

Delinquent Property Taxes	24,475	
Income Taxes	(103,016)	
Intergovernmental	(3,957)	
Fees, Licenses and Permits	(15,588)	
Opioid Settlements	(6,104)	
Contributions and Donations	(50,000)	
Total		(154,190)

Other financing sources in the governmental funds increase long-term liabilities in the statement of net position:

Inception of Lease	(1,495)	
Installment Loans Issued	(227,375)	
Total		(228,870)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	289,422
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Some expenses reported in the statement of activities, such as accrued interest, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(3,309)
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Some expenses require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Judgement Payable	(316,500)	
Compensated Absences	146	
Accrued Vacation Leave Payable	(26,361)	
Total		(342,715)

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

Pension	660,585	
OPEB	11,246	
Total		671,831

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

Pension	(618,261)	
OPEB	(51,732)	
Total		(669,993)

The internal service fund used by management to charge the individual funds is reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.	(28,471)
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<i>Net Position of Governmental Activities</i>	<u>(\$927,954)</u>
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See accompanying notes to the basic financial statements

**City of East Liverpool, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$177,834	\$195,900	\$198,515	\$2,615
Income Taxes	3,201,419	3,556,581	3,661,190	104,609
Hotel Taxes	1,362	1,500	1,298	(202)
Intergovernmental	45,026	49,600	63,764	14,164
Interest	289,582	319,000	327,470	8,470
Fees, Licenses and Permits	223,776	246,508	234,078	(12,430)
Fines and Forfeitures	726	800	701	(99)
Other	133,801	147,342	152,130	4,788
<i>Total Revenues</i>	<u>4,073,526</u>	<u>4,517,231</u>	<u>4,639,146</u>	<u>121,915</u>
<b>Expenditures</b>				
Current:				
General Government	1,356,885	1,437,997	1,438,186	(189)
Leisure Time Activities	130,139	145,688	138,145	7,543
Community and Economic Development	104,402	115,923	109,261	6,662
Intergovernmental	205,146	227,219	225,721	1,498
Debt Service:				
Principal Retirement	23,949	27,231	25,237	1,994
Interest	2,067	2,350	2,248	102
<i>Total Expenditures</i>	<u>1,822,588</u>	<u>1,956,408</u>	<u>1,938,798</u>	<u>17,610</u>
<i>Excess of Revenues Over Expenditures</i>	<u>2,250,938</u>	<u>2,560,823</u>	<u>2,700,348</u>	<u>139,525</u>
<b>Other Financing Uses</b>				
Transfers Out	<u>(2,496,445)</u>	<u>(2,880,315)</u>	<u>(2,820,060)</u>	<u>60,255</u>
<i>Net Change in Fund Balance</i>	<u>(245,507)</u>	<u>(319,492)</u>	<u>(119,712)</u>	<u>199,780</u>
<i>Fund Balance Beginning of Year</i>	<u>407,168</u>	<u>407,168</u>	<u>407,168</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>100,556</u>	<u>100,556</u>	<u>100,556</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$262,217</u></u>	<u><u>\$188,232</u></u>	<u><u>\$388,012</u></u>	<u><u>\$199,780</u></u>

See accompanying notes to the basic financial statements

**City of East Liverpool, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Fund*  
*For the Year Ended December 31, 2024*

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
<b>Revenues</b>				
Property Taxes	\$40,875	\$44,345	\$44,033	(\$312)
Intergovernmental	74,168	80,465	81,531	1,066
Fines and Forfeitures	13,827	15,001	17,941	2,940
Charges for Services	62,678	68,000	72,550	4,550
Other	14,894	16,159	16,279	120
<i>Total Revenues</i>	<u>206,442</u>	<u>223,970</u>	<u>232,334</u>	<u>8,364</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	1,812,233	1,979,297	1,896,197	83,100
Debt Service:				
Principal Retirement	21,886	23,904	23,904	0
Interest	7,187	7,850	7,844	6
<i>Total Expenditures</i>	<u>1,841,306</u>	<u>2,011,051</u>	<u>1,927,945</u>	<u>83,106</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,634,864)</u>	<u>(1,787,081)</u>	<u>(1,695,611)</u>	<u>91,470</u>
<b>Other Financing Sources</b>				
Transfers In	1,609,228	1,745,860	1,685,860	(60,000)
<i>Net Change in Fund Balance</i>	<u>(25,636)</u>	<u>(41,221)</u>	<u>(9,751)</u>	<u>31,470</u>
<i>Fund Balance Beginning of Year</i>	<u>36,894</u>	<u>36,894</u>	<u>36,894</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>25,204</u>	<u>25,204</u>	<u>25,204</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$36,462</u></u>	<u><u>\$20,877</u></u>	<u><u>\$52,347</u></u>	<u><u>\$31,470</u></u>

See accompanying notes to the basic financial statements

**City of East Liverpool, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Fund*  
*For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$535,953	\$623,075	\$644,346	\$21,271
Intergovernmental	75,452	87,717	77,994	(9,723)
Charges for Services	282,708	328,664	290,210	(38,454)
Contributions and Donations	172	200	1,000	800
Other	43	50	40,010	39,960
<i>Total Revenues</i>	<u>894,328</u>	<u>1,039,706</u>	<u>1,053,560</u>	<u>13,854</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	1,881,275	2,191,928	2,219,643	(27,715)
Debt Service:				
Principal Retirement	19,806	23,076	22,843	233
Interest	11,717	13,652	13,651	1
<i>Total Expenditures</i>	<u>1,912,798</u>	<u>2,228,656</u>	<u>2,256,137</u>	<u>(27,481)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,018,470)</u>	<u>(1,188,950)</u>	<u>(1,202,577)</u>	<u>(13,627)</u>
<b>Other Financing Sources</b>				
Transfers In	<u>971,997</u>	<u>1,130,000</u>	<u>1,130,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(46,473)</u>	<u>(58,950)</u>	<u>(72,577)</u>	<u>(13,627)</u>
<i>Fund Balance Beginning of Year</i>	<u>31,304</u>	<u>31,304</u>	<u>31,304</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>52,561</u>	<u>52,561</u>	<u>52,561</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$37,392</u></u>	<u><u>\$24,915</u></u>	<u><u>\$11,288</u></u>	<u><u>(\$13,627)</u></u>

See accompanying notes to the basic financial statements

**City of East Liverpool, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Levy Fund*  
*For the Year Ended December 31, 2024*

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
<b>Revenues</b>				
Property Taxes	\$406,400	\$406,400	\$418,789	\$12,389
Intergovernmental	45,600	45,600	48,585	2,985
Other	0	0	467	467
<i>Total Revenues</i>	<u>452,000</u>	<u>452,000</u>	<u>467,841</u>	<u>15,841</u>
<b>Expenditures</b>				
Current:				
Transportation	498,602	479,706	240,603	239,103
Debt Service:				
Principal Retirement	21,036	21,036	21,036	0
Interest	4,019	4,019	4,019	0
<i>Total Expenditures</i>	<u>523,657</u>	<u>504,761</u>	<u>265,658</u>	<u>239,103</u>
<i>Net Change in Fund Balance</i>	(71,657)	(52,761)	202,183	254,944
<i>Fund Balance Beginning of Year</i>	387,638	387,638	387,638	0
Prior Year Encumbrances Appropriated	<u>86,602</u>	<u>86,602</u>	<u>86,602</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$402,583</u>	<u>\$421,479</u>	<u>\$676,423</u>	<u>\$254,944</u>

See accompanying notes to the basic financial statement:

**City of East Liverpool, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2024*

	Enterprise					
	Water	Sewer	Incinerator	Other Enterprise Funds	Total	Internal Service
<b>Assets</b>						
<i>Current Assets</i>						
Equity in Pooled Cash and Cash Equivalents	\$3,014,455	\$2,070,867	\$227,124	\$572,341	\$5,884,787	\$7,475
Accounts Receivable	737,471	288,905	170,551	89,135	1,286,062	237
Intergovernmental Receivable	0	0	407	553	960	0
Materials and Supplies Inventory	37,639	4,792	0	0	42,431	0
Prepaid Items	40,897	36,328	22,159	704	100,088	0
<i>Total Current Assets</i>	<u>3,830,462</u>	<u>2,400,892</u>	<u>420,241</u>	<u>662,733</u>	<u>7,314,328</u>	<u>7,712</u>
<i>Non-Current Assets</i>						
Restricted Assets:						
Net Pension Asset	7,947	4,365	2,969	643	15,924	0
Net OPEB Asset	38,681	23,676	16,093	3,476	81,926	0
Nondepreciable Capital Assets	19,623	382,374	7,300	7,300	416,597	0
Depreciable Capital Assets, Net	10,979,607	1,465,040	787,494	318,310	13,550,451	0
<i>Total Non-Current Assets</i>	<u>11,045,858</u>	<u>1,875,455</u>	<u>813,856</u>	<u>329,729</u>	<u>14,064,898</u>	<u>0</u>
<i>Total Assets</i>	<u>14,876,320</u>	<u>4,276,347</u>	<u>1,234,097</u>	<u>992,462</u>	<u>21,379,226</u>	<u>7,712</u>
<b>Deferred Outflows of Resources</b>						
Pension	416,258	228,302	171,378	50,349	866,287	0
OPEB	43,025	21,958	14,811	3,613	83,407	0
<i>Total Deferred Outflows of Resources</i>	<u>459,283</u>	<u>250,260</u>	<u>186,189</u>	<u>53,962</u>	<u>949,694</u>	<u>0</u>
<b>Liabilities</b>						
<i>Current Liabilities</i>						
Accounts Payable	48,804	22,966	8,850	789	81,409	0
Contracts Payable	0	0	0	0	0	5,711
Accrued Wages	27,248	12,392	10,354	0	49,994	0
Intergovernmental Payable	18,510	8,321	5,534	202	32,567	0
Accrued Interest Payable	18,492	2,965	719	481	22,657	0
Accrued Vacation Leave Payable	38,035	40,970	17,610	3,468	100,083	0
OWDA Loans Payable	320,928	22,972	0	0	343,900	0
Financed Purchases Payable	38,349	28,313	77,957	47,375	191,994	0
Compensated Absences Payable	52,548	26,539	19,377	3,501	101,965	0
<i>Total Current Liabilities</i>	<u>562,914</u>	<u>165,438</u>	<u>140,401</u>	<u>55,816</u>	<u>924,569</u>	<u>5,711</u>
<i>Long-Term Liabilities (net of current portion)</i>						
OWDA Loans Payable	1,509,641	661,685	0	0	2,171,326	0
Financed Purchases Payable	51,474	0	44,384	41,592	137,450	0
Compensated Absences Payable	51,094	41,674	25,404	5,984	124,156	0
Net Pension Liability	1,320,871	726,098	493,626	106,677	2,647,272	0
<i>Total Long-Term Liabilities</i>	<u>2,933,080</u>	<u>1,429,457</u>	<u>563,414</u>	<u>154,253</u>	<u>5,080,204</u>	<u>0</u>
<i>Total Liabilities</i>	<u>3,495,994</u>	<u>1,594,895</u>	<u>703,815</u>	<u>210,069</u>	<u>6,004,773</u>	<u>5,711</u>
<b>Deferred Inflows of Resources</b>						
Pension	108,763	33,757	17,435	10,476	170,431	0
OPEB	24,929	13,561	9,209	1,990	49,689	0
<i>Total Deferred Inflows of Resources</i>	<u>133,692</u>	<u>47,318</u>	<u>26,644</u>	<u>12,466</u>	<u>220,120</u>	<u>0</u>
<b>Net Position</b>						
Net Investment in Capital Assets	9,078,838	1,134,444	672,453	236,643	11,122,378	0
Restricted for Pension and OPEB Plans	46,628	28,041	19,062	4,119	97,850	0
Unrestricted	2,580,451	1,721,909	(1,688)	583,127	4,883,799	2,001
<i>Total Net Position</i>	<u>\$11,705,917</u>	<u>\$2,884,394</u>	<u>\$689,827</u>	<u>\$823,889</u>	<u>\$16,104,027</u>	<u>\$2,001</u>

See accompanying notes to the basic financial statements.

**City of East Liverpool, Ohio**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Proprietary Funds*  
*For the Year Ended December 31, 2024*

	Enterprise					
	Water	Sewer	Incinerator	Other Enterprise Funds	Total	Internal Service
<b>Operating Revenues</b>						
Charges for Services	\$5,125,572	\$1,729,759	\$1,127,209	\$430,730	\$8,413,270	\$0
Other	181,037	0	407	553	181,997	41,118
<i>Total Operating Revenues</i>	<u>5,306,609</u>	<u>1,729,759</u>	<u>1,127,616</u>	<u>431,283</u>	<u>8,595,267</u>	<u>41,118</u>
<b>Operating Expenses</b>						
Personal Services	1,249,506	832,166	718,313	145,395	2,945,380	0
Contractual Services	851,101	487,751	314,546	69,815	1,723,213	69,589
Materials and Supplies	612,207	110,094	74,828	42,768	839,897	0
Depreciation	469,487	191,605	161,992	36,528	859,612	0
Other	35,734	28,492	26,897	111,126	202,249	0
<i>Total Operating Expenses</i>	<u>3,218,035</u>	<u>1,650,108</u>	<u>1,296,576</u>	<u>405,632</u>	<u>6,570,351</u>	<u>69,589</u>
<i>Operating Income (Loss)</i>	<u>2,088,574</u>	<u>79,651</u>	<u>(168,960)</u>	<u>25,651</u>	<u>2,024,916</u>	<u>(28,471)</u>
<b>Non-Operating Revenues (Expenses)</b>						
Investment Earnings/Interest	152,225	0	0	0	152,225	0
Special Assessments	0	10,408	0	0	10,408	0
Interest	(41,148)	(6,439)	(8,582)	(5,109)	(61,278)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>111,077</u>	<u>3,969</u>	<u>(8,582)</u>	<u>(5,109)</u>	<u>101,355</u>	<u>0</u>
<i>Income (Loss) Before Capital Contributions</i>	<u>2,199,651</u>	<u>83,620</u>	<u>(177,542)</u>	<u>20,542</u>	<u>2,126,271</u>	<u>(28,471)</u>
Capital Contributions	0	0	0	35,494	35,494	0
<i>Change in Net Position</i>	<u>2,199,651</u>	<u>83,620</u>	<u>(177,542)</u>	<u>56,036</u>	<u>2,161,765</u>	<u>(28,471)</u>
<i>Net Position Beginning of Year as Previously Reported</i>	<u>9,587,194</u>	<u>2,855,505</u>	<u>902,887</u>	<u>776,546</u>	<u>14,122,132</u>	<u>30,472</u>
Change in Accounting Principle (See Note 19)	(80,928)	(54,731)	(35,518)	(8,693)	(179,870)	0
<i>Restated Net Position Beginning of Year</i>	<u>9,506,266</u>	<u>2,800,774</u>	<u>867,369</u>	<u>767,853</u>	<u>13,942,262</u>	<u>30,472</u>
<i>Net Position End of Year</i>	<u>\$11,705,917</u>	<u>\$2,884,394</u>	<u>\$689,827</u>	<u>\$823,889</u>	<u>\$16,104,027</u>	<u>\$2,001</u>

See accompanying notes to the basic financial statements.

**City of East Liverpool, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2024**

	Enterprise					
	Water	Sewer	Incinerator	Other Enterprise Funds	Total	Internal Service
<b>Increase (Decrease) in Cash and Cash Equivalents</b>						
<b>Cash Flows from Operating Activities</b>						
Cash Received from Customers	\$4,894,700	\$1,706,998	\$1,125,352	\$424,759	\$8,151,809	\$0
Other Cash Receipts	181,037	10,408	0	0	191,445	45,048
Cash Payments to Employees for Services	(1,374,473)	(849,603)	(685,206)	(115,818)	(3,025,100)	0
Cash Payments for Goods and Services	(1,531,805)	(617,061)	(441,033)	(135,864)	(2,725,763)	(68,228)
Other Cash Payments	(35,734)	(28,492)	(26,897)	(111,126)	(202,249)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>2,133,725</u>	<u>222,250</u>	<u>(27,784)</u>	<u>61,951</u>	<u>2,390,142</u>	<u>(23,180)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
OWDA Loans Issued	581,327	268,849	0	0	850,176	0
Principal Paid on OWDA Loans	(312,998)	(41,899)	0	0	(354,897)	0
Interest Paid on OWDA Loans	(40,572)	(4,930)	0	0	(45,502)	0
Principal Paid on Financed Purchases	(36,564)	(52,904)	(136,667)	(45,512)	(271,647)	0
Interest Paid on Financed Purchases	(5,948)	(2,826)	(12,085)	(5,412)	(26,271)	0
Capital Contributions	0	0	0	35,494	35,494	0
Payments for Capital Acquisitions	(3,625,049)	(381,027)	(36,240)	(29,089)	(4,071,405)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(3,439,804)</u>	<u>(214,737)</u>	<u>(184,992)</u>	<u>(44,519)</u>	<u>(3,884,052)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>						
Investment Earnings/Interest	<u>152,225</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>152,225</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>(1,153,854)</u>	<u>7,513</u>	<u>(212,776)</u>	<u>17,432</u>	<u>(1,341,685)</u>	<u>(23,180)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,168,309</u>	<u>2,063,354</u>	<u>439,900</u>	<u>554,909</u>	<u>7,226,472</u>	<u>30,655</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$3,014,455</u></u>	<u><u>\$2,070,867</u></u>	<u><u>\$227,124</u></u>	<u><u>\$572,341</u></u>	<u><u>\$5,884,787</u></u>	<u><u>\$7,475</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>						
Operating Income (Loss)	<u>\$2,088,574</u>	<u>\$79,651</u>	<u>(\$168,960)</u>	<u>\$25,651</u>	<u>\$2,024,916</u>	<u>(\$28,471)</u>
Adjustments:						
Depreciation	469,487	191,605	161,992	36,528	859,612	0
<i>(Increase) Decrease in Assets:</i>						
Accounts Receivable	(230,968)	(12,353)	(1,858)	(5,971)	(251,150)	3,930
Intergovernmental Receivable	96	0	(407)	(553)	(864)	0
Materials and Supplies Inventory	20,553	1,237	0	0	21,790	0
Prepaid Items	(30,409)	(29,979)	(18,543)	(224)	(79,155)	0
Net Pension Asset	683	367	241	63	1,354	0
<i>Decrease in Deferred Outflows:</i>						
Pension	141,077	77,469	86,600	46,586	351,732	0
OPEB	50,667	26,764	18,227	4,292	99,950	0
<i>Increase (Decrease) in Liabilities:</i>						
Accounts Payable	(60,988)	14,250	(26,009)	(15,376)	(88,123)	0
Contracts Payable	0	0	(7,814)	(7,814)	(15,628)	1,361
Accrued Wages	10,718	(167)	3,597	0	14,148	0
Intergovernmental Payable	6,511	(6,194)	105	(263)	159	0
Accrued Vacation Leave Payable	(5,319)	1,841	2,567	86	(825)	0
Compensated Absences Payable	(13,829)	1,400	654	(1,046)	(12,821)	0
Net Pension Liability	122,496	66,548	44,447	10,734	244,225	0
Net OPEB Liability	7,070	3,885	2,638	574	14,167	0
<i>Decrease in Deferred Inflows:</i>						
Pension	(381,047)	(160,517)	(102,538)	(26,451)	(670,553)	0
OPEB	(61,647)	(33,557)	(22,723)	(4,865)	(122,792)	0
<i>Total Adjustments</i>	<u>45,151</u>	<u>142,599</u>	<u>141,176</u>	<u>36,300</u>	<u>365,226</u>	<u>5,291</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$2,133,725</u></u>	<u><u>\$222,250</u></u>	<u><u>(\$27,784)</u></u>	<u><u>\$61,951</u></u>	<u><u>\$2,390,142</u></u>	<u><u>(\$23,180)</u></u>

See accompanying notes to the basic financial statements.



**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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**Note 1 – Description of the City and Reporting Entity**

The City of East Liverpool, Ohio, (the City) is a body politic, incorporated as a municipal corporation under the laws of the State of Ohio established for the purpose of exercising the rights and privileges conveyed to it by the laws of the State of Ohio. The City is located in Columbiana County in Eastern Ohio on the Ohio River. The City is the second largest city in Columbiana County and was established in 1934.

The City operates under a Council-Mayor form of government. Legislative power is vested in an eight member Council, each elected for two-year terms, and other elected officials including a Mayor, Auditor, Treasurer and Law Director. The Mayor is elected to a four-year term. The Mayor appoints the department directors and public members of various boards and commissions.

***Reporting Entity***

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the 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 East Liverpool, this includes police and fire protection, emergency medical, recreation (including parks), planning, zoning, street maintenance and repair, water and water pollution control, sanitation, and general administrative services.

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 deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Discretely Presented Component Units – The component unit columns in the financial statements identifies the financial data of the City's component unit, the City of East Liverpool Board of Health. It is reported separately to emphasize that it is legally separate from the City. Information for the component unit is presented in Note 22.

***City of East Liverpool Board of Health*** – The City of East Liverpool Board of Health was created as a legally separate organization under chapter 3709 of the Ohio Revised Code. Among its various duties, the Board provides for the prompt diagnosis and control of communicable diseases. The Board may also inspect businesses where food is manufactured, handled, stored, or offered for sale. The Board is operated by a board with all members being appointed by the City. The City provides funding to the Board, thus the City can impose will on the Board, and the Board imposes a financial burden to the City. Therefore, the Board is considered a discretely presented component unit of the City of East Liverpool. Separately issued financial statements can be obtained from The City of East Liverpool Board of Health at 126W. 6<sup>th</sup> Street, East Liverpool, Ohio 43920.

The City is involved with the Columbiana Metropolitan Housing Authority and the Ohio Mid-Eastern Governments Association, which are defined as jointly governed organizations. These organizations are presented in Note 15 to the basic financial statements.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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**Note 2 – Summary of Significant Accounting Policies**

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

***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. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

***Fund Accounting***

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The City's funds are classified as either governmental or proprietary.

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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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

**Police Fund** The police fund accounts for and reports restricted property taxes levied for the operation of its police department.

**Fire Fund** The fire fund accounts for and reports restricted property taxes levied for the operation of its fire department.

**Street Levy Fund** The street levy fund accounts for and reports property tax revenues restricted for the maintenance, repair, reconstruction, and improvement of roads within the City. In the prior year, the fund was a nonmajor fund; therefore, the fund balance beginning of year as previously reported includes a “-“ to indicate this amount is included with nonmajor governmental funds.

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

**Proprietary Funds** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The following are the City’s major proprietary funds:

**Enterprise Fund** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City has three major enterprise funds.

**Water Fund** The water fund accounts for the provision of water service to the residents and commercial users located within the City.

**Sewer Fund** The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

**Incinerator Fund** The incinerator fund accounts for the provision of trash disposal for the residents and commercial users located within the City.

Other enterprise funds include the swimming pool fund which accounts for concession sales and user charges, the off street parking fund which accounts for monies from parking tickets, permits and meter collections and the storm sewer fund which accounts for the provision of storm sewer service to the residents and commercial users located within the City.

**Internal Service Funds** Internal service funds account for and report the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City’s internal service fund accounts for any unanticipated run-off claims.

**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 presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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***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. Governmental fund financial statements therefore 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.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

***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 and the statements presented for proprietary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

***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.

Non-exchange 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. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 6) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property tax, income tax, state-levied locally shared taxes, fines and forfeitures, interest, and grants.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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***Unearned Revenue***

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition have not been met because the amounts have not yet been earned. The City recognizes unearned revenue from grants received before the eligibility requirements are met.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported in the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include payments in lieu of taxes, property taxes, pension, OPEB and unavailable revenue. Payments in lieu of taxes and property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, fees, licenses and permits, opioid settlements, intergovernmental monies and contributions and donations. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

***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.

***Pensions/Other Postemployment Benefits (OPEB)***

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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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***Cash and Cash Equivalents***

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings/interest revenue credited to the general fund during 2024 amounted to \$125,904, which includes \$107,781 assigned from other City funds.

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.

***Inventory***

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

***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 the purchase and the expenditure/expense in the year in which services are consumed.

***Restricted Assets***

Assets are reported as restricted when limitations on their use change in 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 imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies, fire deposits and foreclosure bonds. Unclaimed monies are legally required to be maintained until the end of a five-year holding period. Restricted assets in the enterprise funds represents amounts held in trust by the pension and OPEB plans for future benefits.

***Capital Assets***

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

All capital assets (except for intangible right to use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and 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 values as of the date received. The City maintains a capitalization threshold of \$1,000. 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.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation and amortization is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activity Estimated Lives
Buildings and Improvements	10-50 years	20-50 years
Improvements Other than Buildings	7-25 years	N/A
Machinery and Equipment	5-15 years	5-10 years
Infrastructure	10-30 years	7-50 years
Water and Sewer Lines	N/A	50 years
Intangible Right to Use - Equipment	10	N/A

The City is reporting intangible right to use assets related to lease assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. These intangible right to use are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

The City's infrastructure consists of streets, sidewalks, curbs and culverts and includes infrastructure acquired prior to December 31, 1980.

***Contributions of Capital***

Contributions of capital in proprietary fund financial statements arise from outside contributions of resources restricted to capital acquisitions.

***Compensated Absences***

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

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

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is more likely than not that the employer will compensate the employees for the benefits through paid time off or will settle the benefits at separation. The City records a liability for all accumulated unused vacation time when earned for all employees with more than

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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one year of service. Since the City's policy limits the accrual of vacation time to the amount accrued in one year, the outstanding liability is recorded as "accrued vacation leave payable" on the statement of net position rather than as a long-term liability.

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

***Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary funds 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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Long-term loans and leases are recognized as a liability on the governmental fund financial statements when due.

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

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

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally legally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City



**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned 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 or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by Council. In the general fund, assigned amounts represent intended uses established by policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State statute authorizes the City Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance for recreation.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

***Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Of the restricted net position, none has resulted from enabling legislation. Net position restricted for other purposes includes resources restricted for drug law enforcement, police law enforcement, enforcement and education programs, and fire prevention. Restricted net position for pension and OPEB plans represent the corresponding restricted asset amounts held in trust by the pension and OPEB plans for future benefits. Restricted net position for unclaimed monies represents amounts required to be maintained until the end of a five-year holding period offset by any estimated liability for payments to claimants.

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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the City, these revenues are charges for services for water, sewer, incinerator, swimming pool, parking services, storm sewer and health insurance. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the funds. All revenues and expenses not meeting these definitions are reported as non-operating.

***Interfund Balances***

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables”. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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

***Interfund 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 on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for 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 non-operating 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.

***Budgetary Process***

All 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 object level within each department in the general fund and at the object level for all other funds. Budgetary modifications may only be made by ordinance of the City Council at the legal level of control.

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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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 passed 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 on 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.

***Estimates***

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

***Leases***

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

**Note 3 – 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 the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Street Levy</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<u>Nonspendable:</u>						
Inventory	\$0	\$0	\$0	\$0	\$69,190	\$69,190
Prepays	53,431	49,113	39,533	0	26,583	168,660
Unclaimed Monies	21,897	0	0	0	0	21,897
<i>Total Nonspendable</i>	<u>\$75,328</u>	<u>\$49,113</u>	<u>\$39,533</u>	<u>\$0</u>	<u>\$95,773</u>	<u>\$259,747</u>

continued

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

Fund Balances	General	Police	Fire	Street Levy	Other Governmental Funds	Total
<u>Restricted:</u>						
Transportation	\$0	\$0	\$0	\$695,317	\$679,262	\$1,374,579
Public Health and Safety	0	4,505	0	0	120,557	125,062
Police Pension	0	0	0	0	7,560	7,560
Fire Pension	0	0	0	0	7,557	7,557
Economic Development	0	0	0	0	51,175	51,175
Debt Service	0	0	0	0	286,011	286,011
Capital Improvements	0	0	0	0	923,725	923,725
<i>Total Restricted</i>	0	4,505	0	695,317	2,075,847	2,775,669
<u>Committed:</u>						
Economic Development	0	0	0	0	16,034	16,034
<u>Assigned:</u>						
Recreation	3,060	0	0	0	10,658	13,718
Purchases on Order:						
Contractual Services	87,218	0	0	0	0	87,218
<i>Total Assigned</i>	90,278	0	0	0	10,658	100,936
Unassigned (Deficit)	875,454	0	(75,933)	0	0	799,521
Total Fund Balance (Deficit)	\$1,041,060	\$53,618	(\$36,400)	\$695,317	\$2,198,312	\$3,951,907

#### **Note 4 – Budgetary Basis of Accounting**

While the City is 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 transactions on a basis of cash receipts, disbursements and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual presented for the general and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are:

1. Revenues and other financing sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Unrecorded cash represents amounts received and/or spent but not included as revenue and/or expenditure on the budgetary statements, but is reported on the operating statements prepared using GAAP).
3. Expenditures and other financing uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
4. Budgetary revenues and expenditures of the playground fund are reclassified to the general fund for GAAP reporting.
5. Encumbrances are treated as expenditures (budget) rather than as restricted, committed, or assigned of fund balance (GAAP).

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

	Net Change in Fund Balance			
	General	Police	Fire	Street Levy
GAAP Basis	(\$237,214)	\$24,146	(\$40,394)	\$221,077
Adjustment for Revenue Accruals	36,971	2,793	(1,765)	0
Beginning Unrecorded Cash	282,845	0	0	0
Ending Unrecorded Cash	(81,282)	0	0	0
Adjustment for Expenditure Accruals	11,492	(14,260)	(19,275)	0
Perspective Difference:				
Playground Fund	(2,000)	0	0	0
Adjustment for Encumbrances	(130,524)	(22,430)	(11,143)	(18,894)
Budget Basis	<u>(\$119,712)</u>	<u>(\$9,751)</u>	<u>(\$72,577)</u>	<u>\$202,183</u>

## **Note 5 – Deposits and Investments**

Monies held by the City are classified by State statute into three categories.

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

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

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

Interim monies held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. 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;
6. The State Treasurer's investment pool (STAR Ohio);
7. 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; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

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.

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

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons;
3. Obligations of the City.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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**Note 6 – Receivables**

Receivables at December 31, 2024, consisted primarily of municipal income taxes, property taxes, hotel taxes, accounts, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables except for delinquent property taxes, loans receivable, and accounts receivable for opioid settlements are expected to be collected in one year. Property taxes, although ultimately collectible, include some portions of delinquencies that will not be collected within one year.

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2024 for real and public utility property taxes represents collections of 2023 taxes.

2024 real property taxes were levied after October 1, 2024, on the assessed value as of January 1, 2024, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are collected in and intended to finance 2025.

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 tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2024, was \$19.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2024 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real Estate:	
Residential/Agricultural	\$73,626,510
Commercial/Industrial	26,044,890
Public Utility Personal Property	<u>14,850,480</u>
Total	<u><u>\$114,521,880</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2024, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2024 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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***Municipal Income Taxes***

The City levies a municipal income tax of one and one half percent on all income earned within the City as well as on income of residents earned outside of the City. Employers within the City are required to withhold income tax on employee earnings 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 at least quarterly and file a declaration annually.

Additional increases in the City's income tax rate would require voter approval. The income tax, by ordinance, was allocated, after expenditures for collections, 7.5 percent to the capital improvements fund and the remainder to the general fund.

***Payments in Lieu of Taxes***

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

***Opioid Settlement Monies***

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the City reported \$67,418 as an accounts receivable related to opioid settlement monies in the OneOhio special revenue fund in the accompanying financial statements. Collections of these settlement monies are expected to extend through 2038 with \$59,413 not expected to be collected within one year of the date of the financial statements.

***Intergovernmental Receivable***

A summary of the governmental activities' principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Gasoline Tax	\$243,354
Homestead and Rollback	87,404
State of Ohio	23,328
Due from Component Unit	22,136
Ohio Department of Transportation Project	15,000
Columbiana County	8,415
Total Intergovernmental Receivables	<u>\$399,637</u>

At December 31, 2024 the incinerator fund and other enterprise funds had intergovernmental receivables for \$407 and \$553, consecutively, related to reimbursements from the Bureau of Worker's Compensation.



**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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***Due from Component Unit***

During 2024, the City loaned the City of East Liverpool Board of Health (the Board) \$22,136 to cover negative cash balances until grant revenues are received. This loan is expected to be repaid in one year.

**Note 7 – Risk Management**

The City is exposed to various risks of property and casualty losses, and injuries to employees.

***Property and Liability***

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. Sedgwick functions as the administrator of PEP and provides program management, underwriting, claims, risk control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is administered by Sedgwick. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

***Casualty and Property Coverage***

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. (At December 31, 2023, (latest information available) the Pool retained \$500,000 for casualty claims and \$250,000 for property claims). The Board of Directors and Sedgwick periodically review the financial strength of PEP and other market conditions to determine the appropriate level of risk PEP will retain. There has been no significant reduction in coverage from last year.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective PEP member.

***Financial Position***

PEP's financial statements conform to generally accepted accounting principles and show the following assets, liabilities, and net position at December 31, 2023, (latest information available):

<u>Casualty and Property Coverage</u>	<u>2023</u>
Assets	\$67,306,752
Liabilities	<u>23,172,377</u>
Net Position - Unrestricted	<u><u>\$44,134,375</u></u>

At December 31, 2023, the liabilities in the preceding table include unknown amounts of estimated incurred claims payable. The casualty coverage assets and net position in the preceding table include approximately \$17.7 million of unpaid claims to be billed to approximately 616 member governments in the future, as of December 31, 2023. These amounts will be included in future contributions from members when the related claims are due for payment.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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As indicated by PEP, the rates PEP charges to compute member contributions, which are used to pay claims as they become due, are expected to increase from those used to determine the historical contributions detailed as follows. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

The City contributed \$269,385 in 2024.

After completing one year of membership, members may withdraw on each anniversary date of the date they joined PEP, provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members may receive a partial refund of their capital contributions as defined by the contract. Withdrawing members have no other future obligations to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to withdrawal.

***Workers' Compensation***

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

***Employee Insurance Benefits***

During 2024, the City elected to provide medical insurance to employees through a health savings account (HSA) program. The HSA is \$140.42 for single and \$275.84 for family, which is funded by the City.

**Note 8 – Contingencies**

***Grants***

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experiences, management believes such refunds, if any, would not be material.

***Litigation***

***Christopher Green v. City of East Liverpool*** A case was filed in which Christopher Green alleged the City of East Liverpool violated his civil rights. During 2025, the City and Mr. Green entered into a settlement agreement and release to resolve all disputes and claims and defenses that were asserted or could have been asserted in the case. As of December 31, 2024, the City has accrued \$316,500 as a long-term judgment payable on the financial statements.

Other claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time; however, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2024.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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**Note 9 – Other Employee Benefits**

***Compensated Absences***

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn vacation and sick leave at different rates depending upon length of service and type of employment. Vacation leave benefits are lost at year end if employees do not use these balances during the year unless prior approval has been obtained from the department head. Upon retirement or death, employees are paid to a maximum of 480 hours for accumulated unused sick leave.

***Insurance***

The City provides life insurance and accidental death and dismemberment insurance to all union employees as well as all non-union employees, including elected officials. The amount of the life insurance policy for the union employees is \$2,000 plus an amount paid by the employees' union to equal the employees' annual salary. Non-union employees' life insurance is based on their annual salary. The police and fire employees receive a \$25,000 policy.

The City contracts with United Health for medical, prescription, dental, and vision insurances for all employees and elected officials. The City pays monthly premiums up to a maximum amount, per union agreements. The additional premium costs are paid by the employee. City premiums are paid from the same funds that pay the employees' salaries.

***Deferred Compensation***

City employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 456 and is considered an other employee benefit plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

**Note 10 – Capital Assets**

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

	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024
<b>Governmental Activities</b>				
<b><i>Nondepreciable Capital Assets</i></b>				
Land	\$1,868,569	\$0	\$0	\$1,868,569
Construction in Progress	499,036	471,314	(469,626)	500,724
<i>Total Nondepreciable Capital Assets</i>	2,367,605	471,314	(469,626)	2,369,293
<b><i>Depreciable Capital Assets</i></b>				
<b><i>Tangible Assets</i></b>				
Buildings and Improvements	478,883	298,305	0	777,188
Improvements Other than Buildings	345,756	32,910	0	378,666
Machinery and Equipment	5,905,080	264,827	0	6,169,907
Infrastructure	20,281,342	484,443	0	20,765,785
<i>Total Tangible Assets</i>	27,011,061	1,080,485	0	28,091,546
<b><i>Intangible Assets</i></b>				
<b><i>Intangible Right to Use - Lease Assets</i></b>				
Intangible Right to Use - Machinery and Equipment	18,697	0	0	18,697
<i>Total Depreciable Capital Assets</i>	27,029,758	1,080,485	0	28,110,243
<b><i>Less Accumulated Depreciation/Amortization</i></b>				
<b><i>Depreciation</i></b>				
Buildings and Improvements	(327,303)	(11,040)	0	(338,343)
Improvements Other than Buildings	(287,713)	(5,340)	0	(293,053)
Machinery and Equipment	(4,039,267)	(350,108)	0	(4,389,375)
Infrastructure	(8,391,875)	(954,237)	0	(9,346,112)
<i>Total Depreciation</i>	(13,046,158)	(1,320,725)	0	(14,366,883)
<b><i>Amortization</i></b>				
<b><i>Intangible Assets</i></b>				
<b><i>Intangible Right to Use - Lease Assets</i></b>				
Intangible Right to Use - Machinery and Equipment	(11,505)	(1,548)	0	(13,053)
<i>Total Accumulated Depreciation/Amortization</i>	(13,057,663)	(1,322,273) *	0	(14,379,936)
<i>Total Depreciable Capital Assets, Net</i>	13,972,095	(241,788)	0	13,730,307
<i>Governmental Activities Capital Assets, Net</i>	\$16,339,700	\$229,526	(\$469,626)	\$16,099,600

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

	Depreciation	Amortization	Total
General Government	\$37,890	\$1,548	\$39,438
Security of Persons and Property	150,882	0	150,882
Transportation	1,074,683	0	1,074,683
Leisure Time Activities	45,053	0	45,053
Community and Economic Development	12,217	0	12,217
<b>Total Depreciation/Amortization Expense</b>	<b>\$1,320,725</b>	<b>\$1,548</b>	<b>\$1,322,273</b>

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

Capital asset activity for business-type activities for the year ended December 31, 2024, was as follows:

	Balance 1/1/2024	Additions	Deductions	Balance 12/31/2024
<b>Business-Type Activities</b>				
<b><i>NonDepreciable Capital Assets</i></b>				
Land	\$25,771	\$0	\$0	\$25,771
Construction in Progress	567,722	3,747,084	(3,923,980)	390,826
<i>Total Nondepreciable Capital Assets</i>	<u>593,493</u>	<u>3,747,084</u>	<u>(3,923,980)</u>	<u>416,597</u>
<b><i>Depreciable Capital Assets</i></b>				
<b><i>Tangible Assets</i></b>				
Buildings and Improvements	5,471,526	3,694,378	0	9,165,904
Machinery and Equipment	7,680,834	514,080	0	8,194,914
Infrastructure	9,298,251	0	0	9,298,251
Water Lines	3,429,245	0	0	3,429,245
Sewer Lines	2,923,362	39,843	0	2,963,205
<i>Total Depreciable Capital Assets</i>	<u>28,803,218</u>	<u>4,248,301</u>	<u>0</u>	<u>33,051,519</u>
<b><i>Less Accumulated Depreciation</i></b>				
Buildings and Improvements	(3,885,243)	(140,688)	0	(4,025,931)
Machinery and Equipment	(5,119,945)	(483,147)	0	(5,603,092)
Infrastructure	(5,756,466)	(162,261)	0	(5,918,727)
Water Lines	(1,365,630)	(49,570)	0	(1,415,200)
Sewer Lines	(2,514,172)	(23,946)	0	(2,538,118)
<i>Total Accumulated Depreciation</i>	<u>(18,641,456)</u>	<u>(859,612) *</u>	<u>0</u>	<u>(19,501,068)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>10,161,762</u>	<u>3,388,689</u>	<u>0</u>	<u>13,550,451</u>
<i>Business-Type Activities Capital Assets, Net</i>	<u><u>\$10,755,255</u></u>	<u><u>\$7,135,773</u></u>	<u><u>(\$3,923,980)</u></u>	<u><u>\$13,967,048</u></u>

\* Depreciation expense was charged to business-type activities as follows:

Water	\$469,487
Sewer	191,605
Incinerator	161,992
Swimming Pool	135
Off Street Parking	1,174
Storm Sewer	35,219
Total	<u><u>\$859,612</u></u>

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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**Note 11 – Defined Benefit Pension Plans**

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

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

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

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

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

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

The proportionate share of each plan’s unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable*. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

***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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2024, the Combined Plan was consolidated into the Traditional Pension Plan, as approved by the legislature in House Bill 33. The Traditional Pension Plan includes members of the legacy Combined Plan, a hybrid defined benefit/defined contribution plan which was closed to new members effective January 1, 2022. New members are no longer able to select the Combined Plan and current members are no longer able to make a plan change to the Combined Plan. The Combined Plan was consolidated into the Traditional Pension Plan effective January 1, 2024, as a separate division. No changes were made to the benefit design features of the Combined Plan as part of this consolidation so that members in this plan will experience no changes. The City's 2024 net pension liability (asset) for OPERS is measured as of December 31, 2023, and reflects the Traditional Plan and the Combined Plan as two separate plans. The City's 2025 financial statements will reflect the effects of the Combined Plan being consolidated into the Traditional Pension Plan.

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

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

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

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.

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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

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



**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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

For 2024, the City's contractually required contribution was \$439,466 for the traditional plan and \$5,186 for the combined plan. Of these amounts, \$47,186 is reported as an intergovernmental payable for the traditional plan and \$557 for the combined plan.

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$466,529 for 2024. Of this amount, \$59,363 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2024 the specific liability of the City was \$458,563 payable in semi-annual payments through the year 2035.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.01794187%	0.00919404%	0.06981280%	
Prior Measurement Date	<u>0.02011082%</u>	<u>0.00870110%</u>	<u>0.06963440%</u>	
Change in Proportionate Share	<u>-0.00216895%</u>	<u>0.00049294%</u>	<u>0.00017840%</u>	
Proportionate Share of the:				
Net Pension Liability	\$4,697,253	\$0	\$6,744,879	\$11,442,132
Net Pension Asset	0	(28,260)	0	(28,260)
Pension Expense	256,807	2,019	536,789	795,615

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

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$76,770	\$1,145	\$216,530	\$294,445
Changes of assumptions	0	1,049	426,269	427,318
Net difference between projected and actual earnings on pension plan investments	948,106	4,597	764,337	1,717,040
Changes in proportion and differences between City contributions and proportionate share of contributions	0	822	19,372	20,194
City contributions subsequent to the measurement date	<u>439,466</u>	<u>5,186</u>	<u>466,529</u>	<u>911,181</u>
Total Deferred Outflows of Resources	<u>\$1,464,342</u>	<u>\$12,799</u>	<u>\$1,893,037</u>	<u>\$3,370,178</u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$0	\$2,793	\$75,434	\$78,227
Changes of assumptions	0	0	102,429	102,429
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>292,924</u>	<u>1,579</u>	<u>416,600</u>	<u>711,103</u>
Total Deferred Inflows of Resources	<u>\$292,924</u>	<u>\$4,372</u>	<u>\$594,463</u>	<u>\$891,759</u>

\$911,181 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
2025	\$20,905	\$661	\$143,473	\$165,039
2026	241,030	1,228	216,301	458,559
2027	605,027	2,576	475,527	1,083,130
2028	(135,010)	(890)	(37,038)	(172,938)
2029	0	(65)	32,799	32,734
Thereafter	0	(269)	983	714
Total	<u>\$731,952</u>	<u>\$3,241</u>	<u>\$832,045</u>	<u>\$1,567,238</u>

***Actuarial Assumptions – OPERS***

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

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

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

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

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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

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	<u>100.00%</u>	

**Discount Rate** The discount rate used to measure the total pension liability was 6.9 percent for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
<b>City's proportionate share of the net pension liability (asset):</b>			
OPERS Traditional Plan	\$7,394,742	\$4,697,253	\$2,453,730
OPERS Combined Plan	(17,101)	(28,260)	(37,052)

***Actuarial Assumptions – OP&F***

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2023, are presented as follows:

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

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

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

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

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

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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
Total	125.00 %	

Note: Assumptions are geometric.

\* levered 2.0x

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

**Discount Rate** For 2023, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payment of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

***Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

Net pension liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$8,934,096	\$6,744,879	\$4,924,334

**Note 12 – Defined Benefit OPEB Plans**

See Note 11 for a description of the net OPEB liability (asset).

***Ohio Public Employees Retirement System (OPERS)***

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

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

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

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



**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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

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

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

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

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

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

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

**Group A** 30 years of qualified health care service credit;

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

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

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

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

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
<b>Age and Service Requirements December 1, 2014 or Prior</b>	<b>Age and Service Requirements December 1, 2014 or Prior</b>	<b>Age and Service Requirements December 1, 2014 or Prior</b>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<b>January 1, 2015 through December 31, 2021</b>	<b>January 1, 2015 through December 31, 2021</b>	<b>January 1, 2015 through December 31, 2021</b>
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.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$864 for 2024. Of this amount, \$93 is reported as an intergovernmental payable.

***Ohio Police & Fire Pension Fund (OP&F)***

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

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

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

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

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

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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$10,870 for 2024. Of this amount, \$1,386 is reported as an intergovernmental payable.

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

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

	<u>OPERS</u>	<u>OP&amp;F</u>	
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.01696823%	0.06981280%	
Prior Measurement Date	<u>0.01897350%</u>	<u>0.06963400%</u>	
Change in Proportionate Share	<u>-0.00200527%</u>	<u>0.00017880%</u>	
			<u>Total</u>
Proportionate Share of the:			
Net OPEB Liability	\$0	\$509,725	\$509,725
Net OPEB Asset	(153,143)	0	(153,143)
OPEB Expense	(16,587)	60,132	43,545

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

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&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$0	\$24,512	\$24,512
Changes of assumptions	39,427	175,401	214,828
Net difference between projected and actual earnings on OPEB plan investments	91,970	37,640	129,610
Changes in proportion and differences between City contributions and proportionate share of contributions	12,566	69,652	82,218
City contributions subsequent to the measurement date	<u>864</u>	<u>10,870</u>	<u>11,734</u>
Total Deferred Outflows of Resources	<u><u>\$144,827</u></u>	<u><u>\$318,075</u></u>	<u><u>\$462,902</u></u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$21,796	\$93,673	\$115,469
Changes of assumptions	65,831	328,251	394,082
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>262</u>	<u>79,114</u>	<u>79,376</u>
Total Deferred Inflows of Resources	<u><u>\$87,889</u></u>	<u><u>\$501,038</u></u>	<u><u>\$588,927</u></u>

\$11,734 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2025	\$3,929	\$33,052	\$36,981
2026	11,609	(33,254)	(21,645)
2027	71,590	(27,962)	43,628
2028	(31,054)	(57,740)	(88,794)
2029	0	(52,391)	(52,391)
Thereafter	<u>0</u>	<u>(55,538)</u>	<u>(55,538)</u>
Total	<u><u>\$56,074</u></u>	<u><u>(\$193,833)</u></u>	<u><u>(\$137,759)</u></u>

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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***Actuarial Assumptions – OPERS***

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

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

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

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. 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 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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

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

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

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

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

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
City's proportionate share of the net OPEB liability (asset)	\$84,162	(\$153,143)	(\$349,715)

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB (asset)	(\$159,501)	(\$153,143)	(\$145,927)

***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 East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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

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

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

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

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

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

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

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 10.

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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

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

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$627,839	\$509,725	\$410,249

**Note 13 – Long-Term Obligations**

The changes in long-term obligations during the year were as follows:

	Restated Balance 1/1/2024	Issued	Retired	Balance 12/31/2024	Amounts Due In One Year
<b>Governmental Activities</b>					
Installment Loans from Direct Borrowings:					
2023 Mangano Building - 4.52%	\$336,152	\$0	(\$17,222)	\$318,930	\$18,071
State Infrastructure Bank Loans from Direct Placements:					
2015 River Road Improvement Loan - 3.00%	612,572	0	(86,700)	525,872	89,321
2017 Road Improvement Loan - 3.00%	161,985	0	(38,706)	123,279	39,877
2020 U.S.30/S.R.39 Safety Improvements Loan - 3.00%	126,168	0	(21,430)	104,738	22,078
<i>Total State Infrastructure Bank Loans</i>	<u>900,725</u>	<u>0</u>	<u>(146,836)</u>	<u>753,889</u>	<u>151,276</u>
Financed Purchases from Direct Placements:					
2018 Fire Truck - 3.00%	299,019	0	(38,985)	260,034	40,171
2021 Phone System - 2.99%	137,098	0	(50,137)	86,961	51,656
2024 MowerMax Boom Mower - 6.49%	0	227,375	0	227,375	34,973
<i>Total Financed Purchases from Direct Placements</i>	<u>436,117</u>	<u>227,375</u>	<u>(89,122)</u>	<u>574,370</u>	<u>126,800</u>
Leases:					
2022 Auditor Copier - 9.97%	7,191	0	(1,710)	5,481	1,888
2024 Fire Copier - 10.28%	0	1,495	(332)	1,163	484
<i>Total Leases</i>	<u>7,191</u>	<u>1,495</u>	<u>(2,042)</u>	<u>6,644</u>	<u>2,372</u>
Net Pension Liability:					
OPERS	2,648,019	0	(598,038)	2,049,981	0
OP&F	6,614,593	130,286	0	6,744,879	0
<i>Total Net Pension Liability</i>	<u>9,262,612</u>	<u>130,286</u>	<u>(598,038)</u>	<u>8,794,860</u>	<u>0</u>
Net OPEB Liability:					
OPERS	53,327	0	(53,327)	0	0
OP&F	495,774	13,951	0	509,725	0
<i>Total Net OPEB Liability</i>	<u>549,101</u>	<u>13,951</u>	<u>(53,327)</u>	<u>509,725</u>	<u>0</u>
Judgement Payable	0	316,500	0	316,500	316,500
Compensated Absences	386,351	0	(146)	386,205	150,022
Police and Fire Pension	492,763	0	(34,200)	458,563	35,668
<b>Total Governmental Activities</b>	<u>\$12,371,012</u>	<u>\$689,607</u>	<u>(\$940,933)</u>	<u>\$12,119,686</u>	<u>\$800,709</u>

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

	Restated Balance 1/1/2024	Issued	Retired	Balance 12/31/2024	Amounts Due In One Year
<b>Business-Type Activities</b>					
Ohio Water Development Authority Loans					
from Direct Borrowings:					
2004 Project #4181 Water Loan - 3.35%	\$501,273	\$0	(\$246,474)	\$254,799	\$254,799
2013 Project #6489 Water Loan - 2.00%	286,109	0	(26,118)	259,991	26,642
2013 Project #6488 Sewer Loan - 2.59%	117,076	0	(9,837)	107,239	10,094
2018 Project #8041 Water Loan - 2.90%	738,784	0	(38,366)	700,418	39,487
2023 Project #10547 Water Loan - 4.10%	34,034	581,327	0	615,361	0
2018 Project #7975 Water Loan - 0.00%	2,040	0	(2,040)	0	0
2021 Project #9210 & 2024 Project #11096 Sewer Loan - 1.68-2.59%	83,175	268,849	(19,906)	332,118	0
2021 Project #9431 Sewer Loan - 0.66%	257,456	0	(12,156)	245,300	12,878
<i>Total Ohio Water Development Authority Loans</i>	<u>2,019,947</u>	<u>850,176</u>	<u>(354,897)</u>	<u>2,515,226</u>	<u>343,900</u>
Financed Purchases from Direct Placements:					
2019 Rear Load Packer 4.99%	25,963	0	(25,963)	0	0
2019 Roll on Roll off 4.99%	36,492	0	(36,492)	0	0
2019 Sewer Dump Truck 4.93%	25,367	0	(25,367)	0	0
2021 Street Sweeper 2.70%	172,931	0	(41,521)	131,410	42,642
2022 Sewer Backhoe 4.21%	55,850	0	(27,537)	28,313	28,313
2022 Wheel Loader 3.87%	71,679	0	(35,159)	36,520	36,520
2022 Track Loader 5.13%	55,407	0	(17,553)	37,854	18,454
2023 International Chassis 6.77%	74,247	0	(35,871)	38,376	38,376
2023 Water Backhoe 5.75%	83,155	0	(26,184)	56,971	27,689
<i>Total Financed Purchases from Direct Placements</i>	<u>601,091</u>	<u>0</u>	<u>(271,647)</u>	<u>329,444</u>	<u>191,994</u>
Net Pension Liability - OPERS:					
Water	1,652,080	0	(331,209)	1,320,871	0
Sewer	896,859	0	(170,761)	726,098	0
Incinerator	598,330	0	(104,704)	493,626	0
Other Enterprise Funds	145,454	0	(38,777)	106,677	0
<i>Total Net Pension Liability - OPERS</i>	<u>3,292,723</u>	<u>0</u>	<u>(645,451)</u>	<u>2,647,272</u>	<u>0</u>
Net OPEB Liability - OPERS:					
Water	33,268	0	(33,268)	0	0
Sewer	18,058	0	(18,058)	0	0
Incinerator	12,050	0	(12,050)	0	0
Other Enterprise Funds	2,931	0	(2,931)	0	0
<i>Total Net OPEB Liability - OPERS</i>	<u>66,307</u>	<u>0</u>	<u>(66,307)</u>	<u>0</u>	<u>0</u>
Compensated Absences	238,942	0	(12,821)	226,121	101,965
<b>Total Business-Type Activities</b>	<u>\$6,219,010</u>	<u>\$850,176</u>	<u>(\$1,351,123)</u>	<u>\$5,718,063</u>	<u>\$637,859</u>

Within governmental activities, the City has outstanding installment loans, financed purchases, leases and SIB loans. These loans are to finance various projects and equipment purchases. The installment loans from direct borrowings are being paid from the capital improvements fund and the street levy fund. The SIB loans from direct placements are being paid from the capital improvements and street improvements capital project funds, the street levy special revenue fund and the debt service fund. The financed purchases are being paid from the capital improvements fund and the debt service fund. The leases are being paid from the general fund and fire special revenue fund. The police and fire pension are being paid from the police and fire special revenue funds. The judgement payable will be paid from the general fund.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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

Year	Principal	Interest
2025	\$2,372	\$597
2026	2,621	310
2027	1,651	59
Total	\$6,644	\$966

Within business-type activities, the City has outstanding OWDA loans and financed purchases. These loans are to finance various projects and equipment purchases. The OWDA loans are being paid from the water and sewer funds.

In 2023, the City was approved for a \$878,175 Ohio Water Development Authority loan for the raw water intake improvements project. In 2024, the City was approved by Ohio Water Development Authority for a \$3,098,501 loan for wastewater treatment plant improvements. These loans have not been finalized and therefore the repayment schedules are not included in the schedule of debt service payments. The balance of these of loans is as follows:

<i>Business-type Activities:</i>	<u>Loan Balance</u>
2023 Project #10547 Water Loan - 4.10%	\$615,361
2024 Project #11096 Sewer Loan - 2.59%	332,118
Total	\$947,479

The City's outstanding OWDA loans from direct borrowings of \$2,515,226 related to business-type activities contain provisions that in the event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

The City has pledged future revenues, net of operating expenses, to repay OWDA loans in the City of East Liverpool water fund. The debt is payable solely from net revenues and are payable through 2039. Annual principal and interest payments on the debt issues are expected to require less than 100 percent of net revenues. In 2024, principal and interest payments on the loans were less than 13 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$2,024,257. Principal and interest paid for the current year and total net revenues were \$353,570 and \$2,710,286, respectively.

The City has pledged future revenues, net of operating expenses, to repay OWDA loans in the City of East Liverpool sewer fund. The debt is payable solely from net revenues and are payable through 2042. Annual principal and interest payments on the debt issues are expected to require less than 16 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$714,343. Principal and interest paid for the current year and total net revenues were \$46,829 and \$281,664, respectively.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

The City also has nine outstanding financed purchases at December 31, 2024. The fire truck financed purchase will be paid from the capital improvements capital projects fund. The phone system will be paid from the general fund, the police fund, and the street department fund. The MowerMax boom mower will be paid from the debt service fund. The international chassis will be paid from the incinerator fund. The sewer backhoe will be paid from the sewer fund. The street sweeper will be paid from the incinerator, storm sewer and water funds. The wheel loader will be paid from the incinerator and storm sewer fund. The track loader will be paid from the storm sewer fund. The water backhoe will be paid from the water fund. The rear load packer and roll on roll off were paid from the incinerator fund. The sewer dump truck was paid from the sewer fund.

Increases and decreases to compensated absences are presented net on the previous table. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the following funds: the general, police, fire, street, water, sewer and incinerator funds. For additional information related to the net pension and net OPEB liabilities see Notes 11 and 12.

As of December 31, 2024, the City's overall legal debt margin was \$11,237,989 and the unvoted legal debt margin was \$5,511,895. Principal and interest requirements to retire the outstanding debt at December 31, 2024, are as follows:

Governmental Activities								
	From Direct Borrowings		From Direct Placements					
	Installment Loans		SIB Loans		Financed Purchases		Police and Fire Pension	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$18,071	\$14,238	\$151,276	\$21,490	\$126,800	\$21,116	\$35,668	\$19,114
2026	18,917	13,393	155,846	16,917	110,497	19,568	37,201	17,582
2027	19,802	12,507	160,556	12,209	78,645	15,719	38,799	15,984
2028	20,696	11,614	121,807	7,679	82,278	12,086	40,465	14,317
2029	21,698	10,612	112,962	3,998	86,102	8,262	42,203	12,580
2030-2034	124,682	36,867	51,442	772	90,048	4,237	239,815	34,100
2035-2039	95,064	7,251	0	0	0	0	24,412	518
Totals	<u>\$318,930</u>	<u>\$106,482</u>	<u>\$753,889</u>	<u>\$63,065</u>	<u>\$574,370</u>	<u>\$80,988</u>	<u>\$458,563</u>	<u>\$114,195</u>

Business-Type Activities				
	From Direct Borrowings		From Direct Placements	
	OWDA Loans		Financed Purchases	
	Principal	Interest	Principal	Interest
2025	\$343,900	\$35,153	\$191,994	\$13,657
2026	91,138	27,369	92,474	5,076
2027	93,227	25,278	44,976	1,215
2028	95,369	23,139	0	0
2029	97,567	20,939	0	0
2030-2034	484,538	69,884	0	0
2035-2039	319,078	21,114	0	0
2040-2042	42,930	498	0	0
Totals	<u>\$1,567,747</u>	<u>\$223,374</u>	<u>\$329,444</u>	<u>\$19,948</u>

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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**Note 14 – Internal Activity**

***Interfund Balances***

Interfund balances at December 31, 2024 consisted of an interfund receivable in the general fund and an interfund payable in the homeland security grant special revenue fund in the amount of \$11,400. The interfund receivable and payable was a result of deficit cash balances due to the timing of the receipt of grant monies at year end.

***Interfund Transfers***

Interfund transfers for the year ended December 31, 2024, consisted of the following:

	<u>Transfer From</u>
<u>Transfer To</u>	General
Police	\$1,685,860
Fire	1,130,000
Other Governmental Funds	<u>3,200</u>
Grand Total	<u><u>\$2,819,060</u></u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

The transfers from the general fund were to subsidize police, fire, and capital improvements within the City.

***Internal Balances – Change in Proportionate Share***

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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

Balances related to the internal proportionate share for pension and OPEB at December 31, 2024, were as follows:

	Pension		OPEB	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Governmental Activities	\$144	\$0	\$0	\$0
Business-Type Activities:				
Water	908	32,984	0	222
Sewer	0	81	0	0
Incinerator	16,186	528	110	0
Thompson Park Pool	7,478	209	50	0
Storm Sewer	9,345	259	62	0
<i>Total Enterprise Funds/Business-Type Activities</i>	33,917	34,061	222	222
Elimination from Proprietary Fund Statements	(33,917)	(33,917)	(222)	(222)
Total Business-Type Activities	0	144	0	0
Total	\$144	\$144	\$0	\$0

**Note 15 – Jointly Governed Organizations**

***Columbiana Metropolitan Housing Authority (the Authority)***

The Authority is a non-profit organization established to provide adequate public housing for low income individuals and is statutorily created as a separate and distinct political subdivision of the State. The Authority is operated by a five member board of commissioners. Two members are appointed by the Mayor of East Liverpool, one member is appointed by the Columbiana County Commissioners, one member is appointed by the judge of the probate court, and one member is appointed by the judge of the court of common pleas. The board exercises total control over the Authority's operations including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to its representation on the board. The City did not contribute any amounts to the Authority during 2024. Information can be obtained from 325 Moore Street, East Liverpool, Ohio 43920.

***Ohio Mid-Eastern Governments Association (OMEGA)***

OMEGA is a ten county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum and Tuscarawas counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a seventeen member executive board comprised of members appointed from each participating county and cities within each county. City membership is voluntary. A county commissioner serves as the County's representative on the board. The board has total control over budgeting, personnel and financial matters. Each member's degree of control is limited to its representation on the board. Each member currently pays a per capita membership fee based on the most recent United States census. During 2024, OMEGA received \$1,494 from the City of East Liverpool for an annual fee. Information can be obtained from 326 Highland Avenue, PO Box 130, Cambridge, Ohio 43725.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

**Note 16 – Significant Commitments**

***Contractual Commitments***

As of December 31, 2024, the City had the following contractual construction commitments outstanding:

Vendor Name	Contract Amount	Amount Paid to Date	Remaining Contract
A P O'Horo Company	\$4,226,700	\$0	\$4,226,700
Dallas Dawson	454,444	83,685	370,759
Environmental	221,329	0	221,329
Hissom	38,302	0	38,302
Brads	28,196	0	28,196
Kreefer	23,585	0	23,585
Western Reserve	20,000	0	20,000
H & T Security Solution	18,000	9,270	8,730
Korda	16,000	15,010	990
Protech	5,187	0	5,187
Total	<u>\$5,051,743</u>	<u>\$107,965</u>	<u>\$4,943,778</u>

Remaining commitment amounts were encumbered at year-end. \$15,000 in contracts payable for governmental activities has been capitalized.

***Encumbrances***

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<i>Governmental Funds:</i>		<i>Proprietary Funds:</i>	
General	\$130,524	Water	\$509,288
Police	22,430	Sewer	4,543,218
Fire	11,143	Incinerator	109,737
Street Levy	18,894	Other Enterprise Funds	<u>160,442</u>
Other Governmental Funds	<u>727,761</u>	Total Proprietary	<u>\$5,322,685</u>
Total Governmental	<u>\$910,752</u>		

**Note 17 – Closure and Post-closure Care Cost**

In 1993, the City agreed to sell the East Liverpool City Landfill to the East Liverpool Landfill, Inc. The landfill and all contractual obligations were subsequently acquired by USA Waste Service, Inc. (USA). USA is in the process of closing the landfill. Under the original sales agreement, the City indemnified the purchaser for all cost incurred with regard to the activities or operations of the landfill prior to 1990.



**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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USA has assured the City that they are closing the landfill at their sole cost and expense. USA has posted all required closure and post-closure bonds with the Environmental Protection Agency (EPA). The City's post-closure liability relating to the pre-1990 operations, if any, cannot be determined.

**Note 18 – Asset Retirement Obligations**

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their waste water treatment facilities. Any ARO associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

**Note 19 – Change in Accounting Principles, Changes within the Financial Reporting Entity and Restatement of Fund Balance and Net Position**

***Change in Accounting Principles***

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

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

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

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

GASB 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The effects of implementing the GASB pronouncement is shown on the table on the following page.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

***Changes within the Financial Reporting Entity***

For 2024, the street levy special revenue fund presentation was adjusted from nonmajor to major due to meeting the quantitative threshold for a major fund. These changes are separately displayed in the financial statements.

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

The City's financial statements report compensated absences by identifying vacation benefits payable separately from the remainder of the compensated absences liability. The compensated absences restatement includes vacation benefits payable of (\$17,186) for governmental activities and \$3,766 for business type activities (\$2,163 water enterprise fund, \$561 sewer enterprise fund, \$994 incinerator enterprise fund and \$48 other enterprise funds) and compensated absences payable amounts of \$275,181 for governmental activities and \$176,104 for business type activities (\$78,765 water enterprise fund, \$54,170 sewer enterprise fund, \$34,524 incinerator enterprise fund and \$8,645 other enterprise funds.)

For the City, GASB Statement No. 101 increased the compensated absences liability and the cumulative effects of compensated absence related expense on beginning net position as shown on the following table.

		<u>Change within the Financial Reporting Entity</u>	<u>Change in Accounting Principles</u>	
	<u>12/31/2023 As Previously Reported</u>	<u>Changes between Major and NonMajor Funds</u>	<u>GASB 101</u>	<u>12/31/2023 As Restated/ Adjusted</u>
<b>Government-Wide</b>				
Governmental Activities	\$12,109,512	\$0	(\$257,995)	\$11,851,517
Business-Type Activities	14,122,132	0	(179,870)	13,942,262
<b>Total Primary Government</b>	<u>\$26,231,644</u>	<u>\$0</u>	<u>(\$437,865)</u>	<u>\$25,793,779</u>
<b>Component Unit</b>				
City of East Liverpool Board of Health	<u>(\$178,004)</u>	<u>\$0</u>	<u>(\$4,869)</u>	<u>(\$182,873)</u>
<b>Governmental Funds</b>				
Major Funds:				
General	\$1,278,274	\$0	\$0	\$1,278,274
Police	29,472	0	0	29,472
Fire	3,994	0	0	3,994
Street Levy	-	474,240	0	474,240
Other Governmental Funds	2,861,726	(474,240)	0	2,387,486
<b>Total Governmental Funds</b>	<u>\$4,173,466</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,173,466</u>
<b>Proprietary Funds</b>				
Enterprise Funds:				
Water	\$9,587,194	\$0	(\$80,928)	\$9,506,266
Sewer	2,855,505	0	(54,731)	2,800,774
Incinerator	902,887	0	(35,518)	867,369
Other Enterprise Funds	776,546	0	(8,693)	767,853
<b>Total Enterprise Funds</b>	<u>\$14,122,132</u>	<u>\$0</u>	<u>(\$179,870)</u>	<u>\$13,942,262</u>
<b>Internal Service Fund</b>	<u>\$30,472</u>	<u>\$0</u>	<u>\$0</u>	<u>\$30,472</u>

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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**Note 20 – Accountability and Compliance**

***Accountability***

The fire special revenue fund's deficit fund balance of \$36,400 is a result of the recognition of payables in accordance with generally accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

***Compliance***

The following accounts had expenditures plus encumbrances in excess of appropriations, contrary to Ohio Revised Code Section 5705.41:

	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<b><i>General Fund:</i></b>			
General Government	\$1,437,997	\$1,438,186	(\$189)
<b><i>Fire Fund:</i></b>			
Security of Persons and Property	2,191,928	2,219,643	(27,715)

Although the budgetary violation was not corrected by year end, management has indicated that this will be closely monitored to ensure no future violations.

**Note 21 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**Note 22 – The City of East Liverpool Board of Health**

***Description of the Entity***

The constitution and laws of the State of Ohio establish the rights and privileges of the City of East Liverpool Board of Health (the Board) as a body corporate and politic. A five-member Board and a Health Commissioner govern the Board. Consistent with the provisions of Ohio Revised Code Section 3709.36, the Board is a legally separate organization. The Mayor appoints the Board. Among its various duties, the Board provides for the prompt diagnosis and control of communicable diseases. The Board may also inspect businesses where food is manufactured, handled, stored, or offered for sale. The Board is operated by a board with all members being appointed by the City. The City provides funding to the Board, thus the City can impose will on the Board, and the Board imposes a financial burden to the City. Therefore, the Board is considered a discretely presented component unit of the City of East Liverpool.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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***Summary of Significant Accounting Policies***

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

***Basis of Presentation of Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the Board as a whole. The statement of net position presents the financial condition of the Board at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Board's activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental program is self-financing or draws from the general revenues of the Board.

***Measurement Focus of 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 liabilities and deferred inflows of resources associated with the operation of the Board are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

***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.

***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. Non-exchange transactions, in which the Board of Health receives value without directly giving equal value in return, includes grants and donations. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board of Health must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board of Health on a reimbursement basis.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes 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. For the Board of Health, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Board of Health, deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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

**Pensions/Other Postemployment Benefits (OPEB)** For purposes of measuring the net pension/OPEB asset/liabilities, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plans. 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.

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

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

**Leases** The Board serves as a lessee in a noncancellable lease. At the commencement of a lease, the Board initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Capital Assets** All of the Board's capital assets are general capital assets generally resulting from expenditures in governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements.

All capital assets (except for intangible right to use lease assets which are discussed below) are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated. The Board maintains a capitalization threshold of \$1,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated, except land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Machinery and Equipment	10 years
Intangible Right to Use Lease - Equipment	10 years

The Board is reporting intangible right to use assets related to lease assets. The lease assets include equipment and represent a nonfinancial asset which is being utilized for a period of time through leases from another entity. The intangible right to use 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 East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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

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

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is more likely than not that the employer will compensate the employees for the benefits through paid time off or will settle the benefits at separation. The Board records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service. Since the Board's policy limits the accrual of vacation time to the amount accrued in one year, the outstanding liability is recorded as "accrued vacation leave payable" on the statement of net position rather than as a long-term liability.

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

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

**Net Position** Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Board's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted net position for pension plans represent the corresponding restricted asset amounts held in trust by pension and OPEB plans for future benefits.

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

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

***Deposits and Investments***

The City of East Liverpool Auditor is custodian for the Board's deposits. The City's deposit and investment pool holds the Board's assets, valued at the City Auditor's reported carrying amount.

***Receivables***

Receivables at December 31, 2024, consisted solely of intergovernmental receivables. A summary of the principal items of intergovernmental receivables is as follows:

	<u>Amount</u>
Workforce Development Grant	\$26,608
Workers' Compensation Refund	<u>886</u>
Total	<u>\$27,494</u>

***Capital Assets***

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

	<u>Balance 12/31/2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/2024</u>
<b><i>Capital Assets being Depreciated/Amortized:</i></b>				
Machinery and Equipment	\$15,917	\$0	\$0	\$15,917
Intangible Right to Use Lease - Equipment	<u>3,319</u>	<u>0</u>	<u>0</u>	<u>3,319</u>
<i>Total Capital Assets being Depreciated/Amortized</i>	<u>19,236</u>	<u>0</u>	<u>0</u>	<u>19,236</u>
<b><i>Less: Accumulated Depreciation/Amortization:</i></b>				
Machinery and Equipment	(5,144)	(1,560)	0	(6,704)
Intangible Right to Use Lease - Equipment	<u>(1,494)</u>	<u>(333)</u>	<u>0</u>	<u>(1,827)</u>
<i>Total Accumulated Depreciation/Amortization</i>	<u>(6,638)</u>	<u>(1,893) *</u>	<u>0</u>	<u>(8,531)</u>
<i>Total Capital Assets, Net</i>	<u>\$12,598</u>	<u>(\$1,893)</u>	<u>\$0</u>	<u>\$10,705</u>

\* Of the current year depreciation total of \$1,893, \$333 is presented as public health services expense on the statement of activities related to the Board's intangible asset of a copier, which is included as an Intangible Right to Use - Lease Asset.

***Due to Primary Government***

During 2024, the City of East Liverpool loaned the Board \$22,136 to cover negative cash balances in the workforce development grant funds until grant revenues are received. This loan is expected to be paid in one year.

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

***Risk Management***

The Board of Health is located in the City of East Liverpool's municipal building. The City contracts with the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. The City does not charge the Board for a portion of the building property insurance.

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

***Other Employee Benefits***

***Compensated Absences*** Employees earn vacation and sick leave at different rates depending upon length of service and type of employment. Vacation leave benefits are lost at year end if employees do not use these balances during the year unless prior approval has been obtained from the department head. Upon retirement or death, employees are paid to a maximum of 480 hours for accumulated unused sick leave.

***Employee Insurance Benefits*** For 2024, employees of the Board received medical insurance benefits through the City of East Liverpool's health savings account (HSA) medical program.

***Deferred Compensation*** Board employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 456 and is considered an other employee benefit plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

***Grants*** Amounts grantor agencies pay to the Board are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow; however, based on prior experience, management believes any refunds would be immaterial.

***Litigation*** Management is not aware of any pending litigation.

***Long-Term Obligations***

A schedule of changes in long-term obligations of the Board during 2024 follows:

	Restated Amount Outstanding 12/31/2023	Additions	Deletions	Amount Outstanding 12/31/2024	Amounts Due In One Year
<b><i>Governmental Activities</i></b>					
<b><i>Other Long-term Obligations</i></b>					
Net Pension Liability:					
OPERS	\$410,955	\$0	(\$76,336)	\$334,619	\$0
Net OPEB Liability:					
OPERS	8,276	0	(8,276)	0	0
Lease Payable	382	0	(382)	0	0
Compensated Absences	10,237	6,461	0	16,698	12,262
<b><i>Total Governmental Activities</i></b>	<b><u>\$429,850</u></b>	<b><u>\$6,461</u></b>	<b><u>(\$84,994)</u></b>	<b><u>\$351,317</u></b>	<b><u>\$12,262</u></b>



**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

Increases and decreases to compensated absences are presented net on the previous table. There is no repayment schedule for the net pension and OPEB liabilities; however, employer pension contributions are made from the general fund. The lease was paid from the general fund.

***Defined Benefit Pension Plans***

Plan descriptions and actuarial information for the Board of Health's defined benefit pension plans are the same as the City's (see Note 11).

For 2024, the Board's contractually required contribution was \$31,306 for the traditional plan and \$369 for the combined plan. Of these amounts, \$3,646 is reported as an intergovernmental payable for the traditional plan and \$43 for the combined plan.

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. The Board's proportion of the net pension liability (asset) was based on the Board's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the Board's defined benefit pension plans:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.00127813%	0.00065496%	
Prior Measurement Date	<u>0.00139118%</u>	<u>0.00060190%</u>	
Change in Proportionate Share	<u>-0.00011305%</u>	<u>0.00005306%</u>	
Proportionate Share of the:			
Net Pension Liability	\$334,619	\$0	\$334,619
Net Pension Asset	0	(2,013)	(2,013)
Pension Expense	52,263	38	52,301

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

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

	OPERS Traditional Plan	OPERS Combined Plan	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$5,468	\$82	\$5,550
Changes of assumptions	0	75	75
Net difference between projected and actual earnings on pension plan investments	67,541	328	67,869
Changes in proportion and differences between Board contributions and proportionate share of contributions	17,220	24	17,244
Board contributions subsequent to the measurement date	31,306	369	31,675
Total Deferred Outflows of Resources	<u>\$121,535</u>	<u>\$878</u>	<u>\$122,413</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$201	\$201
Changes in proportion and differences between Board contributions and proportionate share of contributions	13,211	670	13,881
Total Deferred Inflows of Resources	<u>\$13,211</u>	<u>\$871</u>	<u>\$14,082</u>

\$31,675 reported as deferred outflows of resources related to pension resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	Total
2025	\$24,894	(\$46)	\$24,848
2026	18,641	(11)	18,630
2027	43,099	91	43,190
2028	(9,616)	(156)	(9,772)
2029	0	(97)	(97)
Thereafter	0	(143)	(143)
Total	<u>\$77,018</u>	<u>(\$362)</u>	<u>\$76,656</u>

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

***Sensitivity of the Board's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate*** The following table presents the Board's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the Board's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
<b>Board's proportionate share of the net pension liability (asset):</b>			
OPERS Traditional Plan	\$526,781	\$334,619	\$174,797
OPERS Combined Plan	(1,218)	(2,013)	(2,639)

***Defined Benefit OPEB Plan***

Plan descriptions and actuarial information for the Board of Health's defined benefit OPEB plan are the same as the City's (see Note 12).

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Board's contractually required contribution was \$62 for 2024. Of this amount, \$7 is reported as an intergovernmental payable.

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. The Board's proportion of the net OPEB liability (asset) was based on the Board's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.00120877%
Prior Measurement Date	<u>0.00131250%</u>
Change in Proportionate Share	<u>-0.00010373%</u>
Proportionate Share of the Net OPEB Asset	(\$10,909)
OPEB Expense	(\$1,095)

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
For The Year Ended December 31, 2024

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

	<u>OPERS</u>
<b>Deferred Outflows of Resources</b>	
Changes of assumptions	\$2,811
Net difference between projected and actual earnings on OPEB plan investments	6,552
Changes in proportion and differences between Board contributions and proportionate share of contributions	766
Board contributions subsequent to the measurement date	<u>62</u>
Total Deferred Outflows of Resources	<u>\$10,191</u>
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$1,553
Changes of assumptions	<u>4,690</u>
Total Deferred Inflows of Resources	<u>\$6,243</u>

\$62 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>
Year Ending December 31:	
2025	\$257
2026	739
2027	5,102
2028	<u>(2,212)</u>
Total	<u>\$3,886</u>

***Sensitivity of the Board's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

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

	1% Decrease <u>(4.70%)</u>	Current Discount Rate <u>(5.70%)</u>	1% Increase <u>(6.70%)</u>
Board's proportionate share of the net OPEB liability (asset)	\$5,996	(\$10,909)	(\$24,913)

**City of East Liverpool, Ohio**  
*Notes to the Basic Financial Statements*  
*For The Year Ended December 31, 2024*

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***Sensitivity of the Board's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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

	Current Health Care Cost Trend Rate		
	<u>1% Decrease</u>	<u>Assumption</u>	<u>1% Increase</u>
Board's proportionate share of the net OPEB (asset)	(\$11,362)	(\$10,909)	(\$10,395)

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

	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.01794187%	0.02011082%	0.02126784%	0.02164032%
City's Proportionate Share of the Net Pension Liability	\$4,697,253	\$5,940,742	\$1,850,387	\$3,204,461
City's Covered Payroll	\$2,958,971	\$3,199,721	\$3,086,557	\$3,047,914
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	158.75%	185.66%	59.95%	105.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%

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

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
0.02343744%	0.02425920%	0.02484100%	0.02542200%	0.02568700%	0.02613100%
\$4,632,571	\$6,644,106	\$3,897,071	\$5,772,904	\$4,449,312	\$3,151,688
\$3,297,557	\$3,413,121	\$3,282,754	\$3,291,092	\$3,192,129	\$3,203,675
140.48%	194.66%	118.71%	175.41%	139.38%	98.38%
82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

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

	2024	2023	2022	2021
City's Proportion of the Net Pension Asset	0.00919404%	0.00870110%	0.00878112%	0.00899232%
City's Proportionate Share of the Net Pension Asset	\$28,260	\$20,508	\$34,600	\$25,958
City's Covered Payroll	\$42,300	\$41,543	\$40,029	\$39,629
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	66.81%	49.37%	86.44%	65.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	144.55%	137.14%	169.88%	157.67%

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

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

See accompanying notes to the required supplementary information.



2020	2019	2018
0.00873792%	0.00896064%	0.00983500%
\$18,222	\$10,021	\$13,389
\$38,893	\$39,921	\$40,277
46.85%	25.10%	33.24%
145.28%	126.64%	137.28%

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

	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.06981280%	0.06963440%	0.07136030%	0.07704360%
City's Proportionate Share of the Net Pension Liability	\$6,744,879	\$6,614,593	\$4,458,178	\$5,252,130
City's Covered Payroll	\$1,980,910	\$1,791,648	\$1,820,445	\$1,897,762
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	340.49%	369.19%	244.89%	276.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.63%	62.09%	75.03%	70.65%

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

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
0.08504090%	0.08329300%	0.07505600%	0.07632500%	0.08334700%	0.08364510%
\$5,728,809	\$6,798,911	\$4,606,525	\$4,834,350	\$5,361,771	\$4,333,165
\$2,055,253	\$1,933,886	\$1,668,585	\$1,636,526	\$1,684,876	\$1,679,505
278.74%	351.57%	276.07%	295.40%	318.23%	258.00%
69.89%	63.07%	70.91%	68.36%	66.77%	71.71%

**City of East Liverpool, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net OPEB (Asset) Liability*  
*Ohio Public Employees Retirement System - OPEB Plan*  
*Last Eight Years (1)*

	2024	2023	2022	2021
City's Proportion of the Net OPEB Asset/Liability	0.01696823%	0.01897350%	0.02005248%	0.02054880%
City's Proportionate Share of the Net OPEB (Asset) Liability	\$153,143	\$119,634	(\$628,077)	(\$366,091)
City's Covered Payroll	\$3,001,271	\$3,241,264	\$3,126,986	\$3,107,668
City's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	5.10%	3.69%	-20.09%	-11.78%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%

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

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

See accompanying notes to the required supplementary information.

2020	2019	2018	2017
0.02221728%	0.02301504%	0.02362000%	0.02441000%
\$3,068,786	\$3,000,617	\$2,564,959	\$2,465,494
\$3,356,575	\$3,477,367	\$3,345,981	\$3,378,667
91.43%	86.29%	76.66%	72.97%
47.80%	46.33%	54.14%	54.04%

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

	2024	2023	2022	2021
City's Proportion of the Net OPEB Liability	0.06981280%	0.06963400%	0.07136030%	0.07704360%
City's Proportionate Share of the Net OPEB Liability	\$509,725	\$495,774	\$782,171	\$816,289
City's Covered Payroll	\$1,980,910	\$1,791,648	\$1,820,445	\$1,897,762
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	25.73%	27.67%	42.97%	43.01%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	51.89%	52.59%	46.90%	45.40%

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

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

See accompanying notes to the required supplementary information.

2020	2019	2018	2017
0.08504090%	0.08329300%	0.07505600%	0.07632500%
\$840,012	\$758,509	\$4,252,568	\$3,622,976
\$2,055,253	\$1,933,886	\$1,668,585	\$1,636,526
40.87%	39.22%	254.86%	221.38%
47.08%	46.57%	14.13%	15.96%

**City of East Liverpool, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Contributions*  
*Ohio Public Employees Retirement System*  
*Last Ten Years*

	2024	2023	2022	2021
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$439,466	\$414,256	\$447,961	\$432,118
Contributions in Relation to the Contractually Required Contribution	(439,466)	(414,256)	(447,961)	(432,118)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
City Covered Payroll	\$3,139,043	\$2,958,971	\$3,199,721	\$3,086,557
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
<b>Net Pension Asset - Combined Plan</b>				
Contractually Required Contribution	\$5,186	\$5,076	\$5,816	\$5,604
Contributions in Relation to the Contractually Required Contribution	(5,186)	(5,076)	(5,816)	(5,604)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
City Covered Payroll	\$43,217	\$42,300	\$41,543	\$40,029
Pension Contributions as a Percentage of Covered Payroll	12.00%	12.00%	14.00%	14.00%
<b>Net OPEB Asset/Liability - OPEB Plan (1)</b>				
Contractually Required Contribution	\$864	\$846	\$0	\$16
Contributions in Relation to the Contractually Required Contribution	(864)	(846)	0	(16)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
City Covered Payroll (2)	\$3,182,260	\$3,001,271	\$3,241,264	\$3,126,986
OPEB Contributions as a Percentage of Covered Payroll	0.03%	0.03%	0.00%	0.00%

(1) Information prior to 2016 is not available for the OPEB plan.

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

See accompanying notes to the required supplementary information.



2020	2019	2018	2017	2016	2015
\$426,708	\$461,658	\$477,837	\$426,758	\$394,932	\$383,055
(426,708)	(461,658)	(477,837)	(426,758)	(394,932)	(383,055)
\$0	\$0	\$0	\$0	\$0	\$0
\$3,047,914	\$3,297,557	\$3,413,121	\$3,282,754	\$3,291,092	\$3,192,129
14.00%	14.00%	14.00%	13.00%	12.00%	12.00%
\$5,548	\$5,445	\$5,589	\$5,236	\$4,989	\$4,720
(5,548)	(5,445)	(5,589)	(5,236)	(4,989)	(4,720)
\$0	\$0	\$0	\$0	\$0	\$0
\$39,629	\$38,893	\$39,921	\$40,277	\$41,575	\$39,333
14.00%	14.00%	14.00%	13.00%	12.00%	12.00%
\$805	\$805	\$973	\$34,148	\$68,493	
(805)	(805)	(973)	(34,148)	(68,493)	
\$0	\$0	\$0	\$0	\$0	
\$3,107,668	\$3,356,575	\$3,477,367	\$3,345,981	\$3,378,667	
0.03%	0.02%	0.03%	1.02%	2.03%	

**City of East Liverpool, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Contributions*  
*Ohio Police and Fire Pension Fund*  
*Last Ten Years*

	2024	2023	2022	2021
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$466,529	\$426,812	\$380,053	\$385,099
Contributions in Relation to the Contractually Required Contribution	<u>(466,529)</u>	<u>(426,812)</u>	<u>(380,053)</u>	<u>(385,099)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$2,173,958	\$1,980,910	\$1,791,648	\$1,820,445
Pension Contributions as a Percentage of Covered Payroll	<u>21.46%</u>	<u>21.55%</u>	<u>21.21%</u>	<u>21.15%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$10,870	\$9,904	\$8,958	\$9,102
Contributions in Relation to the Contractually Required Contribution	<u>(10,870)</u>	<u>(9,904)</u>	<u>(8,958)</u>	<u>(9,102)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.96%</u>	<u>22.05%</u>	<u>21.71%</u>	<u>21.65%</u>

(1) The City's Covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
\$399,302	\$427,070	\$398,411	\$343,665	\$339,721	\$351,147
(399,302)	(427,070)	(398,411)	(343,665)	(339,721)	(351,147)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,897,762	\$2,055,253	\$1,933,886	\$1,668,585	\$1,636,526	\$1,684,876
21.04%	20.78%	20.60%	20.60%	20.76%	20.84%
\$9,489	\$10,277	\$9,669	\$8,343	\$8,183	\$8,425
(9,489)	(10,277)	(9,669)	(8,343)	(8,183)	(8,425)
\$0	\$0	\$0	\$0	\$0	\$0
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
21.54%	21.28%	21.10%	21.10%	21.26%	21.34%

**City of East Liverpool, Ohio**  
*Notes to the Required Supplementary Information*  
For the Year Ended December 31, 2024

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

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

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

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

2024	2.3 percent, simple through 2024 then 2.05 percent, simple
2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for

**City of East Liverpool, Ohio**  
*Notes to the Required Supplementary Information*  
For the Year Ended December 31, 2024

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mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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

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

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

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

**Changes in Assumptions – OP&F Pension**

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

**City of East Liverpool, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2024*

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

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

Beginning in 2023, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

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

Beginning in 2023, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

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

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

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

**City of East Liverpool, Ohio**  
*Notes to the Required Supplementary Information*  
For the Year Ended December 31, 2024

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

**Changes in Assumptions – OPERS OPEB**

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

**City of East Liverpool, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2024*

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

Blended Discount Rate:

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

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

**Changes in Benefit Terms – OPERS OPEB**

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

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

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



**CITY OF EAST LIVERPOOL, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTER/PROGRAM OR CLUSTER TITLE</b>	<b>ASSISTANCE LISTING NUMBER</b>	<b>PASS-THROUGH ENTITY IDENTIFYING NUMBER</b>	<b>PASSED THROUGH TO SUBRECIPIENTS</b>	<b>TOTAL FEDERAL EXPENDITURES</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH OHIO DEVELOPMENT SERVICES AGENCY OFFICE OF COMMUNITY DEVELOPMENT</b>				
HOME Investment Partnerships Program	14.239	2BH	\$ -	\$ 69,749
<b>Total U.S. Department of Housing and Urban Development</b>			<u>-</u>	<u>69,749</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY DIRECT AWARD</b>				
Hazard Mitigation Grant Program	97.039		-	65,731
Homeland Security Grant Program	97.067		-	50,979
<b>Total U.S. Department of Homeland Security</b>			<u>-</u>	<u>116,710</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION PASSED THROUGH OHIO DEPARTMENT OF TRANSPORTATION</b>				
<i>Highway Planning and Construction</i>				
Highway Planning and Construction	20.205	PID 114058	-	301,087
Highway Planning and Construction	20.205	PID 117785	-	164,912
Highway Planning and Construction	20.205	PID 121462	-	197,030
<b>Total Highway Planning and Construction</b>			<u>-</u>	<u>663,029</u>
<b>Total U.S. Department of Transportation</b>			<u>-</u>	<u>663,029</u>
<b>U.S. DEPARTMENT OF TREASURY PASSED THROUGH OHIO EMERGENCY MANAGEMENT AGENCY</b>				
COVID-19 - State and Local Fiscal Recovery Funds	21.027	QSR-2022 AR LEP 976	-	231,717
<b>DIRECT AWARD</b>				
COVID-19 - State and Local Fiscal Recovery Funds	21.027		-	13,941
			-	245,658
<b>Total U.S. Department of Treasury</b>			<u>-</u>	<u>245,658</u>
<b>Total Federal Expenditures</b>			<u>\$ -</u>	<u>\$ 1,095,146</u>

See notes to Schedule of Expenditures of Federal Awards

**CITY OF EAST LIVERPOOL  
COLUMBIANA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE A – BASIS OF PRESENTATION**

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

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

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

**NOTE C – INDIRECT COST RATE**

The City has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - MATCHING REQUIREMENTS**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### INDEPENDENT AUDITORS' REPORT

To the City Council  
City of East Liverpool, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Liverpool, 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 June 27, 2025.

#### Report on Internal Control Over Financial Reporting

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

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

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

#### Report on Compliance and Other Matters

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Clark, Schaefer, Hackett & Co.*

Columbus, Ohio  
June 27, 2025

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

### INDEPENDENT AUDITORS' REPORT

To the City Council  
City of East Liverpool, Ohio:

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

##### Opinion on Each Major Program

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

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

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

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

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

##### ***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all

deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Clark, Schaefer, Hackett & Co.*

Columbus, Ohio  
June 27, 2025

City of East Liverpool, Ohio  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2024

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued :	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

**Federal Awards**

Internal Control over major program:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Type of auditors' report issued on compliance for major programs:	unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	no
Identification of major programs:	
<i>ALN 20.205 – Highway Planning and Construction Program</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	no

**Section II - Financial Statement Findings**

None

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

None



# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF EAST LIVERPOOL**

**COLUMBIANA 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 9/2/2025**

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

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