

CITY OF HEATH
LICKING COUNTY
REGULAR AUDIT
JANUARY 1, 2024 – DECEMBER 31, 2024





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

City Council
City of Heath
1287 Hebron Road
Heath, Ohio 43056

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

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

KEITH FABER
Ohio Auditor of State

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

November 24, 2025

This page intentionally left blank.

**CITY OF HEATH
LICKING COUNTY**

TABLE OF CONTENTS

TITLE

PAGE

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>	1
--	---

This page intentionally left blank.

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

City of Heath
Licking County
1287 Hebron Road
Heath, Ohio 43056

To City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Heath, Licking County, (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 25, 2025. We noted the City adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Wilson, Shuman & Son, Inc.

Newark, Ohio
July 25, 2025

CITY OF HEATH, OHIO

Licking County



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024

Prepared by the City Auditor's Department

Mr. Jay R. Morrow
City Auditor



TABLE OF CONTENTS

CITY OF HEATH LICKING COUNTY, OHIO

I INTRODUCTORY SECTION

A	Letter of Transmittal	v
B	List of Principal Officials	xii
C	City Organizational Chart	xiii
D	Certificate of Achievement for Excellence in Financial Reporting.....	xiv

II FINANCIAL SECTION

A	Independent Auditor's Report.....	1
B	Management's Discussion and Analysis	5
C	Basic Financial Statements:	
	Government-wide Financial Statements:	
	Statement of Net Position.....	16
	Statement of Activities	18
	Fund Financial Statements:	
	<i>Governmental Funds:</i>	
	Balance Sheet.....	20
	Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	22
	Statement of Revenues, Expenditures and Changes in Fund Balances	24
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
	Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):	
	General Fund.....	27
	Street Construction, Maintenance and Repair Fund	28
	Fire Levy Fund.....	29
	<i>Proprietary Funds:</i>	
	Statement of Net Position.....	30
	Statement of Revenues, Expenses and Changes in Fund Net Position	32
	Statement of Cash Flows.....	34
	<i>Fiduciary Funds:</i>	
	Statement of Net Position.....	36
	Statement of Changes in Net Position	37
	Notes to the Basic Financial Statements	38

D Required Supplementary Information:

Schedule of City's Proportionate Share of the Net Pension Liability (Asset).....	94
Schedule of City Pension Contributions.....	96
Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset)	98
Schedule of City's Other Postemployment Benefit (OPEB) Contributions.....	100
Notes to the Required Supplementary Information	102

E Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Financial Statements:

Combining Balance Sheet – Nonmajor Special Revenue Funds	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	113

Individual Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

Major Governmental Funds:

<i>General Fund</i>	116
<i>Special Revenue Funds:</i>	
Street Construction, Maintenance and Repair Fund	120
Fire Levy Fund.....	121
<i>Debt Service Fund:</i>	
General Obligation Debt Service Fund	122
<i>Capital Projects Fund:</i>	
Capital Improvement Fund	124

Nonmajor Governmental Funds:

<i>Special Revenue Funds:</i>	
State Highway Fund.....	126
County \$5 Permissive License Tax Fund	127
Swimming Pool Fund	128
Municipal Motor Vehicle License Tax Fund	129
Fire Pension Fund	130
Police Pension Fund.....	131
Law Enforcement Trust Fund	132

Nonmajor Governmental Funds: (Continued)

Special Revenue Funds: (Continued)

Police Professional Training Fund	133
Opioid Settlement Fund	134
Enforcement and Education Fund	135
D.A.R.E. Fund	136
American Rescue Plan Fund	137
Central Parkway Fund.....	138
Conn Memorial Trust Fund.....	139

III STATISTICAL SECTION

Net Position by Component - Last Ten Years	S 2
Changes in Net Position - Last Ten Years	S 4
Fund Balances, Governmental Funds - Last Ten Years	S 8
Changes in Fund Balances, Governmental Funds - Last Ten Years	S 10
Income Tax Revenues by Source, Governmental Funds - Last Ten Years	S 14
Income Tax Statistics - Current Year and Nine Years Ago	S 17
Ratio of Outstanding Debt By Type - Last Ten Years	S 18
Ratios of General Bonded Debt Outstanding - Last Ten Years	S 20
Computation of Direct and Overlapping Debt Attributable to Governmental Activities - Current Year	S 23
Debt Limitations - Last Ten Years	S 24
Demographic and Economic Statistics - Last Ten Years	S 26
Principal Employers - Current Year and Nine Years Ago	S 29
Full Time Equivalent Employees by Function - Last Ten Years	S 30
Operating Indicators by Function - Last Ten Years	S 32
Capital Asset Statistics by Function - Last Ten Years	S 34



INTRODUCTORY SECTION





CITY OF HEATH

Mark D. Johns
Mayor

Jay R. Morrow
Auditor

David C. Morrison
Director of Law

1287 Hebron Road * Heath, OH 43056 * P: (740) 522-1420 * F: (740) 522-6324 * www.heathohio.gov

July 25, 2025

To the Council and the Citizens of the City of Heath, Ohio:

The City Auditor is pleased to present this Annual Comprehensive Financial Report for the City of Heath (the City) for the year ended December 31, 2024. The report has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

While there is no legal requirement for the preparation of this report, it represents a commitment by the City to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

Accounting Principles Generally Accepted in the United States of America requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Heath's MD&A can be found immediately following the Independent Auditor's Report.

The Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity; Omnibus"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City has no component units but includes the following services as authorized by its charter: police and fire protection, emergency medical response, parks and recreation, planning, zoning, street maintenance, utility billing, income tax collection and other governmental services.

CITY OF HEATH, OHIO

Letter of Transmittal

For the Year Ended December 31, 2024

The City of Heath

The City of Heath continues to be a growing community located twenty-five miles east of Ohio's capital city, Columbus. It is bounded on the north by the City of Newark, the county seat of Licking County. The City's elevation is approximately 830 feet above sea level. Its median temperatures are 75 degrees in summer and 30.2 degrees in winter. State highways 79 and 13 serve as the City's major transportation arteries. The east-west interstate highway I-70 that lies approximately 6 miles south also serves the City. Heath's 10.5 square mile area serves a residential population of 10,310 (census 2010) and an estimated daytime population of 45,000. The daytime population is concentrated in the State Route 79 corridor, the area of the Central Ohio Aerospace and Technology Center, the Indian Mound Mall, and Southgate and Cross Creek Shopping Centers.

The City of Heath was named after Fletcher Heath an employee of the Pure Oil Company, which was located just west of the City. A railroad freight station located near the company was named the Heath Station. In 1951, when area residents voted to incorporate, they created the Village of Heath. The Village of Heath became Ohio's 196th city on April 28, 1965.

Historical areas in the City of Heath include the Davis-Shai House, the old Four Mile Lock (part of the Ohio Canal), Moundbuilders State Park, and the Forry Preserve. The latter two include prehistoric Hopewell Indian mound sites. In addition, the W. Thomas Huff Indian artifact collection is on display at city hall.

The City operates under a charter, first adopted by the voters in 1964 and opened for revision by a Charter Commission every ten years. The form of government provided in the Charter is known as the "Mayor-Council Plan". All elections are non-partisan. The Mayor and the Auditor are elected for overlapping terms every four years. The legislative body of Heath consists of a seven-member Council, three of whom are elected by Ward, and four of whom are elected At-Large for overlapping four year terms. City Council elects a president every two years to preside over meetings. In the event that the office of the Mayor shall become vacant the President of Council shall become Mayor and serve for the unexpired term of the Mayor. City Council appoints the Clerk of Council and the Mayor appoints the City Law Director.

Labor Relations

A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining. The employee profile is as follows:

<u>Number of Employees</u>	<u>Employee Classification</u>
97	Classified employees
9	Elected officials
4	Appointed employees

CITY OF HEATH, OHIO

Letter of Transmittal

For the Year Ended December 31, 2024

The City has entered into bargaining agreements with the Fraternal Order of Police, Ohio Labor Council, Inc., International Association of Firefighters Local 2930 and the American Federation of State, County and Municipal Employees, AFL-CIO, Ohio Council 8. Other employees are governed by legislative action of City Council. In the judgment of the City, its employee relations have been and are considered to be good.

Full-time employees are represented by the following bargaining units:

Bargaining Unit	Agreement Expiration Date	Number of Employees Covered
Fraternal Order of Police, Ohio Labor Council (Dispatchers)	March 31, 2026	6
Fraternal Order of Police, Ohio Labor Council (Sergeants/Patrol)	March 31, 2026	20
International Association of Firefighters Local 2930	April 16, 2026	22
American Federation of State, County and Municipal Employees, AFL-CIO, Ohio Council 8	March 31, 2026	42

New police officers are not included in the union until their one-year probationary period is successfully completed. A reserve force of ten persons is authorized by order of the mayor. A thirty member volunteer fire department, operated by the Heath Firefighters Association, is authorized by City Ordinance.

The Administrative Section of the City of Heath Codified Ordinances provides for equal and similar treatment of employees employed by the city but not covered under a collective bargaining agreement. The following classifications are covered by the Administrative Section of the Heath Codified Ordinances:

- 9 Elected Officials
- 1 Appointed Assistant to the Auditor
- 1 Appointed Clerk of Council
- 1 Appointed law advisors
- 1 Exempted classified employees
- 1 Appointed Administrative Assistant
- 6 Department Heads

Letter of Transmittal

For the Year Ended December 31, 2024

ECONOMIC OUTLOOK & MAJOR INITIATIVES

After a strong tax collection year in 2023, the city's tax administrator reported that city income tax collections were up over \$1.2 million to more than \$13.65 million for 2024. The Heath-Newark-Licking County Port Authority's Central Ohio Aerospace and Technology Center continues to report strong employment numbers on its campus. Other areas of job employment growth in the city, coupled with continued wage growth of Heath residents, helped produce the strong 2024 tax collection numbers.

During 2024, work continued on the construction on BEHR Process Corporation's new paint manufacturing facility – an estimated \$80 million investment with at least 90 new jobs anticipated. The redevelopment of a former hotel site in the city brought the opening of Ultimate Shine car was on Hebron Rd., and interest for the rest of site continues to be strong.

Housing starts in the Licking County area were once again a hot topic in 2024, with numerous developments looking to come into Heath. A funding agreement with the Heath City School District was an important achievement in the development of a new, multi-use, downtown district in the city. Annexations of land, rezoned for residential development, as well as plan reviews and approvals for new houses on land in the city kept the staff of the city's building and zoning department busy. It is expected that as approvals for developments of this nature continue into 2024 and beyond, the population growth of Heath will be a result.

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance of the following:

1. The City's assets are protected against loss and unauthorized use or disposition.
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

***Letter of Transmittal
For the Year Ended December 31, 2024***

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation.
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and the Auditor's office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

The Auditor's office is responsible for the auditing and analysis of all purchase orders of the City. Personnel of the Auditor's office carefully review purchase orders to ensure the availability of monies in the proper funds and accounts prior to the certification and subsequent payment of approved invoices. The City utilizes a fully automated accounting system as well as an automated system of controls for capital asset accounting and payroll. These systems, coupled with the review and examination performed by the City Auditor's office, ensure that the financial information generated is both accurate and reliable.

Budgetary control is maintained at the object level for each department within each fund via legislation approved by City Council. The various objects are:

- Personal services
- Contractual Services
- Other Expenditures
- Transfers
- Materials and Supplies
- Capital Outlay
- Debt Service:
Principal
Interest

Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year, which coincides with the calendar year.

***Letter of Transmittal
For the Year Ended December 31, 2024***

OTHER INFORMATION

Independent Audit

An audit team from Wilson, Shannon & Snow, Inc. has performed this year's audit. The independent auditor's unmodified opinion has been included in the Independent Auditor's Report which is located at the front of the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Heath, Ohio for its Annual Comprehensive Financial Report for the year ended December 31, 2023. The City has received this award each year since 1994. The GFOA awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities that qualify. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents satisfy all program standards. The report must satisfy both accounting principles generally accepted in the United States of America (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. I believe this, our current report continues to conform to the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and I am submitting it to GFOA.

Public Disclosure

The publication of this report represents an important achievement in the ability of the City of Heath to provide significantly enhanced financial information and accountability to the citizens, its elected officials, City administration and investors. This report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

In addition to the citizens of Heath, the recipients of this report will include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization that requests it. The extensive effort to prepare and distribute this report is indicative of the City Auditor's goal of full disclosure of the City's finances.

***Letter of Transmittal
For the Year Ended December 31, 2024***

Acknowledgments

Sincere appreciation is extended to the individuals who have contributed their time and effort in gathering data for this report. I am indebted to the following staff members; Aimee Canter, Assistant Auditor; Candace Ault, HR Manager; and our Department Heads for the extra effort they put forth in the preparation of this report.

Special acknowledgment is extended to the staff of Donald J. Schonhardt and Associates, Inc. for their guidance in the preparation of this report.

Special thanks to the members of Heath City Council and Mayor Mark Johns whose support is necessary for the City of Heath to conform to reporting requirements established for municipal governments to maintain the sound financial position that the City has enjoyed for many years.

Respectfully,



Jay R. Morrow
City Auditor

CITY OF HEATH, OHIO

**List of Principal Officials
For the Year Ended December 31, 2024**

<i>ELECTED OFFICIALS</i>	<i>OFFICE</i>	<i>TERM EXPIRES</i>	<i>SURETY</i>
Mark D. Johns	Mayor	12/31/2025	B
Jay R. Morrow	Auditor	03/31/2028	
Tim Kelley	Council Member – at Large	12/31/2027	
	President of Council		
Deborah Cole	Council Member at Large	12/31/2027	
	President-Pro-Tem		
James Roberts	Council Member at Large	12/31/2027	
Adam Porter	Council Member - Ward 1	12/31/2025	
Richard Morrow	Council Member - Ward 2	12/31/2025	
Paul Moretti	Council Member - Ward 3	12/31/2025	
Jeffrey Crabill	Council Member at Large	12/31/2027	

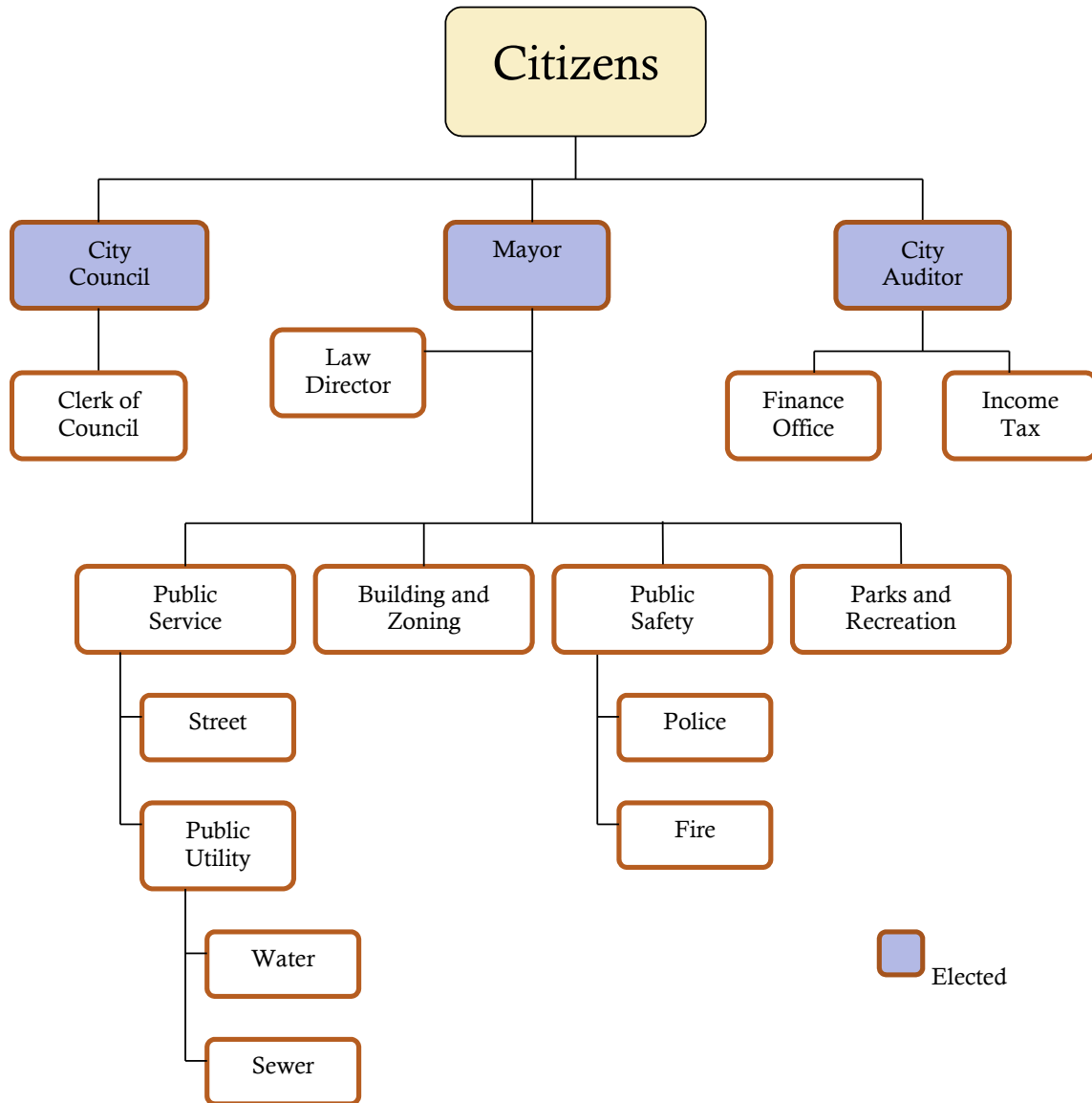
<i>ADMINISTRATIVE PERSONNEL</i>	<i>TITLE</i>	<i>TERM OF OFFICE</i>	<i>SURETY</i>
Bev Shepherd	Income Tax Commissioner	Indefinite	A
David Haren	Police Chief	Indefinite	
Warren McCord	Fire Chief	Indefinite	
John Geller	Utilities Director	Indefinite	
Robert Geller	Street and Parks Superintendent	Indefinite	
Jared Lane	Building and Zoning Inspector	Indefinite	
David C. Morrison	Law Director	Indefinite	
Aimee Canter	Assistant Auditor	Indefinite	
Tracy Dupps	Clerk of Council	Indefinite	
Ginna Peterson	Mayor's Secretary/Administrative Assistant	Indefinite	
Candace Ault	Human Resources Manager	Indefinite	
Mitch McDonough	Recreation Director	Indefinite	

(A)	\$100,000	Fidelity and Deposit Company of Maryland	06/1/04 - Indefinite
(B)	\$100,000	Ohio Farmers Insurance Company	06/1/04 - Indefinite

City Address:

Heath City Hall
1287 Hebron Road
Heath, Ohio 43056
<http://www.heathohio.gov>

***City Organizational Chart
For the Year Ended December 31, 2024***



Boards and Commissions

Parks and Recreation Board	Civil Service Commission
Air Pollution Control Board	Planning Commission
Board of Zoning and Building Appeals	Reuse Commission / Port Authority
	Charter Review Commission

***Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting***



Government Finance Officers Association

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

Presented to

**City of Heath
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

City of Heath
Licking County
1287 Hebron Road
Heath, Ohio 43056

To the City Council:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 2.A. to the basic financial statements, during 2024, the City adopted new accounting guidance in the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

City of Heath
Licking County
Independent Auditor's Report

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shannon & Son, Inc.

Newark, Ohio
July 25, 2025

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

Unaudited

The management's discussion and analysis of the City of Heath'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 transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2024 are as follows:

In total, net position increased \$1,913,437. Net position of governmental activities increased \$3,719,856 which represents a 9.1% increase from 2023. Net position of business-type activities decreased \$1,806,419 or 7.3% from 2023.

General revenues accounted for \$17.7 million in revenue or 61.6% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for 38.4% of total revenues of \$28.8 million.

The City had \$19.5 million in expenses related to governmental activities; \$5.6 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$17.7 million assisted in providing for these programs.

Among major funds, the general fund had \$17.1 million in revenues and other financing sources and \$17.1 million in expenditures and other financing uses. The general fund's fund balance decreased \$26,842 million to \$9 million.

Net position for enterprise funds decreased by \$1.8 million. Revenues were flat and expenses increased 48% in 2024 when compared to 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

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

Unaudited

Government-wide Statements

The government-wide statements report information about the City as a whole using accepting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and deferred outflows of resources and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net-position (the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as property tax base, current property tax laws, conditions of the City's streets and continued growth within the City.

The government-wide financial statements of the City are divided into two categories:

- *Governmental Activities* – Most of the City's program's and services are reported here including security of persons and property, public health and welfare, leisure time activities, community environment, transportation and general government.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water and sewer services are reported as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City's activities are reported in 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. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

Unaudited

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 uses two enterprise funds to account for water and sewer operations. Both of the enterprise funds are reported as major funds.

The internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City's internal service fund reports on the City's self-insurance programs for employee medical benefits.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary fund is a private purpose trust fund used to account for unclaimed monies.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City's net position between December 31, 2024 and 2023:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$24,889,410	\$22,507,373	\$9,082,202	\$9,852,856	\$33,971,612	\$32,360,229
Net OPEB Asset	132,907	0	56,722	0	189,629	0
Capital assets, Net	43,245,351	41,006,052	22,034,456	21,452,666	65,279,807	62,458,718
Total assets	68,267,668	63,513,425	31,173,380	31,305,522	99,441,048	94,818,947
Deferred Outflows of Resources	6,345,629	6,970,620	664,142	915,488	7,009,771	7,886,108
Net Pension Liability	16,667,535	15,971,289	1,727,695	1,881,846	18,395,230	17,853,135
Net OPEB Liability	953,668	969,921	0	37,493	953,668	1,007,414
Long-term debt outstanding	7,055,862	7,071,027	6,437,342	4,956,151	13,493,204	12,027,178
Other liabilities	1,164,557	1,539,363	593,715	436,780	1,758,272	1,976,143
Total liabilities	25,841,622	25,551,600	8,758,752	7,312,270	34,600,374	32,863,870
Deferred Inflows of Resources	3,988,039	3,681,553	47,949	59,332	4,035,988	3,740,885
Net position						
Net investment in Capital Assets	37,544,364	34,979,311	15,376,090	16,351,753	52,920,454	51,331,064
Restricted	6,275,390	6,222,424	56,722	0	6,332,112	6,222,424
Unrestricted	963,882	49,157	7,598,009	8,497,655	8,561,891	8,546,812
Total net position	\$44,783,636	\$41,250,892	\$23,030,821	\$24,849,408	\$67,814,457	\$66,100,300

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

Unaudited

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

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability/(asset)*.

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

Unaudited

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

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

This space intentionally left blank

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

Unaudited

Changes in Net position – The following table shows the changes in net position for the year 2024 and 2023:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for Services and Sales	\$2,021,357	\$1,181,369	\$5,495,551	\$5,022,504	\$7,516,908	\$6,203,873
Operating Grants and Contributions	2,104,044	1,068,203	0	0	2,104,044	1,068,203
Capital Grants and Contributions	1,452,488	547,556	0	424,513	1,452,488	972,069
Total Program Revenues	5,577,889	2,797,128	5,495,551	5,447,017	11,073,440	8,244,145
General revenues:						
Property Taxes	2,374,430	1,775,393	0	0	2,374,430	1,775,393
Income Taxes	13,813,644	13,116,339	0	0	13,813,644	13,116,339
Intergovernmental Revenue, Unrestricted	464,946	725,494	0	0	464,946	725,494
Investment Earnings	938,342	970,170	23,142	22,456	961,484	992,626
Miscellaneous	118,809	195,304	0	0	118,809	195,304
Total General Revenues	17,710,171	16,782,700	23,142	22,456	17,733,313	16,805,156
Total Revenues	23,288,060	19,579,828	5,518,693	5,469,473	28,806,753	25,049,301
Program Expenses:						
Security of Persons and Property	10,394,523	9,229,742	0	0	10,394,523	9,229,742
Public Health and Welfare Services	60,893	0	0	0	60,893	0
Leisure Time Activities	2,204,978	1,867,831	0	0	2,204,978	1,867,831
Community Environment	1,021,369	639,080	0	0	1,021,369	639,080
Basic Utility Services	92,584	119,902	0	0	92,584	119,902
Transportation	3,055,739	4,979,401	0	0	3,055,739	4,979,401
General Government	2,447,180	1,977,197	0	0	2,447,180	1,977,197
Interest on Long-Term Debt	208,391	70,464	0	0	208,391	70,464
Business Type Activities:						
Water	0	0	3,047,383	2,341,438	3,047,383	2,341,438
Sewer	0	0	4,360,276	2,665,175	4,360,276	2,665,175
Total Expenses	19,485,657	18,883,617	7,407,659	5,006,613	26,893,316	23,890,230
Change in Net Assets before transfers	3,802,403	696,211	(1,888,966)	462,860	1,913,437	1,159,071
Transfers	(82,547)	(82,650)	82,547	82,650	0	0
Total Change in Net Position	3,719,856	613,561	(1,806,419)	545,510	1,913,437	1,159,071
Beginning Net Position	41,063,780	40,637,331	24,837,240	24,303,898	65,901,020	64,941,229
Ending Net Position	\$44,783,636	\$41,250,892	\$23,030,821	\$24,849,408	\$67,814,457	\$66,100,300

Governmental Activities

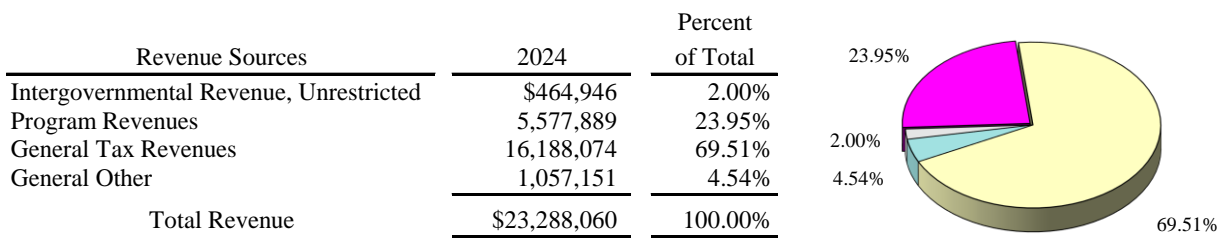
Net position of the City's governmental activities increased by \$3.7 million. Revenues increased 18.9% compared with 2023 and expenses increased 3.2%. The large increase in revenues is across virtually all categories.

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

In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

The City also receives an income tax, which is based on 2.0% of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City.

Property taxes and income taxes made up 10.19% and 59.32% respectively of revenues for governmental activities for the City in 2024. The City's reliance upon tax revenues is demonstrated by the following graph indicating 69.51% of total revenues from general tax revenues:

***Business-Type Activities***

Net position of the business-type activities decreased by \$1.8 million. The 7.3% decrease in net position can be attributed to a large increase in expenses related to various water and sewer improvement projects taking place throughout the City.

**Management's Discussion and Analysis
For the Year Ended December 31, 2024****Unaudited****FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$18,945,118, which is an increase from last year's balance of \$17,249,688. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2024 and 2023:

	Fund Balance December 31, 2024	Fund Balance December 31, 2023	Increase (Decrease)
General	\$8,954,539	\$8,981,381	(\$26,842)
Street Construction, Maintenance and Repair	712,897	1,115,957	(403,060)
Fire Levy	1,284,226	1,417,628	(133,402)
General Obligation Debt Service	2,756,196	2,142,694	613,502
Capital Improvement	3,603,791	2,440,863	1,162,928
Other Governmental	1,633,469	1,151,165	482,304
Total	<u>\$18,945,118</u>	<u>\$17,249,688</u>	<u>\$1,695,430</u>

General Fund – The City's General Fund balance remained flat when compared to 2023. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2024 Revenues	2023 Revenues	Increase (Decrease)
Taxes	\$13,045,244	\$12,089,619	\$955,625
Intergovernmental Revenue	730,922	1,162,779	(431,857)
Charges for Services	854,957	772,709	82,248
Licenses and Permits	300,679	142,336	158,343
Investment Earnings	917,253	956,135	(38,882)
Fines and Forfeitures	11,470	7,030	4,440
Donations	1,118,068	0	1,118,068
All Other Revenue	111,460	195,304	(83,844)
Total	<u>\$17,090,053</u>	<u>\$15,325,912</u>	<u>\$1,764,141</u>

General Fund revenues increased by 11.5% over 2023. Increased tax revenues and donations accounted for the majority of the increase and helped offset the decrease in intergovernmental revenue. The donations are related to the large Microsoft project taking place in the City.

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

	2024	2023	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$8,620,334	\$6,583,183	\$2,037,151
Public Health and Welfare Services	60,893	0	60,893
Leisure Time Activities	1,083,188	911,252	171,936
Community Environment	923,596	605,734	317,862
General Government	2,292,506	1,971,754	320,752
Total	<u>\$12,980,517</u>	<u>\$10,071,923</u>	<u>\$2,908,594</u>

General Fund expenditures increased by \$2.9 million or 28.9% over the prior year. Security of persons and property accounted for the majority of the increase.

Street Construction, Maintenance and Repair Fund – The balance in this fund can vary depending upon the level of road projects taking place in a given year. For 2024, the balance in this fund decreased by \$403,060 primarily as a result of increased road projects.

Fire Levy Fund – The balance of this fund decreased by \$133,402 or 9.4% below the prior year primarily as a result of expenditures outpacing revenues in 2024.

General Obligation Debt Service Fund – The balance of this fund increased by \$613,502 or 28.6% above the prior year primarily as a result of tax revenues outpacing debt service expenditures.

Capital Improvement Fund – The balance in this fund can vary depending upon the level of capital projects taking place in a given year. For 2024, the balance in this fund increased by \$1.2 million primarily as a result of decreased transfers out.

GENERAL FUND BUDGETARY 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 variances between the final budget and the actual revenues are solely the result of the City Auditor's decision to conservatively estimate revenues. The City increased its expenditure budget by \$4.2 million. The majority of the increase was for additional transfers. The increases amongst the various functions were minimal.

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

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024 the City had \$65,279,807 net of accumulated depreciation invested in land, construction in progress, buildings, improvements other than buildings, machinery and equipment and infrastructure. Of this total, \$43,245,351 was related to governmental activities and \$22,034,456 to the business-type activities. The following table shows 2024 and 2023 balances:

	Governmental Activities		Increase (Decrease)
	2024	2023	
Land	\$9,972,549	\$9,767,881	\$204,668
Construction in Progress	447,569	0	447,569
Total Non-Depreciable Capital Assets	10,420,118	9,767,881	652,237
Buildings	6,700,766	6,607,538	93,228
Improvements Other Than Buildings	5,644,945	5,829,246	(184,301)
Machinery and Equipment	10,459,566	9,287,401	1,172,165
Leased Machinery and Equipment	389,115	389,115	0
Infrastructure	37,647,795	36,631,288	1,016,507
Less: Accumulated Depreciation	(28,016,954)	(27,506,417)	(510,537)
Total Depreciable Capital Assets, Net	32,825,233	31,238,171	1,587,062
Totals	\$43,245,351	\$41,006,052	\$2,239,299

	Business-Type Activities		Increase (Decrease)
	2024	2023	
Land	\$985,374	\$985,374	\$0
Construction in Progress	2,735,918	2,123,894	612,024
Total Non-Depreciable Capital Assets	3,721,292	3,109,268	612,024
Buildings	17,080,722	17,018,225	62,497
Improvements Other Than Buildings	4,095,148	4,095,148	0
Machinery and Equipment	7,144,320	7,636,021	(491,701)
Leased Machinery and Equipment	398,445	398,445	0
Infrastructure	20,818,183	19,848,150	970,033
Less: Accumulated Depreciation	(31,223,654)	(30,652,591)	(571,063)
Total Depreciable Capital Assets, Net	18,313,164	18,343,398	(30,234)
Totals	\$22,034,456	\$21,452,666	\$581,790

The largest increase in governmental activities capital assets occurred in the machinery and equipment and infrastructure categories.

Additional information on the City's capital assets can be found in Note 9.

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

Debt

At December 31, 2024, the City had \$5,010,480 in bonds outstanding, \$175,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2024 and 2023:

	2024	2023
Governmental Activities:		
General Obligation Bonds	\$5,010,480	\$5,204,966
Installment Loans Payable	30,000	60,000
OPWC Loans	453,021	471,637
Compensated Absences	1,354,875	1,044,286
Leases Payable	207,486	290,138
Total Governmental Activities	7,055,862	7,071,027
Business-Type Activities:		
OWDA Loans	4,993,463	3,978,359
OPWC Loans	1,017,534	511,499
Compensated Absences	187,761	156,544
Leases Payable	238,584	309,749
Total Business-Type Activities	6,437,342	4,956,151
Totals	\$13,493,204	\$12,027,178

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which the City lies, is limited to ten mills. At December 31, 2024, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

ECONOMIC FACTORS

Income tax collections for 2024 increased 5.3% from 2023.

In an effort to reduce expenses, capital projects and capital acquisitions were dramatically reduced, and only those items that were really necessary were appropriated. Also affecting the General Fund and budget are the upwardly spiraling health insurance costs.

City Council continues to review the possibility of increasing existing revenue sources.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Auditor's Office by calling (740) 522-1420 or writing to City of Heath Auditor's Office, 1287 Hebron Rd., Heath, Ohio 43056.

CITY OF HEATH, OHIO

**Statement of Net Position
December 31, 2024**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$ 19,064,077	\$ 7,763,987	\$ 26,828,064
Receivables:			
Taxes	4,072,741	0	4,072,741
Accounts	1,222,481	364,990	1,587,471
Intergovernmental	592,706	424,705	1,017,411
Internal Balances	(307,984)	307,984	0
Inventory of Supplies at Cost	107,988	202,655	310,643
Prepaid Items	95,090	17,881	112,971
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	42,311	0	42,311
Net OPEB Asset	132,907	56,722	189,629
Non-Depreciable Capital Assets	10,420,118	3,721,292	14,141,410
Depreciable Capital Assets, Net	32,825,233	18,313,164	51,138,397
Total Assets	68,267,668	31,173,380	99,441,048
Deferred Outflows of Resources:			
Pension	5,705,764	615,475	6,321,239
OPEB	639,865	48,667	688,532
Total Deferred Outflows of Resources	6,345,629	664,142	7,009,771
Liabilities:			
Accounts Payable	498,557	511,234	1,009,791
Accrued Wages and Benefits Payable	453,965	78,542	532,507
Intergovernmental Payable	2,539	0	2,539
Claims Payable	192,306	0	192,306
Accrued Interest Payable	17,190	3,939	21,129
Noncurrent liabilities:			
Due within one year	811,481	593,216	1,404,697
Due in more than one year:			
Net Pension Liability	16,667,535	1,727,695	18,395,230
Net OPEB Liability	953,668	0	953,668
Other Amounts Due in More Than One Year	6,244,381	5,844,126	12,088,507
Total Liabilities	25,841,622	8,758,752	34,600,374

(Continued)

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	2,565,552	0	2,565,552
Pension	505,637	15,492	521,129
OPEB	916,850	32,457	949,307
Total Deferred Inflows of Resources:	3,988,039	47,949	4,035,988
Net Position:			
Net Investment in Capital Assets	37,544,364	15,376,090	52,920,454
Restricted For:			
Debt Service	2,759,408	0	2,759,408
Security of Persons	1,497,194	0	1,497,194
Transportation	1,662,238	0	1,662,238
Leisure Time Activities	72,114	0	72,114
General Government	151,529	0	151,529
OPEB Asset	132,907	56,722	189,629
Unrestricted	963,882	7,598,009	8,561,891
Total Net Position	\$ 44,783,636	\$ 23,030,821	\$ 67,814,457

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

**Statement of Activities
For the Year Ended December 31, 2024**

		Program Revenues		
		Charges for	Operating Grants	Capital Grants
		Services and	and	and
	Expenses	Sales	Contributions	Contributions
Governmental Activities:				
Security of Persons and Property	\$ 10,394,523	\$ 929,288	\$ 0	\$ 0
Public Health and Welfare Services	60,893	100,062	0	0
Leisure Time Activities	2,204,978	631,946	0	0
Community Environment	1,021,369	142,671	0	0
Basic Utility Services	92,584	0	0	0
Transportation	3,055,739	100,880	1,594,282	1,452,488
General Government	2,447,180	116,510	509,762	0
Interest on Long-Term Debt	208,391	0	0	0
Total Governmental Activities	19,485,657	2,021,357	2,104,044	1,452,488
Business-Type Activities:				
Water	3,047,383	2,767,284	0	0
Sewer	4,360,276	2,728,267	0	0
Total Business-Type Activities	7,407,659	5,495,551	0	0
Totals	\$ 26,893,316	\$ 7,516,908	\$ 2,104,044	\$ 1,452,488

General Revenues:

Property Taxes
Municipal Income Taxes
Intergovernmental Revenues, Unrestricted
Investment Earnings
Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Previously Reported

Change in Accounting Principle (GASB Statement 101)

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (9,465,235)	\$ 0	\$ (9,465,235)
39,169	0	39,169
(1,573,032)	0	(1,573,032)
(878,698)	0	(878,698)
(92,584)	0	(92,584)
91,911	0	91,911
(1,820,908)	0	(1,820,908)
(208,391)	0	(208,391)
<u>(13,907,768)</u>	<u>0</u>	<u>(13,907,768)</u>
0	(280,099)	(280,099)
0	(1,632,009)	(1,632,009)
<u>0</u>	<u>(1,912,108)</u>	<u>(1,912,108)</u>
<u>(13,907,768)</u>	<u>(1,912,108)</u>	<u>(15,819,876)</u>
2,374,430	0	2,374,430
13,813,644	0	13,813,644
464,946	0	464,946
938,342	23,142	961,484
118,809	0	118,809
(82,547)	82,547	0
<u>17,627,624</u>	<u>105,689</u>	<u>17,733,313</u>
3,719,856	(1,806,419)	1,913,437
41,250,892	24,849,408	66,100,300
(187,112)	(12,168)	(199,280)
<u>41,063,780</u>	<u>24,837,240</u>	<u>65,901,020</u>
<u>\$ 44,783,636</u>	<u>\$ 23,030,821</u>	<u>\$ 67,814,457</u>

CITY OF HEATH, OHIO

**Balance Sheet
Governmental Funds
December 31, 2024**

	General	Street Construction, Maintenance and Repair	Fire Levy	General Obligation Debt Service
Assets:				
Equity in Pooled Cash and Investments	\$ 7,160,375	\$ 575,630	\$ 1,328,373	\$ 2,698,726
Receivables:				
Taxes	2,397,778	0	1,216,152	77,872
Accounts	1,123,264	0	0	0
Intergovernmental	143,332	336,532	2,279	0
Inventory of Supplies, at Cost	37,935	63,670	0	0
Prepaid Items	83,506	9,171	2,413	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	<u>\$ 10,946,190</u>	<u>\$ 985,003</u>	<u>\$ 2,549,217</u>	<u>\$ 2,776,598</u>
Liabilities:				
Accounts Payable	\$ 177,612	\$ 21,755	\$ 25,463	\$ 0
Accrued Wages and Benefits Payable	277,814	32,503	21,097	0
Intergovernmental Payable	2,539	0	0	0
Total Liabilities	<u>457,965</u>	<u>54,258</u>	<u>46,560</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	454,796	217,848	13,703	20,402
Property Tax Levy for Next Fiscal Year	1,078,890	0	1,204,728	0
Total Deferred Inflows of Resources	<u>1,533,686</u>	<u>217,848</u>	<u>1,218,431</u>	<u>20,402</u>
Fund Balances:				
Nonspendable	121,441	72,841	2,413	0
Restricted	0	640,056	1,281,813	2,756,196
Committed	0	0	0	0
Assigned	2,762,111	0	0	0
Unassigned	6,070,987	0	0	0
Total Fund Balances	<u>8,954,539</u>	<u>712,897</u>	<u>1,284,226</u>	<u>2,756,196</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,946,190</u>	<u>\$ 985,003</u>	<u>\$ 2,549,217</u>	<u>\$ 2,776,598</u>

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 3,573,626	\$ 1,946,162	\$ 17,282,892
96,413	284,526	4,072,741
0	70,217	1,193,481
0	110,563	592,706
0	6,383	107,988
0	0	95,090
0	42,311	42,311
<u>\$ 3,670,039</u>	<u>\$ 2,460,162</u>	<u>\$ 23,387,209</u>
\$ 40,988	\$ 232,739	\$ 498,557
0	122,551	453,965
0	0	2,539
<u>40,988</u>	<u>355,290</u>	<u>955,061</u>
25,260	189,469	921,478
0	281,934	2,565,552
<u>25,260</u>	<u>471,403</u>	<u>3,487,030</u>
0	6,383	203,078
0	1,174,416	5,852,481
3,603,791	575,221	4,179,012
0	0	2,762,111
0	(122,551)	5,948,436
<u>3,603,791</u>	<u>1,633,469</u>	<u>18,945,118</u>
<u>\$ 3,670,039</u>	<u>\$ 2,460,162</u>	<u>\$ 23,387,209</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2024***

Total Governmental Fund Balances	\$ 18,945,118
---	----------------------

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

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	43,245,351
--	------------

Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.	921,478
---	---------

Long-term liabilities, including bonds payable and interest, are not due and payable in the current period and therefore are not reported in the funds.	(7,073,052)
--	-------------

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.	(12,565,154)
--	--------------

The 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 is included in governmental activities in the statement of net position. This is the balance that is recorded in the governmental activities.	<u>1,309,895</u>
---	------------------

<i>Net Position of Governmental Activities</i>	<u><u>\$ 44,783,636</u></u>
---	------------------------------------

See accompanying notes to the basic financial statements



CITY OF HEATH, OHIO

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

	General	Street Constuction, Maintenance and Repair	Fire Levy
Revenues:			
Taxes	\$ 13,045,244	\$ 0	\$ 1,130,789
Intergovernmental Revenues	730,922	1,314,098	4,558
Charges for Services	854,957	15,430	0
Licenses and Permits	300,679	0	0
Investment Earnings	917,253	0	8,349
Fines and Forfeitures	11,470	0	0
Donations	1,118,068	0	0
All Other Revenue	111,460	9,213	682
Total Revenues	17,090,053	1,338,741	1,144,378
Expenditures:			
Current:			
Security of Persons and Property	8,620,334	0	1,277,780
Public Health and Welfare Services	60,893	0	0
Leisure Time Activities	1,083,188	0	0
Community Environment	923,596	0	0
Basic Utility Services	0	0	0
Transportation	0	3,165,233	0
General Government	2,292,506	0	0
Debt Service:			
Principal Retirement	0	82,652	0
Interest and Fiscal Charges	0	75,637	0
Total Expenditures	12,980,517	3,323,522	1,277,780
Excess (Deficiency) of Revenues Over Expenditures	4,109,536	(1,984,781)	(133,402)
Other Financing Sources (Uses):			
Transfers In	10,000	1,581,721	0
Transfers Out	(4,146,378)	0	0
Total Other Financing Sources (Uses)	(4,136,378)	1,581,721	0
Net Change in Fund Balances	(26,842)	(403,060)	(133,402)
Fund Balances as Previously Reported	8,981,381	1,115,957	1,417,628
Change in Financial Reporting Entity (Major/Non-Major Funds)	0	0	0
Fund Balances at Beginning of Year - Restated	8,981,381	1,115,957	1,417,628
Fund Balances End of Year	\$ 8,954,539	\$ 712,897	\$ 1,284,226

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

Formerly Non-Major			
General Obligation Debt Service	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 744,665	\$ 921,965	\$ 255,631	\$ 16,098,294
0	0	805,896	2,855,474
0	0	628,227	1,498,614
0	0	0	300,679
0	0	12,740	938,342
0	0	48,160	59,630
0	0	0	1,118,068
0	0	149,540	270,895
<u>744,665</u>	<u>921,965</u>	<u>1,900,194</u>	<u>23,139,996</u>
0	159,482	953,479	11,011,075
0	0	0	60,893
0	367,645	705,894	2,156,727
0	0	0	923,596
0	92,584	0	92,584
0	527,214	461,017	4,153,464
0	134,619	0	2,427,125
48,616	0	175,000	306,268
0	0	154,650	230,287
<u>48,616</u>	<u>1,281,544</u>	<u>2,450,040</u>	<u>21,362,019</u>
696,049	(359,579)	(549,846)	1,777,977
0	1,652,507	1,696,589	4,940,817
(82,547)	(130,000)	(664,439)	(5,023,364)
<u>(82,547)</u>	<u>1,522,507</u>	<u>1,032,150</u>	<u>(82,547)</u>
613,502	1,162,928	482,304	1,695,430
0	2,440,863	3,293,859	17,249,688
2,142,694	0	(2,142,694)	0
<u>2,142,694</u>	<u>2,440,863</u>	<u>1,151,165</u>	<u>17,249,688</u>
<u>\$ 2,756,196</u>	<u>\$ 3,603,791</u>	<u>\$ 1,633,469</u>	<u>\$ 18,945,118</u>

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2024***

Net Change in Fund Balances - Total Governmental Funds \$ 1,695,430

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation. 2,599,107

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (359,808)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 148,064

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,336,706

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (2,107,606)

The repayment of principal of long-term debt consumes current financial resources of governmental funds, however, it does not effect net position. 306,268

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 21,896

Some expenses reported in the statement of activities, such as change in compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (137,341)

The Internal Service Fund is used to charge the cost of services (e.g. insurance) to individual funds and is not included in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the City's Internal Service Fund is allocated among the governmental activities. 217,140

Change in Net Position of Governmental Activities \$ 3,719,856

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 10,817,516	\$ 10,817,516	\$ 13,005,970	\$ 2,188,454
Intergovernmental Revenue	303,920	303,920	866,703	562,783
Charges for Services	642,575	642,575	853,007	210,432
Licenses and Permits	241,800	241,800	300,679	58,879
Investment Earnings	250,000	250,000	695,113	445,113
Fines and Forfeitures	8,200	8,200	11,470	3,270
All Other Revenues	90,800	90,800	118,809	28,009
Total Revenues	<u>12,354,811</u>	<u>12,354,811</u>	<u>15,851,751</u>	<u>3,496,940</u>
Expenditures:				
Current:				
Security of Persons and Property	8,148,452	9,216,185	8,694,949	521,236
Public Health and Welfare Services	62,000	62,000	60,893	1,107
Leisure Time Activities	1,391,014	1,433,082	1,220,259	212,823
Community Environment	1,088,315	1,571,035	1,358,239	212,796
General Government	2,457,952	2,619,412	2,275,301	344,111
Total Expenditures	<u>13,147,733</u>	<u>14,901,714</u>	<u>13,609,641</u>	<u>1,292,073</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(792,922)	(2,546,903)	2,242,110	4,789,013
Other Financing Sources (Uses):				
Transfers In	0	0	10,000	10,000
Transfers Out	<u>(1,685,000)</u>	<u>(4,146,378)</u>	<u>(4,146,378)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>(1,685,000)</u>	<u>(4,146,378)</u>	<u>(4,136,378)</u>	<u>10,000</u>
Net Change in Fund Balance	(2,477,922)	(6,693,281)	(1,894,268)	4,799,013
Fund Balance at Beginning of Year	8,093,966	8,093,966	8,093,966	0
Prior Year Encumbrances	370,374	370,374	370,374	0
Fund Balance at End of Year	<u>\$ 5,986,418</u>	<u>\$ 1,771,059</u>	<u>\$ 6,570,072</u>	<u>\$ 4,799,013</u>

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenue	\$ 650,000	\$ 650,000	\$ 683,821	\$ 33,821
Charges for Services	0	0	5,981	5,981
All Other Revenues	4,000	4,000	9,213	5,213
Total Revenues	654,000	654,000	699,015	45,015
Expenditures:				
Current:				
Transportation	2,797,887	3,365,698	3,215,704	149,994
Total Expenditures	2,797,887	3,365,698	3,215,704	149,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,143,887)	(2,711,698)	(2,516,689)	195,009
Other Financing Sources (Uses):				
Transfers In	595,000	1,506,390	1,581,721	75,331
Total Other Financing Sources (Uses):	595,000	1,506,390	1,581,721	75,331
Net Change in Fund Balance	(1,548,887)	(1,205,308)	(934,968)	270,340
Fund Balance at Beginning of Year	459,642	459,642	459,642	0
Prior Year Encumbrances	745,666	745,666	745,666	0
Fund Balance at End of Year	\$ (343,579)	\$ 0	\$ 270,340	\$ 270,340

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

***Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Fire Levy Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 838,615	\$ 838,615	\$ 1,130,789	\$ 292,174
Intergovernmental Revenue	57,640	57,640	4,558	(53,082)
Investment Earnings	0	0	8,349	8,349
All Other Revenues	100	100	682	582
Total Revenues	<u>896,355</u>	<u>896,355</u>	<u>1,144,378</u>	<u>248,023</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>653,345</u>	<u>1,515,687</u>	<u>1,447,904</u>	<u>67,783</u>
Total Expenditures	<u>653,345</u>	<u>1,515,687</u>	<u>1,447,904</u>	<u>67,783</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	243,010	(619,332)	(303,526)	315,806
Fund Balance at Beginning of Year	1,396,932	1,396,932	1,396,932	0
Prior Year Encumbrances	<u>30,787</u>	<u>30,787</u>	<u>30,787</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,670,729</u>	<u>\$ 808,387</u>	<u>\$ 1,124,193</u>	<u>\$ 315,806</u>

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2024**

	Business-Type Activities				
	Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Total Enterprise Funds		
ASSETS:					
Current assets:					
Equity in Pooled Cash and Investments	\$ 4,551,411	\$ 3,212,576	\$ 7,763,987	\$	1,781,185
Receivables:					
Accounts	226,182	138,808	364,990		29,000
Intergovernmental	0	424,705	424,705		0
Inventory of Supplies at Cost	190,179	12,476	202,655		0
Prepaid Items	8,951	8,930	17,881		0
Total current assets	4,976,723	3,797,495	8,774,218		1,810,185
Noncurrent assets:					
Net OPEB Asset	27,930	28,792	56,722		0
Non-Depreciable Capital Assets	2,068,965	1,652,327	3,721,292		0
Depreciable Capital Assets, Net	9,793,439	8,519,725	18,313,164		0
Total noncurrent assets	11,890,334	10,200,844	22,091,178		0
Total Assets	16,867,057	13,998,339	30,865,396		1,810,185
Deferred Outflows of Resources:					
Pension	303,072	312,403	615,475		0
OPEB	23,965	24,702	48,667		0
Total Deferred Outflows of Resources	327,037	337,105	664,142		0
LIABILITIES:					
Current Liabilities:					
Accounts Payable	38,964	472,270	511,234		0
Accrued Wages and Benefits Payable	38,391	40,151	78,542		0
Claims Payable	0	0	0		192,306
Accrued Interest Payable	0	3,939	3,939		0
Leases Payable - Current	0	75,192	75,192		0
OWDA Loans Payable - Current	61,612	324,032	385,644		0
OPWC Loans Payable - Current	56,537	3,476	60,013		0
Compensated Absences Payable - Current	32,025	40,342	72,367		0
Total current liabilities	227,529	959,402	1,186,931		192,306

(Continued)

	Business-Type Activities			
	Enterprise Funds			Governmental
	Water	Sewer	Total Enterprise Funds	Activities - Internal Service Fund
Noncurrent liabilities:				
Leases Payable	0	163,392	163,392	0
OWDA Loans Payable	896,735	3,711,084	4,607,819	0
OPWC Loans Payable	910,618	46,903	957,521	0
Compensated Absences Payable	44,606	70,788	115,394	0
Net Pension Liability	850,748	876,947	1,727,695	0
Total noncurrent liabilities	2,702,707	4,869,114	7,571,821	0
Total Liabilities	2,930,236	5,828,516	8,758,752	192,306
Deferred Inflows of Resources:				
Pension	8,038	7,454	15,492	0
OPEB	15,983	16,474	32,457	0
Total Deferred Inflows of Resources	24,021	23,928	47,949	0
NET POSITION:				
Net Investment in Capital Assets	9,936,902	5,439,188	15,376,090	0
Restricted for OPEB Asset	27,930	28,792	56,722	0
Unrestricted	4,275,005	3,015,020	7,290,025	1,617,879
Total net position	\$ 14,239,837	\$ 8,483,000	22,722,837	\$ 1,617,879
Adjustment to reflect the consolidation of internal fund activities related to the enterprise funds.			307,984	
Net Position of Business-type Activities			\$ 23,030,821	
See accompanying notes to the basic financial statements				

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

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

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Total Enterprise Funds	Governmental Activities - Internal Service Fund
Operating Revenues:				
Charges for Services	\$ 2,762,781	\$ 2,725,109	\$ 5,487,890	\$ 1,596,500
Other Operating Revenue	4,503	3,158	7,661	1,162,900
Total Operating Revenues	<u>2,767,284</u>	<u>2,728,267</u>	<u>5,495,551</u>	<u>2,759,400</u>
Operating Expenses:				
Personal Services	997,361	1,088,482	2,085,843	0
Contractual Services	1,191,056	2,395,107	3,586,163	0
Materials and Supplies	238,972	160,152	399,124	0
Health Claims Expense	0	0	0	2,494,771
Depreciation	621,155	644,513	1,265,668	0
Total Operating Expenses	<u>3,048,544</u>	<u>4,288,254</u>	<u>7,336,798</u>	<u>2,494,771</u>
Operating Income (Loss)	<u>(281,260)</u>	<u>(1,559,987)</u>	<u>(1,841,247)</u>	<u>264,629</u>
Non-operating Revenue (Expenses):				
Investment Earnings	4,842	18,300	23,142	0
Interest and Fiscal Charges	(22,280)	(84,198)	(106,478)	0
Loss on Disposal of Capital Assets	0	(11,872)	(11,872)	0
Total Non-operating Revenues (Expenses)	<u>(17,438)</u>	<u>(77,770)</u>	<u>(95,208)</u>	<u>0</u>
Income (Loss) Before Transfers and Contributions	<u>(298,698)</u>	<u>(1,637,757)</u>	<u>(1,936,455)</u>	<u>264,629</u>
Transfers In	<u>82,547</u>	<u>0</u>	<u>82,547</u>	<u>0</u>
Change in Net Position	<u>(216,151)</u>	<u>(1,637,757)</u>	<u>(1,853,908)</u>	<u>264,629</u>
Net Position Previously Reported	14,455,326	10,133,587	24,588,913	1,353,250
Change in Accounting Principle (GASB Statement 101)	662	(12,830)	(12,168)	0
Net Position Beginning of Year, As Restated	<u>14,455,988</u>	<u>10,120,757</u>	<u>24,576,745</u>	<u>1,353,250</u>
Net Position End of Year	<u>\$ 14,239,837</u>	<u>\$ 8,483,000</u>	<u>22,722,837</u>	<u>\$ 1,617,879</u>
Change in Net Position - Total Enterprise Funds			(1,853,908)	
Adjustment to reflect the consolidation of internal fund activities related to the enterprise funds.			47,489	
Change in Net Position - Business-type Activities			<u>\$ (1,806,419)</u>	

See accompanying notes to the basic financial statements



CITY OF HEATH, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-Type Activities Enterprise Funds			Governmental- Activities Internal Service Fund
	Water	Sewer	Total	
Cash Flows from Operating Activities:				
Cash Received from Customers	\$2,713,330	\$2,769,060	\$5,482,390	\$0
Cash Received from Interfund Services	0	0	0	1,596,500
Cash Payments for Goods and Services	(1,548,114)	(2,548,409)	(4,096,523)	(2,523,326)
Cash Payments to Employees	(1,015,094)	(1,045,359)	(2,060,453)	0
Other Operating Cash Receipts	4,503	1,754	6,257	1,150,891
Net Cash Provided (Used) by Operating Activities	154,625	(822,954)	(668,329)	224,065
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	82,547	0	82,547	0
Net Cash Provided by Noncapital Financing Activities	82,547	0	82,547	0
Cash Flows from Capital and Related Financing Activities:				
Ohio Public Works Commission Loan Initiated	536,057	0	536,057	0
Ohio Water Development Authority Loan Initiated	0	1,134,101	1,134,101	0
Principal Paid on Lease Payable	0	(71,165)	(71,165)	0
Acquisition and Construction of Assets	(862,943)	(888,907)	(1,751,850)	0
Principal Paid on Ohio Water Development Authority Loans	(60,267)	(479,687)	(539,954)	0
Principal Paid on Ohio Public Works Commission Loans	(26,546)	(3,476)	(30,022)	0
Interest Paid on All Debt	(22,280)	(85,373)	(107,653)	0
Net Cash Used for Capital and Related Financing Activities	(435,979)	(394,507)	(830,486)	0
Cash Flows from Investing Activities:				
Receipts of Interest	4,842	18,300	23,142	0
Net Cash Provided for Investing Activities	4,842	18,300	23,142	0
Net Increase (Decrease) in Cash and Cash Equivalents	(193,965)	(1,199,161)	(1,393,126)	224,065
Cash and Cash Equivalents at Beginning of Year	4,745,376	4,411,737	9,157,113	1,557,120
Cash and Cash Equivalents at End of Year	\$4,551,411	\$3,212,576	\$7,763,987	\$1,781,185

(Continued)

CITY OF HEATH, OHIO

	Business-Type Activities Enterprise Funds			Governmental- Activities Internal Service Fund
	Water	Sewer	Total	
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	(\$281,260)	(\$1,559,987)	(\$1,841,247)	\$264,629
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	621,155	644,513	1,265,668	0
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(49,467)	43,951	(5,516)	(12,009)
(Increase) in Intergovernmental Receivable	0	(1,404)	(1,404)	0
(Increase) in Inventory	(126,977)	(3,624)	(130,601)	0
(Increase) Decrease in Prepaid Items	(8,199)	(8,306)	(16,505)	3,452
(Increase) in Net OPEB Asset	(27,930)	(28,792)	(56,722)	0
Decrease in Deferred Outflows - Pension	114,183	74,745	188,928	0
Decrease in Deferred Outflows - OPEB	33,674	28,744	62,418	0
Increase in Accounts Payable	8,274	20,384	28,658	0
(Decrease) in Health Claims Payable	0	0	0	(32,007)
Increase in Accrued Wages and Benefits Payable	14,755	17,617	32,372	0
(Decrease) in Intergovernmental Payable	0	(10,400)	(10,400)	0
Increase in Compensated Absences Payable	8,324	10,725	19,049	0
(Decrease) in Deferred Inflows - Pension	(16,331)	(15,143)	(31,474)	0
Increase in Deferred Inflows - OPEB	9,566	10,525	20,091	0
(Decrease) in Net Pension Liability	(125,687)	(28,464)	(154,151)	0
(Decrease) in Net OPEB Liability	(19,455)	(18,038)	(37,493)	0
Total Adjustments	435,885	737,033	1,172,918	(40,564)
Net Cash Provided (Used) by Operating Activities	<u>\$154,625</u>	<u>(\$822,954)</u>	<u>(\$668,329)</u>	<u>\$224,065</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2024 the Sewer Fund had a liability of \$408,785 for the purchase of capital assets. The Sewer fund also had a receivable for reimbursable OWDA loan proceeds of \$422,736. The Sewer fund had a receivable for OWDA proceeds of \$1,779 at December 31, 2023

See accompanying notes to the basic financial statements

CITY OF HEATH, OHIO

***Statement of Net Position
Fiduciary Fund
December 31, 2024***

	Private Purpose Trust
Assets:	
Equity in Pooled Cash and Investments	\$ 35,856
Total Assets	<u>35,856</u>
Liabilities:	
Total Liabilities	<u>0</u>
Net Position:	
Unrestricted	35,856
Total Net Position	<u>\$ 35,856</u>

See accompanying notes to the basic financial statements

***Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2024***

	Private Purpose Trust
Additions:	
Contributions	\$ 8,057
Total Additions	8,057
Deductions:	
Total Deductions	0
Change in Net Position	8,057
Net Position at Beginning of Year	27,799
Net Position End of Year	\$ 35,856

See accompanying notes to the basic financial statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Heath, Ohio (the "City") is a home rule municipal corporation created under the laws of the State of Ohio. Heath was first incorporated as a village on March 21, 1952 and achieved city status on April 28, 1965. The City currently operates under and is governed by its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted in 1964.

The financial statements are presented as of December 31, 2024 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity; Omnibus"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, emergency medical, parks, recreation, planning, zoning, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system and a wastewater treatment and collection system which are reported as enterprise funds.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources and fund balances, revenues and expenditures (expenses). The following fund types are used by the City:

Governmental Funds - Governmental funds are those funds through which most governmental functions are typically financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

General Fund – This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Street Construction, Maintenance and Repair Fund – This fund is used to account for state levied and controlled gasoline tax and motor vehicle license fees designated for local street construction, maintenance and repair.

Fire Levy Fund – This fund is used to account for property tax collected and restricted for the operations of the Fire Department.

General Obligation Debt Service Fund – This fund is used to account for resources that are used for payment of principal, interest and fiscal charges on general obligation debt.

Capital Improvement Fund – This fund is used to account for the major capital projects undertaken by the City.

Proprietary Funds - All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that 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 balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, whereby the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's two major enterprise funds are:

Water Fund – This fund is used to account for the operation of the City's water service.

Sewer Fund – This fund is used to account for the operation of the City's sanitary sewer service.

Internal Service Fund - This fund is used to account for health insurance services provided to other departments or agencies of the governmental unit on a cost-reimbursement basis.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to account for assets held by the City under a trust agreement for individuals, private organizations or other governments and therefore not available to support the City's own programs. The City's only fiduciary fund is a private-purpose trust that accounts for unclaimed monies.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal Service fund activity is eliminated to avoid “doubling up” revenues and expenses; however, the interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City’s governmental 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 and 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 City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segments or governmental function is self-financing or draws from the general revenues of the City. Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this 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 net position. 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.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for debt service and expenditures related to compensated absences which are recorded only when due.

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. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Property taxes measurable as of December 31, 2024 but which are not intended to finance 2024 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources as further described in Note 6.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

The accrual basis of accounting is utilized for reporting purposes for the government-wide, the proprietary fund and the fiduciary fund financial statements. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is by fund at the object level (personal services, materials and supplies, contractual services, etc.) by department. Budgetary modifications may only be made by ordinance of the City Council.

1. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2024.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level and may be modified during the year by Ordinance of City Council. Total fund appropriations may not exceed the current estimated resources certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level. During 2024, several supplemental appropriations were necessary to budget for unanticipated expenditures. Administrative control is maintained through the establishment of more detailed line-item budgets. Funds may be moved from one line-item account to another within the same object without approval of City Council. The City Auditor maintains an accounting of the line-item expenditures to ensure that the total expenditures within a department by object do not exceed approved appropriations. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. The budgetary figures, which appear on the budgetary statements, are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

3. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent year and need not be reappropriated.

This space intentionally left blank.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024****NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****E. Budgetary Process (Continued)****4. Budgetary Basis of Accounting**

The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and major special revenue funds:

	Net Change in Fund Balance		
	Street Construction, Maintenance and Repair		
	General	and Repair	Fire Levy
GAAP Basis (as reported)	(\$26,842)	(\$403,060)	(\$133,402)
Increase (Decrease):			
Accrued Revenues at December 31, 2024 received during 2025	(2,043,613)	(118,684)	0
Accrued Revenues at December 31, 2023 received during 2024	805,311	174,280	0
Accrued Expenditures at December 31, 2024 paid during 2025	457,965	54,258	46,560
Accrued Expenditures at December 31, 2023 paid during 2024	(349,044)	(355,807)	(10,259)
Change in Inventory	(992)	27,865	0
2023 Prepaids for 2024	23,831	641	168
2024 Prepaids for 2025	(83,506)	(9,171)	(2,413)
Outstanding Encumbrances	(677,378)	(305,290)	(204,180)
Budget Basis	<u>(\$1,894,268)</u>	<u>(\$934,968)</u>	<u>(\$303,526)</u>

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During year 2024, cash and cash equivalents included amounts in demand deposits, certificates of deposit and Money Market accounts.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each had maintained its own cash and investment account. (See Note 5, "Cash, Cash Equivalents and Investments.")

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application", the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements. Fair value is determined by quoted market prices.

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The consumption method is used to account for inventories. As such, inventories are recognized as expenditures when goods are used. Reported inventories in governmental funds are offset by a nonspendable fund balance.

I. 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. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$7,500.

1. Property, Plant and Equipment - Governmental Activities

Governmental Activities capital assets are those not directly related to the business-type activities. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost or estimated historical cost for assets not purchased in recent years.

Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

Contributed capital assets are recorded at acquisition value at the date received. Capital assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of governmental activities infrastructure include roads, curbs, sidewalks and storm sewers. These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

2. Property, Plant and Equipment – Business-Type Activities

Proprietary funds capital assets are stated at cost (or estimated historical cost) including architectural and engineering fees where applicable. Contributed capital assets are recorded at acquisition value at the date received. Proprietary funds capital assets are similar to Governmental Activities capital assets with the exception of the infrastructure. Proprietary infrastructure consists of water and sewer lines. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Buildings	15 – 40
Improvements Other Than Buildings	50
Machinery and Equipment	5 – 10
Infrastructure	15 - 100

K. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Swimming Pool Fund, Debt Service Fund, Water Fund
Installment Loans Payable	Debt Service Fund
Leases	Street Construction, Maintenance and Repair Fund, Sewer Fund
Ohio Water Development Authority Loans	Water Fund, Sewer Fund
Ohio Public Works Commission Loans	Debt Service Fund, Water Fund, Sewer Fund
Net Pension/OPEB Liability	General Fund, Street Construction, Maintenance and Repair Fund, Swimming Pool Fund, Fire Pension Fund, Police Pension Fund, Water Fund, Sewer Fund
Compensated Absences	General Fund, Street Construction, Maintenance and Repair Fund, Fire Levy Fund, Water Fund, Sewer Fund

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

GASB Statement No. 101, “*Compensated Absences*”, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. In addition, certain salary related payments that are directly and incrementally associated with the payments for leave should be included in the measurement of the liability. Accrued vacation and sick leave are accumulated to City employees at varying amounts and are attributable to services already rendered. At the time of the employee’s termination, such accruals are paid to the employee at varying rates from the fund to which the employee’s payroll is charged.

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account “Compensated Absences Payable.” In the government wide statement of net position, “Compensated Absences Payable” is recorded within the “Due within one year” account and the long-term portion of the liability is recorded within the “Due in more than one year” account.

M. Restricted Assets

Cash with fiscal agent is classified as restricted assets on the balance sheet because these funds are being held for specified purposes.

N. Pension/OPEB

The provision for pension/OPEB cost is recorded when the related payroll is accrued and the obligation is incurred. For purposes of measuring the net pension/OPEB liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB systems. 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 systems report investments at fair value.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution and wastewater collection and treatment. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

P. Self-Funded Insurance

The City is self-funded for employee health care benefits. The program is administered by Medical Benefit Administrators Inc., which provides claims review and processing services. Each City fund is charged for its proportionate share of covered employees. The City records a liability in claims payable for incurred but unreported claims at year end based upon an analysis of historical claims and expenses.

Q. Interfund Activity

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

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. In addition, interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements. Only transfers between governmental activities and business-type activities are reported on the statement of activities.

R. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balance (Continued)

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. 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 (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Charter authorizes the City Auditor to assign fund balance.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use unrestricted resources first (committed, assigned and unassigned), then restricted resources as they are needed.

S. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction and improvement of those assets, increased by unspent debt proceeds which existed at December 31, 2024. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports for deferred pension/OPEB amounts. Deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 10 and 11.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows.

In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 10 and 11.

U. Fair Value

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

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

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE, RESTATEMENT OF NET POSITION
AND COMPLIANCE****A. Change in Accounting Principle**

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

GASB Statement No. 100 addresses accounting and financial reporting requirements for accounting changes and error corrections. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences.

The implementation of GASB Statement 101 had the following effect on net position/fund balance as reported December 31, 2023:

	Governmental Activities	Business-Type Activities	Water Fund	Sewer Fund
Net Position at December 31, 2023, as Reported	\$41,250,892	\$24,849,408	\$14,455,326	\$10,133,587
Adjustments:				
Change in Compensated Absences	(187,112)	(12,168)	662	(12,830)
Net Position at December 31, 2023, as Restated	<u>\$41,063,780</u>	<u>\$24,837,240</u>	<u>\$14,455,988</u>	<u>\$10,120,757</u>
	General Obligation Debt Service Fund	Other Governmental Funds		
Fund Balance at December 31, 2023, as Reported	\$0	\$3,293,859		
Adjustments:				
Change in the Reporting Entity	<u>2,142,694</u>	<u>(2,142,694)</u>		
Net Position at December 31, 2023, as Restated	<u>\$2,142,694</u>	<u>\$1,151,165</u>		

B. Compliance

There are fund deficits at December 31, 2024 of \$77,482 in the Fire Pension Fund and of \$45,069 in the Police Pension Fund (special revenue funds). Under the budgetary basis of accounting these deficits do not exist. The General Fund provides transfers when cash is required, not when accruals occur.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024
NOTE 3 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned and unassigned 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 constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Street Construction Maintenance and Repair	Fire Levy	General Obligation Debt Service	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid Items	\$83,506	\$9,171	\$2,413	\$0	\$0	\$0	\$95,090
Supplies Inventory	37,935	63,670	0	0	0	6,383	107,988
Total Nonspendable	121,441	72,841	2,413	0	0	6,383	203,078
Restricted:							
Transportation Projects	0	640,056	0	0	0	783,404	1,423,460
Park Maintenance	0	0	0	0	0	72,114	72,114
Debt Service	0	0	0	2,756,196	0	0	2,756,196
Law Enforcement	0	0	0	0	0	318,898	318,898
Fire Department	0	0	1,281,813	0	0	0	1,281,813
Total Restricted	0	640,056	1,281,813	2,756,196	0	1,174,416	5,852,481
Committed:							
Swimming Pool	0	0	0	0	0	575,221	575,221
Capital Improvements	0	0	0	0	3,603,791	0	3,603,791
Total Committed	0	0	0	0	3,603,791	575,221	4,179,012
Assigned:							
Goods and Services	672,442	0	0	0	0	0	672,442
Projected Budget Deficit	2,089,669	0	0	0	0	0	2,089,669
Total Assigned	2,762,111	0	0	0	0	0	2,762,111
Unassigned	6,070,987	0	0	0	0	(122,551)	5,948,436
Total Fund Balances	\$8,954,539	\$712,897	\$1,284,226	\$2,756,196	\$3,603,791	\$1,633,469	\$18,945,118

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

NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental funds as reported in the government-wide statement of net position. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Other long-term assets not available to pay for current-period expenditures:

Delinquent Income Tax Revenue	\$388,609
Delinquent Property Tax Revenue	23,920
All Other Revenue	70,217
Shared Revenues	438,732
	<u>\$921,478</u>

Long-Term liabilities not reported in the funds:

General Obligation Bonds Payable	(\$5,010,480)
Installment Loans Payable	(30,000)
OPWC Loans Payable	(453,021)
Accrued Interest on Long-Term Debt	(17,190)
Leases Payable	(207,486)
Compensated Absences Payable	(1,354,875)
	<u>(\$7,073,052)</u>

Net pension and OPEB liabilities/deferred inflows/outflows:

Net OPEB Asset	\$132,907
Deferred Outflows - Pension	5,705,764
Deferred Outflows - OPEB	639,865
Net Pension Liability	(16,667,535)
Net OPEB Liability	(953,668)
Deferred Inflows - Pension	(505,637)
Deferred Inflows - OPEB	(916,850)
	<u>(\$12,565,154)</u>

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

NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	\$4,250,392
Depreciation Expense	(1,651,285)
	<u>\$2,599,107</u>

Governmental revenues not reported in the funds:

Increase in Delinquent Income Tax Revenue	\$80,546
Increase in Delinquent Property Tax	9,234
Increase in All Other Revenue	70,217
Decrease in Shared Revenue	(11,933)
	<u>\$148,064</u>

Contractually required contributions reported as deferred outflows:

Pension	\$1,315,657
OPEB	21,049
	<u>\$1,336,706</u>

Pension and OPEB expense:

Pension	(\$2,067,557)
OPEB	(40,049)
	<u>(\$2,107,606)</u>

Net amount of long-term debt issuance and bond and lease principal payments:

General Obligation Bond Principal	\$175,000
Lease Payment	82,652
Installment Loan Payment	30,000
OPWC Loan Payments	18,616
	<u>\$306,268</u>

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$137,341)
	<u>(\$137,341)</u>

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

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. Statutes require the classification of funds held by the City into three categories.

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds not needed for immediate use, but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Time certificates of deposit or savings or deposit accounts including, but not limited to passbook accounts;
- Bonds and other obligations of the State of Ohio or Ohio local governments;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or 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. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

A. Deposits

At year end the carrying amount of the City's deposits was \$13,264,033 and the bank balance was \$13,456,063. Federal depository insurance covered \$500,000 of the bank balance and \$12,956,603 was uninsured and collateralized with securities held in the Ohio Pooled Collateral System.

B. Cash With Fiscal Agent

The City has uninsured and uncollateralized cash in the amount of \$42,311 being held by the Licking County Engineer. This cash is restricted in its use for various road improvement projects.

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

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Investments

The City's investments at December 31, 2024 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
Commercial Paper	\$444,896	A-1	N/A	3.27%	\$444,896	\$0	\$0
FNMA	242,633	AA+	Level 2	1.78%	242,633	0	0
FHLB	3,115,372	AA+	Level 2	22.92%	1,683,245	1,432,127	0
FHLMC	852,991	AA+	Level 2	6.27%	680,174	172,817	0
FFCB	2,814,494	AA+	Level 2	20.69%	628,854	1,781,639	404,001
US Treasury Note	3,544,718	AA+	Level 2	26.06%	49,860	2,509,170	985,688
US Treasury Bond	564,857	AA+	Level 2	4.15%	14,792	550,065	0
Corporate Bonds	328,502	AA+	Level 2	2.42%	0	328,502	0
Negotiable C/D's	1,691,424	AAA ¹	Level 2	12.44%	226,129	504,140	961,155
Total Investments	<u>\$13,599,887</u>			<u>100.00%</u>	<u>\$3,970,583</u>	<u>\$7,278,460</u>	<u>\$2,350,844</u>

*- Credit rating from Standard & Poor's

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The City has no policy on interest rate risk and is governed by Ohio Revised Code as described under Deposits.

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

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

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2024 were levied after October 1, 2023 on assessed values as of January 1, 2023, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised fair value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last reappraisal was completed in 2024. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as the real property taxes described previously.

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

The full tax rate for all City operations for the year ended December 31, 2024 was \$6.40 per \$1,000 of assessed value. The assessed value upon which the 2024 levy was based was \$469,888,852. This amount constitutes \$439,678,852 in real property assessed value and \$30,210,000 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .640% (6.40 mills) of assessed value.

Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2024 and for which there is an enforceable legal claim. In the General Fund, Fire Levy Fund, Fire Pension Fund and Police Pension Fund, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2024 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is recorded as a deferred inflow of resources.

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

NOTE 6 - TAXES (Continued)

B. Income Tax

The City levies a tax of 2.0% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 1.5% of the tax paid to another municipality to a maximum of the total amount assessed.

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

NOTE 7 - RECEIVABLES

Receivables at December 31, 2024 consisted of taxes, accounts receivables and intergovernmental receivables arising from shared revenues.

NOTE 8 – TRANSFERS

Following is a summary of transfers in and out for all funds for 2024:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General	\$10,000	\$4,146,378
Street Construction, Maintenance and Repair	1,581,721	0
General Obligation Debt Service	0	82,547
Capital Improvement	1,652,507	130,000
Other Governmental Funds	<u>1,696,589</u>	<u>664,439</u>
Total Governmental Transfers	4,940,817	5,023,364
Proprietary Fund:		
Water Fund	<u>82,547</u>	<u>0</u>
Totals	<u><u>\$5,023,364</u></u>	<u><u>\$5,023,364</u></u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to transfer capital assets. All transfers are considered allowable in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2024:

Historical Cost:	Balance			Balance
	December 31,			December 31,
Class	2023	Additions	Deletions	2024
Non-Depreciable Capital Assets:				
Land	\$9,767,881	\$204,668	\$0	\$9,972,549
Construction in Progress	0	447,569	0	447,569
Subtotal	9,767,881	652,237	0	10,420,118
Depreciable Capital Assets:				
Buildings	6,607,538	93,228	0	6,700,766
Improvements other than Buildings	5,829,246	0	(184,301)	5,644,945
Machinery and Equipment	9,287,401	2,374,634	(1,202,469)	10,459,566
Leased Machinery and Equipment	389,115	0	0	389,115
Infrastructure	36,631,288	1,130,293	(113,786)	37,647,795
Subtotal	58,744,588	3,598,155	(1,500,556)	60,842,187
Total Cost	\$68,512,469	\$4,250,392	(\$1,500,556)	\$71,262,305
Accumulated Depreciation:	Balance			Balance
	December 31,			December 31,
Class	2023	Additions	Deletions	2024
Buildings	(\$4,262,673)	(\$240,648)	\$0	(\$4,503,321)
Improvements other than Buildings	(3,985,315)	(109,297)	100,201	(3,994,411)
Machinery and Equipment	(5,787,446)	(610,696)	988,751	(5,409,391)
Leased Machinery and Equipment	(19,456)	(19,456)	0	(38,912)
Infrastructure	(13,451,527)	(671,188)	51,796	(14,070,919)
Total Depreciation	(\$27,506,417)	(\$1,651,285) *	\$1,140,748	(\$28,016,954)
Net Value:	\$41,006,052			\$43,245,351

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$491,121
Leisure Time Activities	244,750
Community Environment	5,578
Transportation	904,364
General Government	5,472
Total Depreciation Expense	\$1,651,285

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

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2024:

<i>Historical Cost:</i>	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Class				
<i>Non-Depreciable Capital Assets:</i>				
Land	\$985,374	\$0	\$0	\$985,374
Construction in Progress	2,123,894	731,614	(119,590)	2,735,918
Subtotal	3,109,268	731,614	(119,590)	3,721,292
<i>Depreciable Capital Assets:</i>				
Buildings	17,018,225	194,773	(132,276)	17,080,722
Improvements Other Than Buildings	4,095,148	0	0	4,095,148
Machinery and Equipment	7,636,021	82,500	(574,201)	7,144,320
Leased Machinery and Equipment	398,445	0	0	398,445
Infrastructure	19,848,150	970,033	0	20,818,183
Subtotal	48,995,989	1,247,306	(706,477)	49,536,818
Total Cost	\$52,105,257	\$1,978,920	(\$826,067)	\$53,258,110
<i>Accumulated Depreciation:</i>	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Class				
Buildings	(\$10,993,801)	(\$570,482)	\$132,013	(\$11,432,270)
Improvements Other Than Buildings	(2,410,864)	(156,137)	0	(2,567,001)
Machinery and Equipment	(5,725,739)	(177,529)	562,592	(5,340,676)
Leased Machinery and Equipment	(19,922)	(19,922)	0	(39,844)
Infrastructure	(11,502,265)	(341,598)	0	(11,843,863)
Total Depreciation	(\$30,652,591)	(\$1,265,668)	\$694,605	(\$31,223,654)
<i>Net Value:</i>	\$21,452,666			\$22,034,456

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. 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 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 plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement. Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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

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.

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 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:

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$594,390 for 2024.

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$899,061 for 2024.

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

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$5,775,922	\$12,619,308	\$18,395,230
Proportion of the Net Pension Liability-2024	0.022062%	0.130616%	
Proportion of the Net Pension Liability-2023	<u>0.020345%</u>	<u>0.124678%</u>	
Percentage Change	<u>0.0017170%</u>	<u>0.0059380%</u>	
Pension Expense	\$760,532	\$1,478,122	\$2,238,654

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$797,526	\$797,526
Differences between expected and actual experience	94,403	405,115	499,518
Net difference between projected and actual earnings on pension plan investments	1,165,828	1,430,036	2,595,864
Change in proportionate share	202,987	731,893	934,880
City contributions subsequent to the measurement date	594,390	899,061	1,493,451
Total Deferred Outflows of Resources	<u>\$2,057,608</u>	<u>\$4,263,631</u>	<u>\$6,321,239</u>
Deferred Inflows of Resources			
Changes in assumptions	\$0	\$191,639	\$191,639
Differences between expected and actual experience	0	141,130	141,130
Change in proportionate share	49,472	138,888	188,360
Total Deferred Inflows of Resources	<u>\$49,472</u>	<u>\$471,657</u>	<u>\$521,129</u>

\$1,493,451 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 in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2025	\$379,290	\$733,377	\$1,112,667
2026	456,499	793,386	1,249,885
2027	743,965	1,145,467	1,889,432
2028	(166,008)	85,513	(80,495)
2029	0	133,450	133,450
2030	0	1,720	1,720
Total	<u>\$1,413,746</u>	<u>\$2,892,913</u>	<u>\$4,306,659</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The total pension liability in the December 31, 2023 and December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2023
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	2.3 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2022
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3.0 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2023. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

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

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the 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.

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The discount rate for the prior year was 6.9 percent. 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 statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 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 to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$9,092,853	\$5,775,922	\$3,017,199

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**Actuarial Assumptions – OPF**

OPF's total pension 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 pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates 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 the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2023, compared with January 1, 2022, are presented below.

	January 1, 2023	January 1, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.25 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

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.

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

Note: Assumptions are geometric.

* Levered 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.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2023, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2022 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 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	\$16,715,214	\$12,619,308	\$9,213,165

This Space Intentionally Left Blank

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability (asset) represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting 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 OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

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

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

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

Group C 32 years of total service cred 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 page 55.

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

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

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

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

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

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

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.

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The City's contractually required contribution to OP&F was \$21,049 for 2024.

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability (Asset)	(\$189,629)	\$953,668	\$764,039
Proportion of the Net OPEB Liability (Asset) -2024	0.021011%	0.130616%	
Proportion of the Net OPEB Liability (Asset) -2023	0.018991%	0.124678%	
Percentage Change	0.0020200%	0.0059380%	
OPEB Expense	(\$48,293)	\$76,636	\$28,343

This Space Intentionally Left Blank

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$48,819	\$328,163	\$376,982
Differences between expected and actual experience	0	45,860	45,860
Net difference between projected and actual earnings on OPEB plan investments	113,884	70,426	184,310
Change in proportionate share	0	60,331	60,331
City contributions subsequent to the measurement date	0	21,049	21,049
Total Deferred Outflows of Resources	<u>\$162,703</u>	<u>\$525,829</u>	<u>\$688,532</u>
Deferred Inflows of Resources			
Changes in assumptions	\$81,517	\$614,138	\$695,655
Differences between expected and actual experience	26,989	175,255	202,244
Change in proportionate share	0	51,408	51,408
Total Deferred Inflows of Resources	<u>\$108,506</u>	<u>\$840,801</u>	<u>\$949,307</u>

\$21,049 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 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:	OPERS	OP&F	Total
2025	(\$4,812)	(\$31,893)	(\$36,705)
2026	8,815	(35,915)	(27,100)
2027	88,648	(18,584)	70,064
2028	(38,454)	(76,195)	(114,649)
2029	0	(79,257)	(79,257)
2030	0	(90,441)	(90,441)
2031	0	(3,705)	(3,705)
2032	0	(31)	(31)
Total	<u>\$54,197</u>	<u>(\$336,021)</u>	<u>(\$281,824)</u>

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.70 percent
Prior measurement date	5.22 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.77 percent
Prior measurement date	4.05 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2038
Prior measurement date	5.5 percent initial, 3.5 percent ultimate in 2036
Actuarial Cost Method	Individual Entry Age Normal

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

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

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

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

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")

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
City's proportionate share of the net OPEB liability (asset)	\$104,215	(\$189,629)	(\$433,037)

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 liability (asset)	(\$197,503)	(\$189,629)	(\$180,695)

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**Actuarial Assumptions – OP&F**

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

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

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

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

	January 1, 2023	January 1, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent	3.25 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	4.07 percent	4.27 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple
Projected Depletion Year of OPEB Assets	2038	2036

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 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.

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

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

Note: Assumptions are geometric.

* Levered 2.0x

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$1,174,654	\$953,668	\$767,554

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

CITY OF HEATH, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 12 – COMPENSATED ABSENCES

The City accrues a liability for accumulated unpaid sick, vacation, and compensatory time when earned by employees. Employees earn sick and vacation leave at varying rates based upon length of service. Upon retirement, an employee with ten or more years of service with the City will be compensated for their accumulated sick leave at a rate of 50% of the balance.

At December 31, 2024, the City's accumulated, unpaid compensated absences amounted to \$1,542,636. Of this amount, \$1,354,875 is recorded as Governmental Activities on the Entity Wide Statement of Net Position (\$500,567 is reported as due within one year), \$187,761 is recorded as Business-type activities (\$72,367 is reported as due within one year).

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2024 were as follows:

				Restated Balance December 31, 2023	Additions	(Reductions)	Balance December 31, 2024	Amounts Due Within One Year
		Original Liability						
Governmental Activities:								
General Obligation Bonds:								
3.00 - 4.00%	Various Purpose Bond	5,020,000	2043	\$4,825,000	\$0	(\$175,000)	\$4,650,000	\$175,000
	Premium on Various Purpose	428,681		379,966	0	(19,486)	360,480	0
	Total General Obligation Bonds			5,204,966	0	(194,486)	5,010,480	175,000
Installment Loans Payable:								
0.00%	Port Authority	300,000	2025	60,000	0	(30,000)	30,000	30,000
Ohio Public Works Commission Loans:								
0.00%	Blackfoot Trail Culvert	372,422	2052	353,801	0	(12,414)	341,387	12,414
0.00%	Linnville Road Upgrade	124,038	2040	117,836	0	(6,202)	111,634	6,202
	Total OPWC Loans			471,637	0	(18,616)	453,021	18,616
	Leases	389,115	2027	290,138	0	(82,652)	207,486	87,298
	Compensated Absences			1,231,398	1,354,875	(1,231,398)	1,354,875	500,567
Total Governmental Long-Term Debt				\$7,258,139	\$1,354,875	(\$1,557,152)	\$7,055,862	\$811,481
Business Type Activities:								
Ohio Water Development Authority Loans:								
3.76%	Loan SRF-4011	2,757,604	2024	\$302,676	\$0	(\$199,900)	\$102,776	\$102,776
3.25%	Loan SRF-5657	4,110,016	2032	2,061,377	0	(214,237)	1,847,140	221,256
2.20%	Linville Road Water Tower	630,564	2038	1,018,614	0	(60,267)	958,347	61,612
0.00%	Final Clarifier Upgrade	2,085,200	TBD	595,692	1,555,058	(65,550)	2,085,200	0
	Total OWDA Loans			3,978,359	1,555,058	(539,954)	4,993,463	385,644
Ohio Public Works Commission Loans:								
0.00%	Sewer Replacement & Expansion	104,256	2038	53,855	0	(3,476)	50,379	3,476
0.00%	Water Main & Booster Station	293,690	2033	154,191	0	(14,684)	139,507	14,684
0.00%	Industrial Dual Water Feed	237,242	2038	183,863	0	(11,862)	172,001	11,862
0.00%	Well Replacement	355,733	TBD	119,590	236,143	0	355,733	0
0.00%	Franklin Ave. Waterline Replacement	299,914	2030	0	299,914	0	299,914	29,991
	Total OPWC Loans			511,499	536,057	(30,022)	1,017,534	60,013
	Leases	398,445	2027	309,749	0	(71,165)	238,584	75,192
	Compensated Absences			168,712	187,761	(168,712)	187,761	72,367
Total Business Type Long-Term Debt				\$4,968,319	\$2,278,876	(\$809,853)	\$6,437,342	\$593,216

CITY OF HEATH, OHIO

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

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

The Ohio Revised Code provides that the net debt of a municipal corporation, when approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxable value of property. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. The City's total debt margin at December 31, 2024 was \$44,327,849.

Principal and interest requirements to retire long-term debt outstanding at December 31, 2024 were as follows:

Years	Governmental Activities					
	General Obligation Bonds		Installment Loans Payable		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$175,000	\$149,400	\$30,000	\$0	\$18,616	\$0
2026	185,000	144,150	0	0	18,616	0
2027	185,000	136,750	0	0	18,616	0
2028	200,000	129,350	0	0	18,616	0
2029	210,000	121,350	0	0	18,616	0
2030-2034	1,140,000	490,050	0	0	93,080	0
2035-2039	1,340,000	305,100	0	0	93,080	0
2040-2044	1,215,000	92,400	0	0	80,676	0
2045-2049	0	0	0	0	62,070	0
2050-2052	0	0	0	0	31,035	0
Totals	\$4,650,000	\$1,568,550	\$30,000	\$0	\$453,021	\$0

Years	Business-Type Activities			
	OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest
2025	\$385,644	\$76,245	\$60,013	\$0
2026	291,493	66,636	90,005	0
2027	300,386	58,319	90,005	0
2028	309,555	49,745	90,005	0
2029	319,010	40,904	90,005	0
2030-2034	1,025,669	83,306	172,759	0
2035-2039	276,506	12,412	69,009	0
Totals	\$2,908,263	\$387,567	\$661,801	\$0

There is one OWDA loan and one OPWC loan that has not yet been finalized. The balances above agree with the payments as currently required.

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

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. OWDA Loans

The City has various outstanding Ohio Water Development Authority Loans ranging from 2.2% - 3.76% for various wastewater treatment plant improvements and a water tower. The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the loans outstanding. The loans are payable solely from water and sewer customer net revenues and are payable through 2038 for the three separate loans outstanding.

B. OPWC Loans

The City has pledged future revenues, net of specified operating expenses, to repay \$1,407,555 borrowed from the Ohio Public Works Commission through the year 2052. Proceeds from these loans provided for various road, culvert, water and sewer projects. These loans were issued interest free. The well replacement project is not complete and an amortization schedule is not available.

C. Leases

The City is party to four leases as a lessee. The governmental activity lease payable represents three and one fourth equipment leases. The sewer fund payable represents three fourths of the remaining lease. The value of the leased equipment totals \$389,115 for the governmental activities and \$398,445 for the sewer fund. The equipment is recorded as machinery and equipment within capital assets. The following is a schedule of future minimum lease payments under the leases together with the present value of the net minimum lease payments as of December 31, 2024:

<u>Year Ending December 31,</u>	<u>Governmental</u>	<u>Business-Type</u>
2025	\$98,977	\$88,696
2026	98,977	88,696
2027	29,565	88,696
Minimum Lease Payments	227,519	266,088
Less amount representing interest at the at the City's incremental borrow rate	(20,033)	(27,504)
Present value of minimum lease payments	<u>\$207,486</u>	<u>\$238,584</u>

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

NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City carries commercial insurance policies to cover comprehensive liability, official and employee errors and omissions, and property and equipment. There has been no significant reduction in insurance coverages from the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three years.

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs. The City of Heath is a member of the Ohio Municipal League (OML) Workers' Compensation Pool. The pool groups similar municipal employers to gain a greater discount in worker's compensation premiums for City employees. Section 4123.29 of the Ohio Revised Code, and the rules promulgated there under, permit the establishment of the employer group rating plan. Said plans pool and group the experience (payroll amounts and claims losses) of the participating employers in order to create a lower worker's compensation premium rate. The Ohio Municipal League (OML) as a sponsoring organization offers the plan to achieve lower workers' compensation premium rates for participants and to promote establishment of a safer working environment.

The City has a group health insurance program for employees and their eligible dependents. Premiums are paid into an internal service fund by all funds having compensated employees based on an analysis of historical claims experience, the desired fund balances and the number of active participating employees. The monies paid into the Self Insurance Fund (internal service fund) are available to pay claims and administrative costs. The plan is administered by a third party administrator, Medical Benefits Administrators, Inc., which monitors all claim payments. Excess loss coverage, provided by Sirius Point Insurance, becomes effective after \$55,000 per year per specific claim.

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

NOTE 14 - RISK MANAGEMENT (Continued)

The claims liability of \$192,306 reported in the fund at December 31, 2024 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount in years 2023 and 2024 were:

Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Year End
2023	\$135,670	\$1,925,635	(\$1,836,992)	224,313
2024	224,313	2,494,771	(2,526,778)	192,306

NOTE 15 - CONTINGENCIES

The City is a party to various legal proceedings, which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 16 – OTHER COMMITMENTS

At December 31, 2024, the City's cash basis commitments for encumbrances were as follows:

Fund	Year-End Commitment
General Fund	\$677,378
Street Construction, Maintenance and Repair	305,290
Fire Levy Fund	204,180
Capital Improvement Fund	1,744,882
Other Governmental Funds	284,953
Water Fund	352,452
Sewer Fund	433,943
Total	<u>\$4,003,078</u>

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

NOTE 17 – TAX ABATEMENT DISCLOSURES

As of December 31, 2024, the City of Heath provides tax incentives under the Community Reinvestment Area (CRA) program.

Real Estate Tax Abatements

Pursuant to Ohio Revised Code Chapter 3735.66, the City established a Community Reinvestment Area prior to 2007. Various portions of the community are covered by this CRA. The City authorizes incentives based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the CRAs gave the City the ability to maintain and expand businesses located in the City and create new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate.

Below is the City portion of the real property taxes abated in 2024:

	Total Amount of Taxes Abated (Incentives Abated) For the Year 2024 (In Actual Dollars)
<u>Community Reinvestment Area (CRA)</u>	
All CRA Properties	\$224,305

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HEATH, OHIO***Schedule of City's Proportionate Share of the Net Pension Liability (Asset)
Last Ten Years*****Ohio Public Employees Retirement System**

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.022110%	0.020855%	0.021617%	0.021078%
City's proportionate share of the net pension liability (asset)	\$2,666,713	\$3,612,394	\$4,908,883	\$3,306,674
City's covered payroll	\$2,751,733	\$2,595,642	\$2,704,108	\$2,547,531
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	96.91%	139.17%	181.53%	129.80%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	81.08%	77.25%	84.66%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.126978%	0.125757%	0.123476%	0.119660%
City's proportionate share of the net pension liability (asset)	\$6,577,995	\$8,090,029	\$7,820,818	\$7,344,090
City's covered payroll	\$2,549,882	\$2,532,277	\$2,550,539	\$2,610,245
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	257.97%	319.48%	306.63%	281.36%
Plan fiduciary net position as a percentage of the total pension liability	72.20%	66.77%	68.36%	70.91%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

See accompanying notes to the Required Supplementary Information

CITY OF HEATH, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.021340%	0.021757%	0.020602%	0.021796%	0.020345%	0.022062%
\$5,844,593	\$4,300,418	\$3,050,707	\$1,896,341	\$6,009,923	\$5,775,922
\$2,875,700	\$3,305,479	\$2,714,900	\$3,414,000	\$2,938,550	\$3,926,821
203.24%	130.10%	112.37%	55.55%	204.52%	147.09%
74.70%	82.17%	86.88%	92.62%	75.74%	79.01%
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.118566%	0.121473%	0.119045%	0.119065%	0.124678%	0.130616%
\$9,678,119	\$8,183,091	\$8,115,398	\$7,438,511	\$11,843,212	\$12,619,308
\$2,369,088	\$3,174,476	\$2,741,612	\$3,277,854	\$3,090,839	\$3,934,032
408.52%	257.78%	296.01%	226.93%	383.17%	320.77%
63.07%	69.89%	70.65%	75.03%	62.90%	63.63%

CITY OF HEATH, OHIO

***Schedule of City Pension Contributions
Last Ten Years***

Ohio Public Employees Retirement System

Year	2015	2016	2017	2018
Contractually required contribution	\$311,477	\$324,493	\$331,179	\$402,598
Contributions in relation to the contractually required contribution	311,477	324,493	331,179	402,598
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$2,595,642	\$2,704,108	\$2,547,531	\$2,875,700
Contributions as a percentage of covered payroll	12.00%	12.00%	13.00%	14.00%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2015	2016	2017	2018
Contractually required contribution	\$536,641	\$539,361	\$552,313	\$500,708
Contributions in relation to the contractually required contribution	536,641	539,361	552,313	500,708
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$2,532,277	\$2,550,539	\$2,610,245	\$2,369,088
Contributions as a percentage of covered payroll	21.19%	21.15%	21.16%	21.14%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

See accompanying notes to the Required Supplementary Information

CITY OF HEATH, OHIO

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$462,767	\$380,086	\$477,960	\$411,397	\$549,755	\$594,390
<u>462,767</u>	<u>380,086</u>	<u>477,960</u>	<u>411,397</u>	<u>549,755</u>	<u>594,390</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,305,479	\$2,714,900	\$3,414,000	\$2,938,550	\$3,926,821	\$4,245,643
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$673,420	\$581,338	\$696,658	\$661,481	\$843,980	\$899,061
<u>673,420</u>	<u>581,338</u>	<u>696,658</u>	<u>661,481</u>	<u>843,980</u>	<u>899,061</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,174,476	\$2,741,612	\$3,277,854	\$3,090,839	\$3,934,032	\$4,209,891
21.21%	21.20%	21.25%	21.40%	21.45%	21.36%

***Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB)
Liability (Asset)
Last Eight Years***

Ohio Public Employees Retirement System

Year	2016	2017	2018
City's proportion of the net OPEB liability (asset)	0.020233%	0.019669%	0.019889%
City's proportionate share of the net OPEB liability (asset)	\$2,043,624	\$2,135,855	\$2,593,056
City's covered payroll	\$2,704,108	\$2,547,531	\$2,875,700
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	75.57%	83.84%	90.17%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2016	2017	2018
City's proportion of the net OPEB liability (asset)	0.123476%	0.119660%	0.118566%
City's proportionate share of the net OPEB liability (asset)	\$5,861,107	\$6,779,782	\$1,079,725
City's covered payroll	\$2,550,539	\$2,610,245	\$2,369,088
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	229.80%	259.74%	45.58%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2016 is not available.

See accompanying notes to the Required Supplementary Information

CITY OF HEATH, OHIO

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.020274%	0.019186%	0.020285%	0.018991%	0.021011%
\$2,800,366	(\$341,813)	(\$635,358)	\$119,741	(\$189,629)
\$3,305,479	\$2,714,900	\$3,414,000	\$2,938,550	\$3,926,821
84.72%	(12.59)%	(18.61)%	4.07%	(4.83)%
47.80%	115.57%	128.23%	94.79%	107.76%
<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.121473%	0.119045%	0.119065%	0.124678%	0.130616%
\$1,199,881	\$1,261,302	\$1,305,058	\$887,673	\$953,668
\$3,174,476	\$2,741,612	\$3,277,854	\$3,090,839	\$3,934,032
37.80%	46.01%	39.81%	28.72%	24.24%
47.08%	45.42%	46.86%	52.59%	51.89%

CITY OF HEATH, OHIO***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Ten Years*****Ohio Public Employees Retirement System**

Year	2015	2016	2017	2018
Contractually required contribution	\$51,913	\$54,082	\$25,476	\$0
Contributions in relation to the contractually required contribution	51,913	54,082	25,476	0
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$2,595,642	\$2,704,108	\$2,547,531	\$2,875,700
Contributions as a percentage of covered payroll	2.00%	2.00%	1.00%	0.00%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2015	2016	2017	2018
Contractually required contribution	\$12,661	\$12,753	\$13,051	\$11,845
Contributions in relation to the contractually required contribution	12,661	12,753	13,051	11,845
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$2,532,277	\$2,550,539	\$2,610,245	\$2,369,088
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

See accompanying notes to the Required Supplementary Information

CITY OF HEATH, OHIO

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,305,479	\$2,714,900	\$3,414,000	\$2,938,550	\$3,926,821	\$4,245,643
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$15,872	\$13,708	\$16,389	\$15,454	\$19,670	\$21,049
<u>15,872</u>	<u>13,708</u>	<u>16,389</u>	<u>15,454</u>	<u>19,670</u>	<u>21,049</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,174,476	\$2,741,612	\$3,277,854	\$3,090,839	\$3,934,032	\$4,209,891
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2015-2024.

Changes in assumptions:

2015-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

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

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

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

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

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

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

2023-2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2015-2024.

Changes in assumptions:

2015-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%

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

- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021, and 2023-2024.

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

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

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

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

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

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

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

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

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

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

- The Municipal Bond Rate changed from 1.84% to 4.05%
- The single discount rate changed from 6.00% to 5.22%.

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

- The Municipal Bond Rate changed from 4.05% to 3.77%
- The single discount rate changed from 5.22% to 5.70%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

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

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

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

- The single discount rate changed from 3.24% to 4.66%.

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

- The single discount rate changed from 4.66% to 3.56%.

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

- The single discount rate changed from 3.56% to 2.96%.
- The payroll growth rate changed from 2.75% to 3.25%.

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

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

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

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

- The single discount rate changed from 2.84% to 4.27%.
- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

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

- The single discount rate changed from 4.27% to 4.07%.

This Space Intentionally Left Blank

*C*OMBINING AND *I*NDIVIDUAL *F*UND
*S*TATEMENTS AND *S*CHEDULES

THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS.

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

State Highway Fund

To account for the portion of the state gasoline tax and motor vehicle license fees designated for construction, maintenance and repair of state highways within the City.

County \$5 Permissive License Tax Fund

To account for permissive license tax received from the County for a project approved by the county engineer, or transfers to finance the project until completion whereupon reimbursement will be received.

Swimming Pool Fund

To account for revenues and expenditures related to the operations of the Heath Municipal Pool.

Municipal Motor Vehicle License Tax Fund

To account for county-levied motor vehicle registration fees designated for street construction, maintenance and repair.

Fire Pension Fund

To account for taxes levied toward partial payment of the current and accrued liability for fire disability and pension.

Police Pension Fund

To account for taxes levied toward partial payment of the current and accrued liability for police disability and pension.

Law Enforcement Trust Fund

To account for funds received by the police department for contraband, per state statute.

Police Professional Training Fund

To account for the cost of continuing professional training programs for police personnel.

Opioid Settlement Fund

To account for monies obtained and distributed by the State of Ohio for opioid settlements from drug manufacturers and distributors. It is designated for resources to assist with community drug recovery, prevention and treatment.

(Continued)

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

Enforcement and Education Fund

To account for financial resources used to educate the public regarding laws governing the operation of motor vehicles while under the influence of alcohol.

D.A.R.E. Fund

To account for revenues and expenditures relative to D.A.R.E. activities.

American Rescue Plan Fund

This fund accounts for money received from the federal government to provide funding for loss of revenue and help address economic fallout from the COVID-19 pandemic. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Central Parkway Fund

This fund is used to account for revenues and expenditures related to public improvements located along or within the Central Parkway and Thornwood Drive corridors.

Conn Memorial Trust Fund

To account for money left to the City by the Conn family in trust for the operation and maintenance of the John C. Geller Park.

CITY OF HEATH, OHIO**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024**

	State Highway	County \$5 Permissive License Tax	Swimming Pool	Municipal Motor Vehicle License Tax
Assets:				
Equity in Pooled Cash and Investments	\$ 410,307	\$ 0	\$ 575,509	\$ 416,670
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	26,495	0	0	82,146
Inventory of Supplies, at Cost	0	0	6,383	0
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	42,311	0	0
Total Assets	<u>\$ 436,802</u>	<u>\$ 42,311</u>	<u>\$ 581,892</u>	<u>\$ 498,816</u>
Liabilities:				
Accounts Payable	\$ 673	\$ 0	\$ 288	\$ 230,643
Accrued Wages and Benefits Payable	0	0	0	0
Total Liabilities	<u>673</u>	<u>0</u>	<u>288</u>	<u>230,643</u>
Deferred Inflows of Resources:				
Unavailable Amounts	17,663	42,311	0	54,764
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	<u>17,663</u>	<u>42,311</u>	<u>0</u>	<u>54,764</u>
Fund Balances:				
Nonspendable	0	0	6,383	0
Restricted	418,466	0	0	213,409
Committed	0	0	575,221	0
Unassigned	0	0	0	0
Total Fund Balances	<u>418,466</u>	<u>0</u>	<u>581,604</u>	<u>213,409</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 436,802</u>	<u>\$ 42,311</u>	<u>\$ 581,892</u>	<u>\$ 498,816</u>

CITY OF HEATH, OHIO

Fire Pension	Police Pension	Law Enforcement Trust	Police Professional Training	Opioid Settlement	Enforcement and Education
\$ 0	\$ 0	\$ 245,862	\$ 18,612	\$ 43,444	\$ 11,750
142,263	142,263	0	0	0	0
0	0	0	0	70,217	0
958	964	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 143,221</u>	<u>\$ 143,227</u>	<u>\$ 245,862</u>	<u>\$ 18,612</u>	<u>\$ 113,661</u>	<u>\$ 11,750</u>
\$ 0	\$ 0	\$ 1,135	\$ 0	\$ 0	\$ 0
77,482	45,069	0	0	0	0
<u>77,482</u>	<u>45,069</u>	<u>1,135</u>	<u>0</u>	<u>0</u>	<u>0</u>
2,254	2,260	0	0	70,217	0
140,967	140,967	0	0	0	0
<u>143,221</u>	<u>143,227</u>	<u>0</u>	<u>0</u>	<u>70,217</u>	<u>0</u>
0	0	0	0	0	0
0	0	244,727	18,612	43,444	11,750
0	0	0	0	0	0
(77,482)	(45,069)	0	0	0	0
<u>(77,482)</u>	<u>(45,069)</u>	<u>244,727</u>	<u>18,612</u>	<u>43,444</u>	<u>11,750</u>
<u>\$ 143,221</u>	<u>\$ 143,227</u>	<u>\$ 245,862</u>	<u>\$ 18,612</u>	<u>\$ 113,661</u>	<u>\$ 11,750</u>

(Continued)

CITY OF HEATH, OHIO**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024**

	D.A.R.E.	Central Parkway	Conn Memorial Trust	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 365	\$ 151,529	\$ 72,114	\$ 1,946,162
Receivables:				
Taxes	0	0	0	284,526
Accounts	0	0	0	70,217
Intergovernmental	0	0	0	110,563
Inventory of Supplies, at Cost	0	0	0	6,383
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	42,311
Total Assets	<u>\$ 365</u>	<u>\$ 151,529</u>	<u>\$ 72,114</u>	<u>\$ 2,460,162</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 232,739
Accrued Wages and Benefits Payable	0	0	0	122,551
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>355,290</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	189,469
Property Tax Levy for Next Fiscal Year	0	0	0	281,934
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>471,403</u>
Fund Balances:				
Nonspendable	0	0	0	6,383
Restricted	365	151,529	72,114	1,174,416
Committed	0	0	0	575,221
Unassigned	0	0	0	(122,551)
Total Fund Balances	<u>365</u>	<u>151,529</u>	<u>72,114</u>	<u>1,633,469</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 365</u>	<u>\$ 151,529</u>	<u>\$ 72,114</u>	<u>\$ 2,460,162</u>

CITY OF HEATH, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

	State Highway	County \$5 Permissive License Tax	Swimming Pool	Municipal Motor Vehicle License Tax
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	54,477	73,806	0	164,007
Charges for Services	0	0	595,502	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	8,137	0
Total Revenue	<u>54,477</u>	<u>73,806</u>	<u>603,639</u>	<u>164,007</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	705,894	0
Transportation	21,796	0	0	438,861
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>21,796</u>	<u>0</u>	<u>705,894</u>	<u>438,861</u>
Excess (Deficiency) of Revenues Over Expenditures	32,681	73,806	(102,255)	(274,854)
Other Financing Sources (Uses):				
Transfers In	0	0	700,855	0
Transfers Out	0	(73,806)	0	(80,871)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(73,806)</u>	<u>700,855</u>	<u>(80,871)</u>
Net Change in Fund Balance	32,681	0	598,600	(355,725)
Fund Balances at Beginning of Year	<u>385,785</u>	<u>0</u>	<u>(16,996)</u>	<u>569,134</u>
Fund Balances End of Year	<u>\$ 418,466</u>	<u>\$ 0</u>	<u>\$ 581,604</u>	<u>\$ 213,409</u>

(Continued)

CITY OF HEATH, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

	Fire Pension	Police Pension	Law Enforcement Trust	Police Professional Training
Revenues:				
Taxes	\$ 127,816	\$ 127,815	\$ 0	\$ 0
Intergovernmental Revenues	1,916	1,928	0	0
Charges for Services	0	0	28,355	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	48,082	0
All Other Revenue	0	0	17,497	17,824
Total Revenue	<u>129,732</u>	<u>129,743</u>	<u>93,934</u>	<u>17,824</u>
Expenditures:				
Current:				
Security of Persons and Property	497,668	404,104	51,707	0
Leisure Time Activities	0	0	0	0
Transportation	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>497,668</u>	<u>404,104</u>	<u>51,707</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(367,936)	(274,361)	42,227	17,824
Other Financing Sources (Uses):				
Transfers In	269,793	218,527	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>269,793</u>	<u>218,527</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(98,143)	(55,834)	42,227	17,824
Fund Balances at Beginning of Year	<u>20,661</u>	<u>10,765</u>	<u>202,500</u>	<u>788</u>
Fund Balances End of Year	<u>\$ (77,482)</u>	<u>\$ (45,069)</u>	<u>\$ 244,727</u>	<u>\$ 18,612</u>

CITY OF HEATH, OHIO

Opioid Settlement	Enforcement and Education	D.A.R.E.	American Rescue Plan	Central Parkway	Conn Memorial Trust	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 255,631
0	0	0	509,762	0	0	805,896
0	0	0	0	0	4,370	628,227
0	0	0	0	10,558	2,182	12,740
0	78	0	0	0	0	48,160
29,845	0	0	0	76,237	0	149,540
29,845	78	0	509,762	86,795	6,552	1,900,194
0	0	0	0	0	0	953,479
0	0	0	0	0	0	705,894
0	0	0	0	360	0	461,017
0	0	0	0	175,000	0	175,000
0	0	0	0	154,650	0	154,650
0	0	0	0	330,010	0	2,450,040
29,845	78	0	509,762	(243,215)	6,552	(549,846)
0	0	0	0	507,414	0	1,696,589
0	0	0	(509,762)	0	0	(664,439)
0	0	0	(509,762)	507,414	0	1,032,150
29,845	78	0	0	264,199	6,552	482,304
13,599	11,672	365	0	(112,670)	65,562	1,151,165
\$ 43,444	\$ 11,750	\$ 365	\$ 0	\$ 151,529	\$ 72,114	\$ 1,633,469

CITY OF HEATH, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 10,817,516	\$ 10,817,516	\$ 13,005,970	\$ 2,188,454
Intergovernmental Revenues	303,920	303,920	866,703	562,783
Charges for Services	642,575	642,575	853,007	210,432
Licenses and Permits	241,800	241,800	300,679	58,879
Investment Earnings	250,000	250,000	695,113	445,113
Fines and Forfeitures	8,200	8,200	11,470	3,270
All Other Revenues	90,800	90,800	118,809	28,009
Total Revenues	12,354,811	12,354,811	15,851,751	3,496,940
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	2,841,100	2,841,099	2,696,654	144,445
Materials and Supplies	156,307	156,308	148,691	7,617
Contractual Services	272,444	273,244	233,543	39,701
Total Police	3,269,851	3,270,651	3,078,888	191,763
Communications:				
Personal Services	956,879	956,877	943,510	13,367
Materials and Supplies	9,930	9,930	4,300	5,630
Contractual Services	58,400	85,350	85,350	0
Total Communications	1,025,209	1,052,157	1,033,160	18,997
Fire:				
Personal Services	3,117,925	3,117,925	2,909,389	208,536
Materials and Supplies	171,927	185,926	179,551	6,375
Contractual Services	433,814	441,614	352,401	89,213
Capital Outlay	9,726	1,009,726	1,003,374	6,352
Total Fire	3,733,392	4,755,191	4,444,715	310,476
Street Lighting:				
Contractual Services	120,000	138,186	138,186	0
Total Street Lighting	120,000	138,186	138,186	0
Total Security of Persons and Property	8,148,452	9,216,185	8,694,949	521,236

(Continued)

CITY OF HEATH, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2024***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public Health and Welfare Services:				
Health Department:				
Contractual Services	62,000	62,000	60,893	1,107
Total Public Health and Welfare Services	62,000	62,000	60,893	1,107
Leisure Time Activities:				
Parks:				
Personal Services	562,905	590,728	590,698	30
Materials and Supplies	94,533	104,533	62,270	42,263
Contractual Services	624,476	624,476	454,546	169,930
Other Expenditures	500	500	300	200
Capital Outlay	108,600	112,845	112,445	400
Total Leisure Time Activities	1,391,014	1,433,082	1,220,259	212,823
Community Environment:				
Planning and Zoning:				
Personal Services	322,368	322,368	307,698	14,670
Materials and Supplies	13,480	13,480	13,218	262
Contractual Services	749,467	982,187	785,673	196,514
Other Expenditures	3,000	3,000	1,650	1,350
Capital Outlay	0	250,000	250,000	0
Total Community Environment	1,088,315	1,571,035	1,358,239	212,796
General Government:				
Mayor:				
Personal Services	148,079	151,189	151,189	0
Materials and Supplies	1,400	1,400	195	1,205
Contractual Services	81,800	96,802	96,802	0
Capital Outlay	750	750	0	750
Total Mayor	232,029	250,141	248,186	1,955
City Council:				
Personal Services	50,400	50,400	50,100	300
Materials and Supplies	500	500	298	202
Contractual Services	750	750	500	250
Capital Outlay	5,200	5,200	3,400	1,800
Total City Council	56,850	56,850	54,298	2,552
Law Director:				
Personal Services	89,838	89,838	89,780	58
Contractual Services	333,634	436,760	436,760	0
Total Law Director	423,472	526,598	526,540	58

(Continued)

CITY OF HEATH, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2024***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Clerk of Council:				
Personal Services	64,764	71,518	71,518	0
Materials and Supplies	2,500	2,500	1,249	1,251
Contractual Services	750	750	0	750
Capital Outlay	5,000	5,000	4,854	146
Total Clerk of Council	73,014	79,768	77,621	2,147
Auditor:				
Personal Services	64,385	64,385	64,385	0
Materials and Supplies	800	800	40	760
Contractual Services	5,295	5,295	520	4,775
Total Auditor	70,480	70,480	64,945	5,535
General Administrative:				
Personal Services	457,729	480,705	480,705	0
Materials and Supplies	18,300	18,300	16,232	2,068
Contractual Services	290,648	290,648	198,910	91,738
Other Expenditures	6,500	6,500	880	5,620
Total General Administrative	773,177	796,153	696,727	99,426
Court Fees:				
Contractual Services	500	500	12	488
Total Court Fees	500	500	12	488
Civil Service:				
Materials and Supplies	100	100	100	0
Contractual Services	11,050	11,050	7,050	4,000
Total Civil Service	11,150	11,150	7,150	4,000
Safety/Service:				
Personal Services	81,830	92,322	92,322	0
Materials and Supplies	14,798	14,798	8,994	5,804
Contractual Services	114,955	114,955	65,182	49,773
Capital Outlay	27,500	27,500	20,230	7,270
Total Safety/Service	239,083	249,575	186,728	62,847

(Continued)

CITY OF HEATH, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income Tax:				
Personal Services	494,026	494,026	383,974	110,052
Materials and Supplies	6,500	6,500	2,603	3,897
Contractual Services	65,443	65,443	24,198	41,245
Capital Outlay	12,228	12,228	2,319	9,909
Total Income Tax	578,197	578,197	413,094	165,103
Total General Government	2,457,952	2,619,412	2,275,301	344,111
Total Expenditures	13,147,733	14,901,714	13,609,641	1,292,073
Excess (Deficiency) of Revenues Over (Under) Expenditures	(792,922)	(2,546,903)	2,242,110	4,789,013
Other Financing Sources (Uses):				
Transfers In	0	0	10,000	10,000
Transfers Out	(1,685,000)	(4,146,378)	(4,146,378)	0
Total Other Financing Sources (Uses)	(1,685,000)	(4,146,378)	(4,136,378)	10,000
Net Change in Fund Balance	(2,477,922)	(6,693,281)	(1,894,268)	4,799,013
Fund Balance at Beginning of Year	8,093,966	8,093,966	8,093,966	0
Prior Year Encumbrances	370,374	370,374	370,374	0
Fund Balance at End of Year	\$ 5,986,418	\$ 1,771,059	\$ 6,570,072	\$ 4,799,013

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 650,000	\$ 650,000	\$ 683,821	\$ 33,821
Charges for Services	0	0	5,981	5,981
All Other Revenues	4,000	4,000	9,213	5,213
Total Revenues	654,000	654,000	699,015	45,015
Expenditures:				
Transportation:				
Street Department:				
Personal Services	883,180	883,179	881,280	1,899
Materials and Supplies	308,603	252,078	224,651	27,427
Contractual Services	721,985	751,858	701,091	50,767
Capital Outlay	884,119	1,478,583	1,408,682	69,901
Total Expenditures	2,797,887	3,365,698	3,215,704	149,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,143,887)	(2,711,698)	(2,516,689)	195,009
Other Financing Sources (Uses):				
Transfers In	595,000	1,506,390	1,581,721	75,331
Total Other Financing Sources (Uses)	595,000	1,506,390	1,581,721	75,331
Net Change in Fund Balance	(1,548,887)	(1,205,308)	(934,968)	270,340
Fund Balance at Beginning of Year	459,642	459,642	459,642	0
Prior Year Encumbrances	745,666	745,666	745,666	0
Fund Balance at End of Year	\$ (343,579)	\$ 0	\$ 270,340	\$ 270,340

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Fire Levy Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 838,615	\$ 838,615	\$ 1,130,789	\$ 292,174
Intergovernmental Revenues	57,640	57,640	4,558	(53,082)
Investment Earnings	0	0	8,349	8,349
All Other Revenues	100	100	682	582
Total Revenues	<u>896,355</u>	<u>896,355</u>	<u>1,144,378</u>	<u>248,023</u>
Expenditures:				
Security of Persons and Property:				
Fire:				
Personal Services	467,721	467,721	427,969	39,752
Materials and Supplies	34,242	37,046	32,808	4,238
Contractual Services	30,850	31,723	28,198	3,525
Capital Outlay	120,532	979,197	958,929	20,268
Total Expenditures	<u>653,345</u>	<u>1,515,687</u>	<u>1,447,904</u>	<u>67,783</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	243,010	(619,332)	(303,526)	315,806
Fund Balance at Beginning of Year	1,396,932	1,396,932	1,396,932	0
Prior Year Encumbrances	30,787	30,787	30,787	0
Fund Balance at End of Year	<u>\$ 1,670,729</u>	<u>\$ 808,387</u>	<u>\$ 1,124,193</u>	<u>\$ 315,806</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund – General Obligation Debt Service Fund
For the Year Ended December 31, 2024***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 640,500	\$ 742,328	\$ 101,828
Total Revenues	640,500	742,328	101,828
Expenditures:			
Debt Service:			
Principal Retirement	197,000	48,616	148,384
Interest and Fiscal Charges	4,300	0	4,300
Total Expenditures	201,300	48,616	152,684
Excess (Deficiency) of Revenues Over (Under) Expenditures	439,200	693,712	254,512
Other Financing Sources (Uses):			
Transfers Out	(82,547)	(82,547)	0
Total Other Financing Sources (Uses)	(82,547)	(82,547)	0
Net Change in Fund Balance	356,653	611,165	254,512
Fund Balance at Beginning of Year	2,087,561	2,087,561	0
Fund Balance at End of Year	\$ 2,444,214	\$ 2,698,726	\$ 254,512



CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund – Capital Improvement Fund
For the Year Ended December 31, 2024***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 793,000	\$ 919,072	\$ 126,072
Total Revenues	793,000	919,072	126,072
Expenditures:			
Security of Persons and Property:			
Police:			
Contractual Services	74,000	74,000	0
Capital Outlay	213,432	213,267	165
Total Security of Persons and Property	287,432	287,267	165
Leisure Time Activities:			
Parks:			
Contractual Services	174,898	171,200	3,698
Capital Outlay	126,358	123,900	2,458
Total Parks	301,256	295,100	6,156
Swimming Pool:			
Contractual Services	240,000	240,000	0
Capital Outlay	435	0	435
Total Swimming Pool	240,435	240,000	435
Total Leisure Time Activities	541,691	535,100	6,591
Community Environment:			
Utilities:			
Capital Outlay	159,305	159,304	1
Total Utilities	159,305	159,304	1
Total Community Environment	159,305	159,304	1
Transportation:			
Streets Department:			
Contractual Services	84,599	81,620	2,979
Capital Outlay	1,879,246	1,711,028	168,218
Total Transportation	1,963,845	1,792,648	171,197
General Government:			
General Administrative:			
Contractual Services	100	0	100
Total General Administrative	100	0	100

(Continued)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Safety/Service:			
Contractual Services	133,000	130,619	2,381
Capital Outlay	4,000	4,000	0
Total Safety/Service	137,000	134,619	2,381
Total General Government	137,100	134,619	2,481
Total Expenditures	3,165,873	2,985,438	180,435
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(2,372,873)	(2,066,366)	306,507
Other Financing Sources (Uses):			
Transfers In	1,629,404	1,652,507	23,103
Transfers Out	(130,000)	(130,000)	0
Total Other Financing Sources (Uses)	1,499,404	1,522,507	23,103
Net Change in Fund Balance	(873,469)	(543,859)	329,610
Fund Balance at Beginning of Year	1,843,065	1,843,065	0
Prior Year Encumbrances	529,538	529,538	0
Fund Balance at End of Year	<u>\$ 1,499,134</u>	<u>\$ 1,828,744</u>	<u>\$ 329,610</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	STATE HIGHWAY FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 53,000	\$ 55,445	\$ 2,445
Investment Earnings	300	0	(300)
Total Revenues	53,300	55,445	2,145
Expenditures:			
Transportation:			
Street Department:			
Materials and Supplies	51,500	0	51,500
Contractual Services	67,000	21,891	45,109
Total Expenditures	118,500	21,891	96,609
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,200)	33,554	98,754
Fund Balance at Beginning of Year	376,753	376,753	0
Fund Balance at End of Year	\$ 311,553	\$ 410,307	\$ 98,754

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 73,806	\$ 73,806	\$ 0
Total Revenues	73,806	73,806	0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	73,806	73,806	0
Other Financing Sources (Uses):			
Transfers Out	(73,806)	(73,806)	0
Total Other Financing Sources (Uses)	(73,806)	(73,806)	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

CITY OF HEATH, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

SWIMMING POOL FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 784,500	\$ 595,502	\$ (188,998)
All Other Revenues	15,500	8,137	(7,363)
Total Revenues	800,000	603,639	(196,361)
Expenditures:			
Leisure Time Activities:			
Swimming Pool:			
Personal Services	680,340	469,140	211,200
Materials and Supplies	205,750	99,231	106,519
Contractual Services	229,667	126,465	103,202
Capital Outlay	58,000	15,274	42,726
Total Expenditures	1,173,757	710,110	463,647
Excess (Deficiency) of Revenues Over (Under) Expenditures	(373,757)	(106,471)	267,286
Other Financing Sources (Uses):			
Transfers In	501,717	700,855	199,138
Total Other Financing Sources (Uses)	501,717	700,855	199,138
Net Change in Fund Balance	127,960	594,384	466,424
Fund Balance at Beginning of Year	(21,065)	(21,065)	0
Prior Year Encumbrances	2,185	2,185	0
Fund Balance at End of Year	\$ 109,080	\$ 575,504	\$ 466,424

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental Revenues	\$ 157,000	\$ 174,715	\$ 17,715
Total Revenues	157,000	174,715	17,715
Expenditures:			
Transportation:			
Street Department:			
Capital Outlay	494,332	477,482	16,850
Total Expenditures	494,332	477,482	16,850
Excess (Deficiency) of Revenues Over (Under) Expenditures	(337,332)	(302,767)	34,565
Other Financing Sources (Uses):			
Transfers Out	(80,871)	(80,871)	0
Total Other Financing Sources (Uses)	(80,871)	(80,871)	0
Net Change in Fund Balance	(418,203)	(383,638)	34,565
Fund Balance at Beginning of Year	446,044	446,044	0
Prior Year Encumbrances	85,000	85,000	0
Fund Balance at End of Year	\$ 112,841	\$ 147,406	\$ 34,565

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	FIRE PENSION FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 101,263	\$ 127,816	\$ 26,553
Intergovernmental Revenues	3,000	1,916	(1,084)
Total Revenues	104,263	129,732	25,469
Expenditures:			
Security of Persons and Property:			
Fire:			
Personal Services	590,874	465,110	125,764
Contractual Services	2,000	1,842	158
Total Expenditures	592,874	466,952	125,922
Excess (Deficiency) of Revenues Over (Under) Expenditures	(488,611)	(337,220)	151,391
Other Financing Sources (Uses):			
Transfers In	490,000	269,793	(220,207)
Total Other Financing Sources (Uses)	490,000	269,793	(220,207)
Net Change in Fund Balance	1,389	(67,427)	(68,816)
Fund Balance at Beginning of Year	67,427	67,427	0
Fund Balance at End of Year	\$ 68,816	\$ 0	\$ (68,816)

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	POLICE PENSION FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 101,263	\$ 127,815	\$ 26,552
Intergovernmental Revenues	3,000	1,928	(1,072)
Total Revenues	104,263	129,743	25,480
Expenditures:			
Security of Persons and Property:			
Police:			
Personal Services	411,032	391,141	19,891
Contractual Services	2,000	1,842	158
Total Expenditures	413,032	392,983	20,049
Excess (Deficiency) of Revenues Over (Under) Expenditures	(308,769)	(263,240)	45,529
Other Financing Sources (Uses):			
Transfers In	343,000	218,527	(124,473)
Total Other Financing Sources (Uses)	343,000	218,527	(124,473)
Net Change in Fund Balance	34,231	(44,713)	(78,944)
Fund Balance at Beginning of Year	44,713	44,713	0
Fund Balance at End of Year	\$ 78,944	\$ 0	\$ (78,944)

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

LAW ENFORCEMENT TRUST FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 5,000	\$ 28,355	\$ 23,355
Fines and Forfeitures	25,000	48,082	23,082
All Other Revenues	9,000	17,497	8,497
Total Revenues	39,000	93,934	54,934
Expenditures:			
Security of Persons and Property:			
Police:			
Materials and Supplies	5,000	5,000	0
Contractual Services	49,895	33,876	16,019
Capital Outlay	25,681	25,538	143
Total Expenditures	80,576	64,414	16,162
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,576)	29,520	71,096
Fund Balance at Beginning of Year	188,206	188,206	0
Prior Year Encumbrances	16,976	16,976	0
Fund Balance at End of Year	\$ 163,606	\$ 234,702	\$ 71,096

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	POLICE PROFESSIONAL TRAINING FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 0	\$ 17,824	\$ 17,824
Total Revenues	0	17,824	17,824
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	0	17,824	17,824
Fund Balance at Beginning of Year	788	788	0
Fund Balance at End of Year	\$ 788	\$ 18,612	\$ 17,824

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	OPIOID SETTLEMENT FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 3,905	\$ 30,012	\$ 26,107
Total Revenues	<u>3,905</u>	<u>30,012</u>	<u>26,107</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	3,905	30,012	26,107
Fund Balance at Beginning of Year	13,432	13,432	0
Fund Balance at End of Year	<u>\$ 17,337</u>	<u>\$ 43,444</u>	<u>\$ 26,107</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

ENFORCEMENT AND EDUCATION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 0	\$ 78	\$ 78
Total Revenues	0	78	78
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	0	78	78
Fund Balance at Beginning of Year	11,672	11,672	0
Fund Balance at End of Year	\$ 11,672	\$ 11,750	\$ 78

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

D.A.R.E. FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	365	365	0
Fund Balance at End of Year	<u>\$ 365</u>	<u>\$ 365</u>	<u>\$ 0</u>

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

AMERICAN RESCUE PLAN FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Transfers Out	(509,762)	(509,762)	0
Total Other Financing Sources (Uses)	(509,762)	(509,762)	0
Net Change in Fund Balance	(509,762)	(509,762)	0
Fund Balance at Beginning of Year	509,762	509,762	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

	CENTRAL PARKWAY FUND		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 10,531	\$ 10,558	\$ 27
All Other Revenues	582,186	583,651	1,465
Total Revenues	592,717	594,209	1,492
Expenditures:			
Transportation:			
Street Department:			
Contractual Services	4,884	4,884	0
Total Transportation	4,884	4,884	0
Debt Service:			
Principal Retirement	175,000	175,000	0
Interest and Fiscal Charges	154,650	154,650	0
Total Expenditures	334,534	334,534	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	258,183	259,675	1,492
Fund Balance at Beginning of Year	(117,554)	(117,554)	0
Prior Year Encumbrances	4,884	4,884	0
Fund Balance at End of Year	\$ 145,513	\$ 147,005	\$ 1,492

CITY OF HEATH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

CONN MEMORIAL TRUST			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 3,000	\$ 4,370	\$ 1,370
Investment Earnings	320	2,182	1,862
Total Revenues	3,320	6,552	3,232
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,320	6,552	3,232
Fund Balance at Beginning of Year	65,562	65,562	0
Fund Balance at End of Year	\$ 68,882	\$ 72,114	\$ 3,232



STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source, the income tax.	
Debt Capacity	S 18 – S 25
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Economic and Demographic Information	S 26 – S 29
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 30 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.	

City of Heath, Ohio

Net Position by Component Last Ten Years (accrual basis of accounting)

	2015	2016	2017
Governmental Activities:			*
Net Investment in Capital Assets	\$32,583,035	\$32,767,862	\$33,319,642
Restricted	3,096,603	3,397,635	1,847,160
Unrestricted (Deficit)	(4,539,258)	(4,690,517)	(11,653,068)
Total Governmental Activities Net Position	<u>\$31,140,380</u>	<u>\$31,474,980</u>	<u>\$23,513,734</u>
Business-type Activities:			*
Net Investment in Capital Assets	\$14,247,988	\$14,895,733	\$14,798,264
Restricted	0	0	0
Unrestricted	4,802,704	4,628,954	4,232,402
Total Business-type Activities Net Position	<u>\$19,050,692</u>	<u>\$19,524,687</u>	<u>\$19,030,666</u>
Primary Government:			
Net Investment in Capital Assets	\$46,831,023	\$47,663,595	\$48,117,906
Restricted	3,096,603	3,397,635	1,847,160
Unrestricted (Deficit)	263,446	(61,563)	(7,420,666)
Total Primary Government Net Position	<u>\$50,191,072</u>	<u>\$50,999,667</u>	<u>\$42,544,400</u>

Source: City Auditor's Office

* 2017 Net Position was restated for the implementation of GASB 75.

Amounts for 2024 are presented in accordance with GASB Statement No. 101, while amounts for 2023 are presented in accordance with previous guidance. See Note 2 to the basic financial statements for details.

City of Heath, Ohio

2018	2019	2020	2021	2022	2023	2024
\$37,542,871	\$38,284,771	\$39,953,094	\$39,478,770	\$34,078,471	\$34,979,311	\$37,544,364
2,177,417	2,825,835	2,581,575	7,849,731	7,072,720	6,222,424	6,275,390
(11,168,308)	(4,914,041)	(4,482,277)	(5,618,094)	(513,860)	49,157	963,882
<u>\$28,551,980</u>	<u>\$36,196,565</u>	<u>\$38,052,392</u>	<u>\$41,710,407</u>	<u>\$40,637,331</u>	<u>\$41,250,892</u>	<u>\$44,783,636</u>
\$15,111,321	\$15,070,829	\$15,299,429	\$15,496,591	\$15,064,970	\$16,351,753	\$15,376,090
0	0	0	0	0	0	56,722
4,615,269	4,964,086	4,468,105	6,108,162	9,238,928	8,497,655	7,598,009
<u>\$19,726,590</u>	<u>\$20,034,915</u>	<u>\$19,767,534</u>	<u>\$21,604,753</u>	<u>\$24,303,898</u>	<u>\$24,849,408</u>	<u>\$23,030,821</u>
\$52,654,192	\$53,355,600	\$55,252,523	\$54,975,361	\$49,143,441	\$51,331,064	\$52,920,454
2,177,417	2,825,835	2,581,575	7,849,731	7,072,720	6,222,424	6,332,112
(6,553,039)	50,045	(14,172)	490,068	8,725,068	8,546,812	8,561,891
<u>\$48,278,570</u>	<u>\$56,231,480</u>	<u>\$57,819,926</u>	<u>\$63,315,160</u>	<u>\$64,941,229</u>	<u>\$66,100,300</u>	<u>\$67,814,457</u>

City of Heath, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2015	2016	2017	2018
Expenses				
Governmental Activities:				
Security of Persons and Property	\$5,380,059	\$6,172,133	\$6,322,655	\$6,495,829
Public Health and Welfare Services	55,970	57,369	57,369	57,369
Leisure Time Activities	1,220,510	1,308,192	1,434,646	1,376,776
Community Environment	257,150	309,048	305,964	269,307
Basic Utility Services	0	0	0	0
Transportation	1,863,500	995,838	1,115,075	939,862
General Government	1,385,688	1,324,285	1,736,746	1,603,512
Interest on Long-Term Debt	81,723	81,127	79,992	70,857
<i>Total Governmental Activities Expenses</i>	<u>10,244,600</u>	<u>10,247,992</u>	<u>11,052,447</u>	<u>10,813,512</u>
Business-type Activities:				
Water	1,878,912	1,986,115	2,282,184	2,215,502
Sewer	2,060,955	1,991,200	2,110,841	2,074,353
<i>Total Business-type Activities Expenses</i>	<u>3,939,867</u>	<u>3,977,315</u>	<u>4,393,025</u>	<u>4,289,855</u>
<i>Total Primary Government Expenses</i>	<u>\$14,184,467</u>	<u>\$14,225,307</u>	<u>\$15,445,472</u>	<u>\$15,103,367</u>
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Security of Persons and Property	\$493,602	\$526,680	\$559,504	\$598,569
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	452,803	524,963	509,725	536,648
Community Environment	28,809	66,265	39,566	33,682
Transportation	23,254	9,285	2,704	14,046
General Government	21,269	12,988	11,923	15,669
Operating Grants and Contributions	695,090	686,525	736,615	762,026
Capital Grants and Contributions	8,992	235,239	323,000	3,043,724
<i>Total Governmental Activities Program Revenues</i>	<u>1,723,819</u>	<u>2,061,945</u>	<u>2,183,037</u>	<u>5,004,364</u>

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
\$1,773,820	\$6,740,798	\$6,715,060	\$7,748,063	\$9,229,742	\$10,394,523
57,943	58,522	58,522	118,807	0	60,893
1,650,984	987,154	994,823	1,234,154	1,867,831	2,204,978
358,163	389,513	240,003	346,997	639,080	1,021,369
0	1,273	314,745	1,170,242	119,902	92,584
1,674,486	2,220,098	2,679,356	3,102,037	4,979,401	3,055,739
1,757,402	2,165,634	1,303,454	1,529,725	1,977,197	2,447,180
54,271	38,653	535,064	12,461	70,464	208,391
<u>7,327,069</u>	<u>12,601,645</u>	<u>12,841,027</u>	<u>15,262,486</u>	<u>18,883,617</u>	<u>19,485,657</u>
2,296,946	2,434,601	1,739,412	2,742,437	2,341,438	3,047,383
2,098,157	2,417,446	1,539,046	2,381,662	2,665,175	4,360,276
<u>4,395,103</u>	<u>4,852,047</u>	<u>3,278,458</u>	<u>5,124,099</u>	<u>5,006,613</u>	<u>7,407,659</u>
<u>\$11,722,172</u>	<u>\$17,453,692</u>	<u>\$16,119,485</u>	<u>\$20,386,585</u>	<u>\$23,890,230</u>	<u>\$26,893,316</u>
\$627,841	\$598,446	\$612,322	\$751,087	\$791,035	\$929,288
0	0	0	0	0	100,062
607,571	16,217	349,410	257,109	273,642	631,946
89,266	90,144	204,138	71,809	52,679	142,671
19,000	90,352	22,448	38,035	18,331	100,880
22,480	17,181	16,240	18,615	45,682	116,510
1,043,159	1,660,100	1,076,535	991,379	1,068,203	2,104,044
427,610	226,739	372,422	0	547,556	1,452,488
<u>2,836,927</u>	<u>2,699,179</u>	<u>2,653,515</u>	<u>2,128,034</u>	<u>2,797,128</u>	<u>5,577,889</u>

(continued)

City of Heath, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2015	2016	2017	2018
Business-type Activities:				
Charges for Services and Sales				
Water	2,488,561	2,292,134	2,335,663	2,560,275
Sewer	2,193,124	2,148,903	2,203,296	2,412,812
Capital Grants and Contributions	0	0	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>4,681,685</u>	<u>4,441,037</u>	<u>4,538,959</u>	<u>4,973,087</u>
<i>Total Primary Government Program Revenues</i>	<u>6,405,504</u>	<u>6,502,982</u>	<u>6,721,996</u>	<u>9,977,451</u>
Net (Expense)/Revenue				
Governmental Activities	(8,520,781)	(8,186,047)	(8,869,410)	(5,809,148)
Business-type Activities	741,818	463,722	145,934	683,232
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$7,778,963)</u></u>	<u><u>(\$7,722,325)</u></u>	<u><u>(\$8,723,476)</u></u>	<u><u>(\$5,125,916)</u></u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes	\$1,173,389	\$1,429,374	\$1,455,838	\$1,549,423
Municipal Income Taxes	6,023,648	6,438,248	6,012,098	8,553,511
Other Local Taxes	1,684	22,162	10,386	0
Intergovernmental Revenue, Unrestricted	447,701	410,657	411,529	452,055
Investment Earnings	137,416	140,161	96,091	163,323
Miscellaneous	120,042	80,045	135,219	129,082
Transfers	0	0	0	0
<i>Total Governmental Activities</i>	<u>7,903,880</u>	<u>8,520,647</u>	<u>8,121,161</u>	<u>10,847,394</u>
Business-type Activities:				
Investment Earnings	14,410	10,273	13,252	12,692
Transfers	0	0	0	0
<i>Total Business-type Activities</i>	<u>14,410</u>	<u>10,273</u>	<u>13,252</u>	<u>12,692</u>
<i>Total Primary Government</i>	<u><u>\$7,918,290</u></u>	<u><u>\$8,530,920</u></u>	<u><u>\$8,134,413</u></u>	<u><u>\$10,860,086</u></u>
Change in Net Position				
Governmental Activities	(\$616,901)	\$334,600	(\$748,249)	\$5,038,246
Business-type Activities	756,228	473,995	159,186	695,924
<i>Total Primary Government Change in Net Position</i>	<u><u>\$139,327</u></u>	<u><u>\$808,595</u></u>	<u><u>(\$589,063)</u></u>	<u><u>\$5,734,170</u></u>

Source: City Auditor's Office

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
2,363,198	2,281,922	2,570,786	2,639,535	2,532,477	2,767,284
2,323,446	2,278,770	2,537,753	2,735,678	2,490,027	2,728,267
0	12,000	0	566,487	424,513	0
4,686,644	4,572,692	5,108,539	5,941,700	5,447,017	5,495,551
7,523,571	7,271,871	7,762,054	8,069,734	8,244,145	11,073,440
(4,490,142)	(9,902,466)	(10,187,512)	(13,134,452)	(16,086,489)	(13,907,768)
291,541	(279,355)	1,830,081	817,601	440,404	(1,912,108)
(\$4,198,601)	(\$10,181,821)	(\$8,357,431)	(\$12,316,851)	(\$15,646,085)	(\$15,819,876)
\$1,594,279	\$1,641,616	\$1,705,281	\$1,723,470	\$1,775,393	\$2,374,430
9,435,004	8,936,297	11,436,345	11,913,647	13,116,339	13,813,644
0	0	0	0	0	0
481,600	419,163	578,673	600,485	725,494	464,946
464,517	367,937	(100,174)	(477,024)	970,170	938,342
159,327	393,280	225,402	170,639	195,304	118,809
0	0	0	(1,869,841)	(82,650)	(82,547)
12,134,727	11,758,293	13,845,527	12,061,376	16,700,050	17,627,624
16,784	11,974	7,138	11,703	22,456	23,142
0	0	0	1,869,841	82,650	82,547
16,784	11,974	7,138	1,881,544	105,106	105,689
\$12,151,511	\$11,770,267	\$13,852,665	\$13,942,920	\$16,805,156	\$17,733,313
\$7,644,585	\$1,855,827	\$3,658,015	(\$1,073,076)	\$613,561	\$3,719,856
308,325	(267,381)	1,837,219	2,699,145	545,510	(1,806,419)
\$7,952,910	\$1,588,446	\$5,495,234	\$1,626,069	\$1,159,071	\$1,913,437

City of Heath, Ohio

Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2015	2016	2017	2018
General Fund				
Nondisposable	\$92,140	\$149,022	\$156,165	\$166,587
Assigned	553,846	657,639	681,475	544,515
Unassigned	2,521,638	2,946,820	2,615,466	4,099,621
<i>Total General Fund</i>	<u>3,167,624</u>	<u>3,753,481</u>	<u>3,453,106</u>	<u>4,810,723</u>
All Other Governmental Funds				
Nondisposable	87,499	77,760	86,709	85,463
Restricted	975,602	1,912,114	1,647,773	1,865,120
Committed	1,928,153	1,710,558	1,535,396	1,652,937
Assigned	0	0	0	0
Unassigned	0	(10,230)	(33,228)	0
Total All Other Governmental Funds	<u>2,991,254</u>	<u>3,690,202</u>	<u>3,236,650</u>	<u>3,603,520</u>
<i>Total Governmental Funds</i>	<u><u>\$6,158,878</u></u>	<u><u>\$7,443,683</u></u>	<u><u>\$6,689,756</u></u>	<u><u>\$8,414,243</u></u>

Source: City Auditor's Office

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
\$156,401	\$182,726	\$179,520	\$130,219	\$60,774	\$121,441
188,281	1,047,966	888,935	3,081,258	2,436,825	2,762,111
5,151,733	4,554,088	7,221,894	3,847,860	6,483,782	6,070,987
5,496,415	5,784,780	8,290,349	7,059,337	8,981,381	8,954,539
91,002	98,645	97,170	71,801	94,506	81,637
2,450,142	2,154,804	7,479,903	6,667,271	5,864,766	5,852,481
2,675,283	3,107,747	2,116,106	2,937,836	2,440,863	4,179,012
0	0	741,382	0	0	0
0	0	0	0	(131,828)	(122,551)
5,216,427	5,361,196	10,434,561	9,676,908	8,268,307	9,990,579
\$10,712,842	\$11,145,976	\$18,724,910	\$16,736,245	\$17,249,688	\$18,945,118

City of Heath, Ohio

Changes in Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2015	2016	2017	2018
Revenues:				
Taxes	\$7,202,848	\$7,888,491	\$7,510,219	\$10,092,690
Intergovernmental Revenues	1,201,765	1,265,540	1,440,276	4,088,411
Charges for Services	861,981	964,331	973,753	1,040,589
Licenses and Permits	28,924	66,272	92,882	115,362
Investment Earnings	137,416	140,161	96,091	163,323
Fines and Forfeitures	68,319	63,549	54,448	62,494
Donations	0	0	0	0
All Other Revenue	180,555	126,074	193,114	191,386
Total Revenue	9,681,808	10,514,418	10,360,783	15,754,255
Expenditures:				
Current:				
Security of Persons and Property	5,792,998	5,334,164	6,116,970	5,796,579
Public Health and Welfare Services	55,970	57,369	57,369	57,369
Leisure Time Activities	1,001,695	1,025,447	1,058,451	1,113,746
Community Environment	292,709	282,702	266,458	245,842
Basic Utility Services	0	0	0	0
Transportation	1,440,761	1,439,671	1,535,393	4,751,693
General Government	1,381,407	1,368,483	1,413,827	1,538,505
Debt Service:				
Principal Retirement	382,906	482,667	588,964	651,639
Interest and Fiscal Charges	76,542	80,671	77,399	67,617
Total Expenditures	10,424,988	10,071,174	11,114,831	14,222,990
Excess (Deficiency) of Revenues Over Expenditures	(743,180)	443,244	(754,048)	1,531,265

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
\$10,969,614	\$10,571,977	\$13,223,565	\$13,580,676	\$14,711,389	\$16,098,294
1,849,601	2,154,242	1,982,077	1,446,391	2,312,024	2,855,474
1,167,985	547,239	917,948	917,253	1,034,118	1,498,614
176,181	184,862	296,852	156,441	142,336	300,679
464,517	367,937	(100,174)	(477,024)	970,170	938,342
56,385	29,059	41,286	90,669	49,136	59,630
0	0	0	0	0	1,118,068
210,965	532,432	262,931	227,659	227,193	270,895
14,895,248	14,387,748	16,624,485	15,942,065	19,446,366	23,139,996
6,613,062	7,288,286	6,898,134	8,117,326	8,176,255	11,011,075
57,943	58,522	58,522	118,807	0	60,893
1,264,602	708,489	1,083,120	1,231,659	1,777,250	2,156,727
317,859	383,008	343,778	432,517	605,734	923,596
0	1,273	314,745	1,179,985	119,902	92,584
2,201,218	2,749,228	3,486,441	3,337,484	6,051,900	4,153,464
1,554,234	2,205,410	1,818,612	1,785,070	1,971,754	2,427,125
523,444	536,961	460,333	341,207	452,593	306,268
60,187	44,946	536,647	13,294	84,000	230,287
12,592,549	13,976,123	15,000,332	16,557,349	19,239,388	21,362,019
2,302,699	411,625	1,624,153	(615,284)	206,978	1,777,977

(continued)

City of Heath, Ohio

Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2015	2016	2017	2018
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Lease Initiated	435,678	117,027	0	190,436
OPWC/Installment Loans Issued	0	740,000	0	0
Bonds Issued	0	0	0	0
Premium on Bonds Issued	0	0	0	0
Transfers In	785,000	791,368	924,111	950,683
Transfers Out	(785,000)	(791,368)	(924,111)	(950,683)
Total Other Financing Sources (Uses)	435,678	857,027	0	190,436
Net Change in Fund Balance	(\$307,502)	\$1,300,271	(\$754,048)	\$1,721,701
Debt Service as a Percentage of Noncapital Expenditures	4.76%	6.30%	6.92%	7.71%

Source: City Auditor's Office

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
0	0	506,100	0	0	0
0	0	0	0	389,115	0
0	0	0	496,460	0	0
0	0	5,020,000	0	0	0
0	0	428,681	0	0	0
2,205,233	2,149,166	3,326,339	5,528,920	5,409,842	4,940,817
(2,205,233)	(2,149,166)	(3,326,339)	(7,398,761)	(5,492,492)	(5,023,364)
0	0	5,954,781	(1,373,381)	306,465	(82,547)
\$2,302,699	\$411,625	\$7,578,934	(\$1,988,665)	\$513,443	\$1,695,430
5.16%	5.06%	7.27%	2.31%	3.15%	3.14%

City of Heath, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2015	2016	2017	2018
Income Tax Rate	1.50%	1.50%	1.50%	2.00%
Estimated Personal Income (in thousands)	\$430,205	\$441,505	\$458,424	\$472,652
Total Tax Collected	\$6,072,725	\$6,597,206	\$6,394,316	\$8,587,950
Income Tax Receipts				
Withholding	4,526,078	4,799,454	4,799,257	6,466,780
Percentage	74.53%	72.75%	75.06%	75.30%
Corporate	1,069,468	1,321,692	1,124,958	1,566,290
Percentage	17.61%	20.03%	17.59%	18.24%
Individuals	477,179	476,060	470,101	554,880
Percentage	7.86%	7.22%	7.35%	6.46%

Source: City Income Tax Department

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
\$489,704	\$529,697	\$575,284	\$579,584	\$611,289	\$611,289
\$9,719,207	\$9,102,968	\$11,375,411	\$12,419,570	\$13,658,545	\$14,091,900
7,063,626	7,276,015	8,200,389	9,179,287	9,863,210	10,664,912
72.68%	79.93%	72.09%	73.91%	72.21%	75.68%
1,866,460	1,124,742	2,326,796	2,303,983	2,888,407	2,539,736
19.20%	12.36%	20.45%	18.55%	21.15%	18.02%
789,121	702,211	848,226	936,300	906,928	887,252
8.12%	7.71%	7.46%	7.54%	6.64%	6.30%



City of Heath, Ohio

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2024						
Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.19%	\$237,868,500	33.76%	\$4,757,370	33.76%
All Others	5,180	99.81%	466,726,500	66.24%	9,334,530	66.24%
Total	5,190	100.00%	\$704,595,000	100.00%	\$14,091,900	100.00%
Calendar Year 2015						
Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.19%	\$154,111,867	38.07%	\$2,311,678	38.07%
All Others	5,389	99.81%	250,733,133	61.93%	3,760,977	61.93%
Total	5,399	100.00%	\$404,845,000	100.00%	\$6,072,655	100.00%

Source: City Income Tax Department

City of Heath, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2015	2016	2017	2018
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$2,285,000	\$1,925,000	\$1,560,000	\$1,185,000
Installment Loan Payable	0	710,000	592,610	477,907
OPWC Loans Payable	0	0	0	0
Leases	446,545	470,905	364,331	392,831
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	2,160,000	1,735,000	1,538,492	1,375,245
Ohio Water Development Authority Loans	5,052,270	5,363,436	5,729,538	5,333,868
Ohio Public Works Commission Loan	335,166	326,086	418,129	527,008
General Obligation Notes Payable	0	0	588,000	0
Leases	460,000	373,175	283,814	191,880
Total Primary Government	<u>\$10,738,981</u>	<u>\$10,903,602</u>	<u>\$11,074,914</u>	<u>\$9,483,739</u>
Population ⁽²⁾				
City of Heath	10,310	10,310	10,310	10,310
Outstanding Debt Per Capita	\$1,042	\$1,058	\$1,074	\$920
Income ⁽³⁾				
Personal (in thousands)	430,205	441,505	458,424	472,652
Percentage of Personal Income	2.50%	2.47%	2.42%	2.01%

Sources:

- (1) City Auditor's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
\$935,000	\$680,000	\$5,853,938	\$5,529,452	\$5,204,966	\$5,010,480
360,943	241,670	120,000	90,000	60,000	30,000
0	0	0	490,253	471,637	453,021
236,351	73,663	0	0	290,138	207,486
1,074,583	760,153	437,146	110,473	0	0
4,924,946	4,502,319	4,065,517	3,841,649	3,978,359	4,993,463
496,986	481,975	451,953	421,931	511,499	1,017,534
0	0	0	0	0	0
97,298	0	0	0	309,749	238,584
<u>\$8,126,107</u>	<u>\$6,739,780</u>	<u>\$10,928,554</u>	<u>\$10,483,758</u>	<u>\$10,826,348</u>	<u>\$11,950,568</u>
10,310	10,310	10,412	10,412	10,412	10,412
\$788	\$654	\$1,050	\$1,007	\$1,040	\$1,148
489,704	529,697	575,284	579,584	611,289	611,289
1.66%	1.27%	1.90%	1.81%	1.77%	1.95%

City of Heath, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2015	2016	2017	2018
Population ⁽¹⁾	10,310	10,310	10,310	10,310
Assessed Value ⁽²⁾	\$261,546,140	\$266,502,766	\$291,423,474	\$298,686,181
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$4,445,000	\$3,660,000	\$3,098,492	\$2,560,245
Resources Available to Pay Principal ⁽⁴⁾	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$4,445,000	\$3,660,000	\$3,098,492	\$2,560,245
Ratio of Net Bonded Debt to Estimated Actual Value	1.70%	1.37%	1.06%	0.86%
Net Bonded Debt per Capita	\$431.13	\$355.00	\$300.53	\$248.33

Source:

(1) U.S. Bureau of Census of Population

(2) Licking County Auditor

(3) Includes all general obligation bonded debt supported by property taxes.

(4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
10,310	10,310	10,412	10,412	10,412	10,412
\$303,068,832	\$333,534,111	\$335,294,094	\$344,104,315	\$460,219,020	\$469,888,852
\$2,009,583	\$1,440,153	\$6,291,084	\$5,639,925	\$5,204,966	\$5,010,480
\$0	\$0	\$0	\$0	\$0	\$0
\$2,009,583	\$1,440,153	\$6,291,084	\$5,639,925	\$5,204,966	\$5,010,480
0.66%	0.43%	1.88%	1.64%	1.13%	1.07%
\$194.92	\$139.69	\$604.21	\$541.68	\$499.90	\$481.22



City of Heath, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2024*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to the City of Heath (1)	Amount Applicable to the City of Heath
Direct:			
City of Heath	\$5,700,987	100.00%	\$5,700,987
Overlapping:			
Heath City School District	2,497,240	96.93%	2,420,575
Licking County	24,592,840	6.14%	1,510,000
		Subtotal	3,930,575
		Total	\$9,631,562

Source: Licking County

(1) Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Heath, Ohio

Debt Limitations Last Ten Years

Collection Year	2015	2016	2017	2018
Total Debt				
Net Assessed Valuation	\$261,546,140	\$266,502,766	\$291,423,474	\$298,686,181
Legal Debt Limitation (%) ⁽¹⁾	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) ⁽¹⁾	27,462,345	27,982,790	30,599,465	31,362,049
City Debt Outstanding ⁽²⁾	2,285,000	1,925,000	1,560,000	1,185,000
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	2,285,000	1,925,000	1,560,000	1,185,000
Overall Legal Debt Margin	\$25,177,345	\$26,057,790	\$29,039,465	\$30,177,049
Unvoted Debt				
Net Assessed Valuation	\$261,546,140	\$266,502,766	\$291,423,474	\$298,686,181
Legal Debt Limitation (%) ⁽¹⁾	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) ⁽¹⁾	14,385,038	14,657,652	16,028,291	16,427,740
City Debt Outstanding ⁽²⁾	2,285,000	1,925,000	1,560,000	1,185,000
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	2,285,000	1,925,000	1,560,000	1,185,000
Overall Legal Debt Margin	\$12,100,038	\$12,732,652	\$14,468,291	\$15,242,740

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
\$303,068,832	\$333,534,111	\$335,294,094	\$344,104,315	\$460,219,020	\$469,888,852
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
31,822,227	35,021,082	35,205,880	36,130,953	48,322,997	49,338,329
935,000	680,000	5,853,938	5,529,452	5,204,966	5,010,480
0	0	0	0	0	0
935,000	680,000	5,853,938	5,529,452	5,204,966	5,010,480
\$30,887,227	\$34,341,082	\$29,351,942	\$30,601,501	\$43,118,031	\$44,327,849
\$303,068,832	\$333,534,111	\$335,294,094	\$344,104,315	\$460,219,020	\$469,888,852
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
16,668,786	18,344,376	18,441,175	18,925,737	25,312,046	25,843,887
935,000	680,000	5,853,938	5,529,452	5,204,966	5,010,480
0	0	0	0	0	0
935,000	680,000	5,853,938	5,529,452	5,204,966	5,010,480
\$15,733,786	\$17,664,376	\$12,587,237	\$13,396,285	\$20,107,080	\$20,833,407

City of Heath, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2015	2016	2017	2018	2019
Population ⁽¹⁾					
City of Heath	10,310	10,310	10,310	10,310	10,310
Licking County	166,492	166,492	166,492	166,492	166,492
Income ^{(2) (a)}					
Total Personal (in thousands)	430,205	441,505	458,424	472,652	489,704
Per Capita	41,727	42,823	44,464	45,844	47,498
Unemployment Rate ⁽³⁾					
Federal	4.4%	4.9%	4.4%	3.9%	3.7%
State	4.9%	4.9%	5.0%	4.6%	4.1%
Licking County	5.3%	4.3%	4.2%	4.0%	3.7%
Civilian Work Force Estimates ⁽³⁾					
State	5,700,300	5,713,100	5,780,000	5,754,900	5,802,300
Licking County	83,600	87,900	89,800	89,000	90,500

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2023 for the presentation of 2024 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

City of Heath, Ohio

2020	2021	2022	2023	2024
10,310	10,412	10,412	10,412	10,412
166,492	178,519	178,519	178,519	178,519
529,697	575,284	579,584	611,289	611,289
51,377	55,252	55,665	58,710	58,710
8.1%	5.3%	3.6%	3.6%	4.0%
8.1%	5.1%	4.0%	3.5%	4.3%
6.5%	4.1%	3.4%	3.1%	4.0%
5,754,300	5,736,900	5,741,300	5,787,000	5,898,600
90,700	91,400	92,200	92,600	92,600



City of Heath, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2024	
		Number of Employees	Rank
Central Ohio Aerospace & Technology Center	Manufacturing	1,452	1
Heath City Schools	Education	972	2
Walmart	Retail Sales	576	3
City of Heath	Government	314	4
Kaiser	Manufacturing	224	5
Englefield Oil	Petroleum Products	164	6
Ariel Corporation	Manufacturing	135	7
Ampacet	Manufacturing	98	8
Carvana	Retail Sales	62	9
Marathon Petroleum	Petroleum Products	15	10
Total		4,012	

Employer	Nature of Business	2015	
		Number of Employees	Rank
Central Ohio Aerospace & Technology Center	Manufacturing	802	1
Super Wal-Mart Stores	Retail Sales	441	2
Kaiser Aluminum & Chemical Co.	Manufacturing	315	3
Heath City Schools	Education	309	4
Lowe's Home Center	Retail Sales	234	5
Heath Nursing Home	Health Care	206	6
JLH Automotive	Retail Sales	200	7
Englefield Oil	Petroleum Products	189	8
Arvin/Meritor	Manufacturing	168	9
Mathews Ford	Retail Sales	144	10
Total		3,008	

Sources:

City of Heath Income Tax Department

Note: Total employees within the City limits is not available.

City of Heath, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2015	2016	2017	2018
Governmental Activities				
General Government				
Mayor	1.00	1.00	1.00	1.00
Auditor	1.50	1.00	1.00	1.00
Council	7.00	7.00	7.00	7.00
Clerk of Council	1.00	1.00	1.00	1.00
Legal	1.00	1.00	1.00	1.00
Administration	3.25	3.25	3.25	3.25
Income Tax	4.00	4.00	4.00	4.00
Service	0.50	0.50	0.50	0.50
Security of Persons and Property				
Police	18.00	18.00	17.00	19.00
Fire	16.00	16.00	16.00	16.00
Communications	8.00	7.00	8.00	8.00
Transportation				
Street	6.00	6.00	6.00	6.50
Leisure Time Activities				
Recreation / Parks	4.75	4.75	4.75	4.25
Water Park	38.00	35.75	36.00	38.00
Community Environment				
Zoning	2.00	2.00	2.00	2.00
Business-Type Activities				
Utilities				
Water	9.25	10.00	10.75	10.75
Sewer	8.25	8.75	8.75	8.75
<i>Total Employees</i>	<u>129.50</u>	<u>127.00</u>	<u>128.00</u>	<u>132.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

* - Did not open in 2020 due to the COVID-19 Pandemic

Source: City Auditor's Office

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
7.00	7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
3.25	3.25	3.25	4.25	4.25	3.25
4.00	4.00	4.00	4.00	4.00	4.00
0.50	0.50	0.50	0.50	0.50	1.00
20.00	20.00	19.00	19.00	19.00	21.00
20.00	21.00	20.00	20.00	23.00	24.00
8.00	8.00	7.00	10.00	10.00	9.00
7.50	7.50	6.50	8.50	7.50	9.50
4.25	4.25	4.25	4.25	6.25	5.75
42.00	0 *	35.25	37.50	34.75	47.75
2.00	2.00	2.00	2.00	3.00	3.00
10.25	9.25	9.25	9.25	9.00	9.25
8.25	8.25	8.25	9.25	9.25	9.25
141.00	99.00	130.25	139.50	141.50	157.75

City of Heath, Ohio

Operating Indicators by Function Last Ten Years

	2015	2016	2017	2018
Governmental Activities				
General Government				
Council				
Members	7	7	7	7
Number of Ordinances passed	91	61	95	66
Number of Resolutions passed	4	5	6	7
Security of Persons and Property				
Police				
Number of Traffic Citations Issued	1,143	1,189	1,017	883
Number of Arrests	603	780	746	670
Fire				
Number of Calls	2,506	2,752	2,782	2,857
Number of Inspections	272	78	177	106
Transportation				
Street				
Number of Streets Resurfaced	8	1	7	4
Leisure Time Activities				
Recreation / Parks				
Number of Pool/Water Park Memberships Sold	721	763	794	716
Community Environment				
Number of Building Permits	82	73	67	139
Number of Building Inspections	82	51	67	107
Number of Board of Building and Zoning Appeal Cases	12	12	17	13
Business-Type Activities				
Water				
Number of Service Connections	3,825	3,825	4,485	4,490
Daily Average Consumption (thousands of gallons)	1,200	1,200	1,200	1,250
Maximun Daily Capacity (thousands of gallons)	4,000	4,000	4,000	4,000
Sewer				
Daily Average Sewage Treatment (thousands of gallons)	1,290	1,290	1,230	1,250

* - Did not open in 2020 due to the COVID-19 Pandemic

Source: City Auditor's Office

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
7	7	7	7	7	7
68	75	68	111	110	100
9	7	6	11	18	11
1,223	758	618	525	446	460
692	578	485	320	280	306
2,909	2,674	2,907	3,268	3,398	3,016
224	39	107	176	260	545
11	6	8	18	5	7
795	0 *	371	285	197	362
68	79	74	74	63	70
22	75	70	74	51	73
8	21	6	16	31	30
4,490	4,495	4,495	4,495	4,503	4,510
1,300	1,395	1,400	1,400	1,400	1,406
4,000	4,000	4,000	4,000	4,000	4,000
1,300	1,350	1,350	1,400	1,400	1,400

City of Heath, Ohio

Capital Asset Statistics by Function Last Ten Years

	2015	2016	2017	2018
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	140	140	204	458
Buildings	23	23	24	23
Security of Persons and Property				
Police				
Stations	1	1	1	1
Patrol Vehicles	9	9	8	9
Fire				
Stations	2	2	2	2
Vehicles	10	10	11	11
Transportation				
Street				
Streets (lane miles)	95	95	95	95
Street Lights	709	709	709	709
Traffic Signals (Intersections)	19	19	19	19
Vehicles	14	14	15	15
Leisure Time Activities				
Recreation / Parks				
Land (acres)	376	376	376	376
Buildings	4	4	4	4
Parks	11	11	11	11
Playgrounds	4	4	4	4
Swimming Pools	1	1	1	1
Baseball/Softball Diamonds	8	8	8	8
Sand Volleyball Courts	2	2	2	2

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
458	461	461	461	461	466
24	25	25	25	25	25
1	1	1	1	1	1
9	10	10	10	10	10
2	2	2	2	2	2
10	12	12	12	12	13
95	95	95	95	95	96
710	710	710	710	710	710
19	19	20	20	20	20
15	16	17	18	18	18
376	376	376	376	400	400
4	4	4	4	4	4
11	11	11	11	11	11
4	4	4	1	1	5
1	1	1	1	1	1
8	8	8	8	8	8
2	2	2	2	2	2

(Continued)

City of Heath, Ohio

Capital Asset Statistics by Function Last Ten Years

	2015	2016	2017	2018
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	89	90	90	90
Pump Stations	5	5	5	5
Number of Hydrants	788	793	794	800
Average Daily Consumption	1,200,000	1,200,000	1,200,000	1,200,000
Storage Capacity (thousands of gallons)	2,383	2,600	2,600	2,600
Sewer				
Sewerlines (Miles)	117	118	118	118
Lift Stations	18	18	18	18
Storm Drains (Miles)	43	49	49	49
Treatment Capacity (thousands of gallons)	2,240	2,777	2,250	2,250

Source: City Auditor's Office

City of Heath, Ohio

2019	2020	2021	2022	2023	2024
90	90	91	91	91	91
5	5	5	5	5	5
800	805	814	814	814	814
1,300,000	1,350,000	1,350,000	1,400,000	1,400,000	1,400,000
2,600	2,600	2,600	2,600	2,600	2,600
118	120	120	121	121	121
18	18	18	19	19	19
2,250	2,250	2,250	2,250	2,250	2,250



OHIO AUDITOR OF STATE KEITH FABER



CITY OF HEATH

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/4/2025

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