



**CITY OF CANFIELD
MAHONING COUNTY**

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MAHONING COUNTY**

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INDEPENDENT AUDITOR'S REPORT

City of Canfield
Mahoning County
104 Lisbon Street
Canfield, Ohio 44406

To the Members of 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 Canfield, Mahoning 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 Canfield, Mahoning County, Ohio as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2024, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No.101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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 Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

September 11, 2025

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**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)**

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

Financial Highlights

Key financial highlights for 2024 are as follows:

- The total net position of the City increased \$460,930. Net position of governmental activities increased \$21,743 or 0.14% from 2023's restated net position. Net position of business-type activities increased \$439,187 or 2.60% from 2023's restated net position.
- General revenues accounted for \$6,865,088 of total governmental activities revenue. Program specific revenues accounted for \$2,453,309 or 26.35% of total governmental activities revenue.
- The City had \$9,296,654 in expenses related to governmental activities; \$2,453,309 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$6,843,345 were offset by general revenues (primarily taxes and unrestricted grants and entitlements) of \$6,856,406.
- The general fund had revenues of \$6,061,930 in 2024. This represents an increase of \$247,258 from 2023. The expenditures and other financing uses of the general fund, which totaled \$5,924,568 in 2024, increased \$230,101 from 2023. The net increase in fund balance for the general fund was \$137,362 or 7.61%.
- The street construction maintenance and repair fund had revenues of \$1,618,448 in 2024. The expenditures of the street construction maintenance and repair fund totaled \$1,926,731 in 2024. The net decrease in fund balance for the street construction maintenance and repair fund was \$308,283 or 23.62%.
- The police department operating levy fund had revenues of \$871,423 in 2024. The expenditures of the police department operating levy fund totaled \$754,119 in 2024. The net increase in fund balance was \$117,304 or 105.89%.
- Net position for the business-type activities, which are made up of the sewer, water and storm enterprise funds increased in 2024 by \$439,187 from the prior year.

Using this Annual Financial Report

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

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)**

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The statement of net position and the statement of activities answer this question. These statements include all non fiduciary assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, parks, recreation, cemeteries, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's sewer, water and storm water operations are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

Governmental Funds

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

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)**

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

Proprietary Funds

The City maintains two 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 enterprise funds to account for its sewer, water and storm water management functions. All of the City's enterprise funds are considered major funds. The internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions.

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary schedules for the general fund and major special revenue funds, net pension/OPEB assets and liabilities.

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**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

Government-Wide Financial Analysis

The table below provides a summary of the City's net position for 2024 and 2023. The net position as of December 31, 2023, was restated as described in Note 3.

	Governmental Activities		Business-type Activities		Total	
	Restated		Restated		Restated	
	2024	2023	2024	2023	2024	2023
<u>Assets:</u>						
Current and Other Assets	\$ 7,692,567	\$ 7,255,829	\$ 4,560,275	\$ 3,588,660	\$ 12,252,842	\$ 10,844,489
Capital Assets	16,931,587	16,889,786	19,346,542	17,645,280	36,278,129	34,535,066
Total Assets	24,624,154	24,145,615	23,906,817	21,233,940	48,530,971	45,379,555
<u>Deferred Outflows:</u>						
Pension	2,367,642	2,704,259	213,772	331,028	2,581,414	3,035,287
OPEB	318,241	501,391	21,142	51,243	339,383	552,634
Total Deferred Outflows	2,685,883	3,205,650	234,914	382,271	2,920,797	3,587,921
<u>Liabilities:</u>						
Long-term Liabilities Outstanding	1,431,525	1,464,256	5,921,110	3,919,669	7,352,635	5,383,925
Net Pension Liability	7,515,815	7,485,901	650,460	769,397	8,166,275	8,255,298
Net OPEB Liability	390,188	427,332	-	17,006	390,188	444,338
Other Liabilities	355,384	304,508	235,741	20,708	591,125	325,216
Total Liabilities	9,692,912	9,681,997	6,807,311	4,726,780	16,500,223	14,408,777
<u>Deferred Inflows:</u>						
Property taxes	1,475,909	1,352,598	-	-	1,475,909	1,352,598
Pension	287,790	454,824	13,912	13,121	301,702	467,945
OPEB	383,252	413,415	12,483	7,472	395,735	420,887
Total Deferred Inflows	2,146,951	2,220,837	26,395	20,593	2,173,346	2,241,430
<u>Net Position:</u>						
Net investment in capital assets	16,713,236	16,588,175	13,333,699	13,866,821	30,046,935	30,454,996
Restricted	1,570,207	1,815,626	30,713	7,517	1,600,920	1,823,143
Unrestricted	(2,813,269)	(2,955,370)	3,943,613	2,994,500	1,130,344	39,130
Total Net Position	\$ 15,470,174	\$ 15,448,431	\$ 17,308,025	\$ 16,868,838	\$ 32,178,199	\$ 32,317,269

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

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2024, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$32,778,199. At year-end, net position was \$15,470,174 and \$17,308,025 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 74.75% of total assets. Capital assets include land, buildings, land improvements, equipment, infrastructure and construction in progress. Net investment in capital assets at December 31, 2024, was \$16,713,236 and \$13,333,699 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$1,600,920, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the balance of unrestricted net position is a deficit balance of \$2,813,269.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

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

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	Restated 2023	2024	Restated 2023	2024	Restated 2023
Revenues						
Program revenues:						
Charges for services	\$ 918,328	\$ 939,439	\$ 4,525,436	\$ 4,413,852	\$ 5,443,764	\$ 5,353,291
Operating grants and contributions	1,306,528	1,758,129	-	7,931	1,306,528	1,766,060
Capital grants and contributions	228,453	-	754,822	621,588	983,275	621,588
Total program revenues	<u>2,453,309</u>	<u>2,697,568</u>	<u>5,280,258</u>	<u>5,043,371</u>	<u>7,733,567</u>	<u>7,740,939</u>
General revenues:						
Property taxes	1,799,054	1,380,379	-	-	1,799,054	1,380,379
Income taxes	4,400,764	4,379,513	-	-	4,400,764	4,379,513
Unrestricted grants and entitlements	227,866	207,531	-	-	227,866	207,531
Permissive motor vehicle license tax	69,279	42,592	-	-	69,279	42,592
Investment earnings	263,971	240,699	-	-	263,971	240,699
Miscellaneous	104,154	65,534	16,687	7,016	120,841	72,550
Total general revenues	<u>6,865,088</u>	<u>6,316,248</u>	<u>16,687</u>	<u>7,016</u>	<u>6,881,775</u>	<u>6,323,264</u>
Total revenues	<u>9,318,397</u>	<u>9,013,816</u>	<u>5,296,945</u>	<u>5,050,387</u>	<u>14,615,342</u>	<u>14,064,203</u>
Expenses:						
General government	1,725,889	2,213,132	-	-	1,725,889	2,213,132
Security of persons and property	5,328,707	4,965,681	-	-	5,328,707	4,965,681
Public health and welfare	137,497	135,635	-	-	137,497	135,635
Transportation	1,937,886	1,482,993	-	-	1,937,886	1,482,993
Community environment	105,931	113,960	-	-	105,931	113,960
Leisure time activity	47,549	149,200	-	-	47,549	149,200
Other	5,550	-	-	-	5,550	-
Interest	7,645	10,457	-	-	7,645	10,457
Water	-	-	2,478,454	2,227,300	2,478,454	2,227,300
Sewer	-	-	1,876,569	1,854,166	1,876,569	1,854,166
Storm	-	-	502,735	473,980	502,735	473,980
Total expenses	<u>9,296,654</u>	<u>9,071,058</u>	<u>4,857,758</u>	<u>4,555,446</u>	<u>14,154,412</u>	<u>13,626,504</u>
Change in net position	21,743	(57,242)	439,187	494,941	460,930	437,699
Net position at beginning of the year (restated)	15,448,431	N/A	16,868,838	N/A	32,317,269	N/A
Net position at end of year	<u>\$ 15,470,174</u>	<u>\$ 15,448,431</u>	<u>\$ 17,308,025</u>	<u>\$ 16,868,838</u>	<u>\$ 32,778,199</u>	<u>\$ 32,317,269</u>

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)**

Governmental Activities

Governmental activities net position increased \$13,061 in 2024.

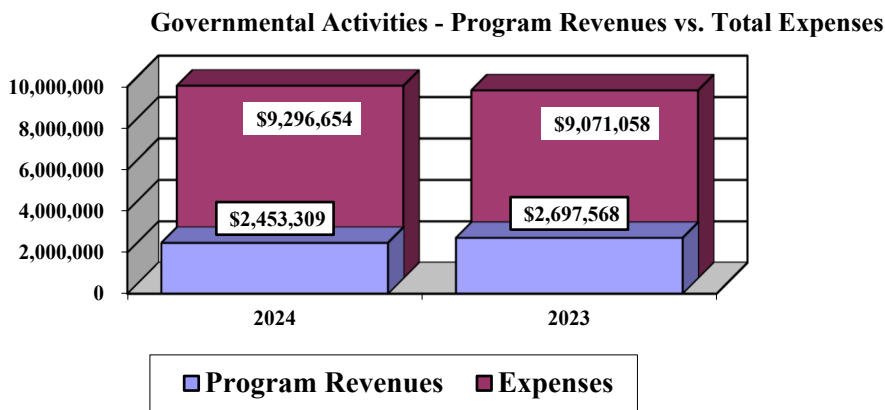
Overall, expenses of the governmental activities increased \$225,596 or 2.49%. This increase is primarily the result of an increase in security of people and property and transportation expenses. These expenses for governmental activities increased \$817,919. This increase was the result of an increase in expenses incurred due to the police carport, and increased expense for the maintenance and repair of the City roads.

Security of persons and property which primarily supports the operations of the police department and streetlights accounted for \$5,328,707 or 57.32% of the total expenses of the City. Security of persons and property expenses were partially funded by \$629,367 in direct charges to users of the services and \$431,707 in operating grants and contributions. General government expenses totaled \$1,725,889 or 18.56% of the total expenses of the City. General government expenses were funded by \$214,902 in direct charges to users of the services and \$131,032 in operating grants and contributions.

The state and federal government contributed to the City a total of \$1,306,528 in operating grants and contributions for governmental activities. These revenues are restricted to a particular program or purpose. The City received \$716,529 in operating grants and contributions that were used to subsidize transportation programs.

General revenues totaled \$6,856,406 and amounted to 73.67% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$6,199,818. The other primary source of general revenues are grants and entitlements not restricted to specific programs and investment earnings, making up \$227,866 and \$263,971 respectively.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon general revenues (primarily property and income taxes as well as unrestricted grants and entitlements) to support its governmental activities. As program revenues are not sufficient to cover total governmental expenses.



**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

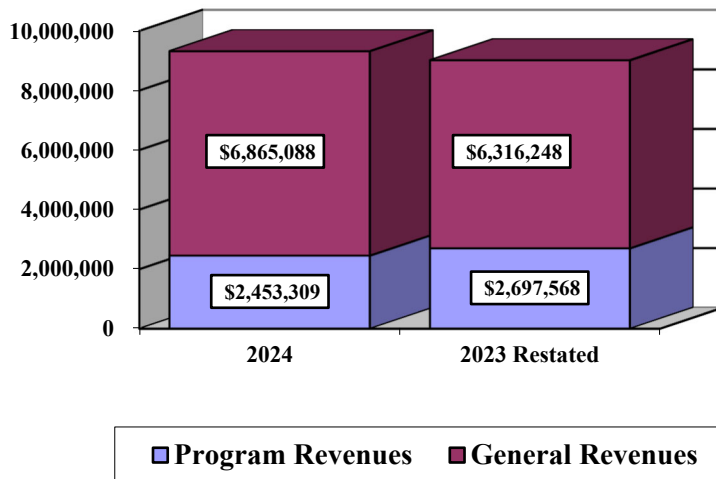
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)

Governmental Activities

	Total Cost of Services <u>2024</u>	Net Cost of Services <u>2024</u>	Total Cost of Services <u>2023</u>	Net Cost of Services <u>2023</u>
Program expenses:				
General government	\$ 1,725,889	\$ 1,379,955	\$ 2,213,132	\$ 1,455,607
Security of persons and property	5,328,707	4,267,633	4,965,681	3,937,075
Public health and welfare	137,497	84,448	135,635	62,550
Transportation	1,937,886	992,904	1,482,993	723,086
Community environment	105,931	103,881	113,960	111,010
Leisure time activity	47,549	1,329	149,200	73,705
Other	5,550	5,550	-	-
Interest	<u>7,645</u>	<u>7,645</u>	<u>10,457</u>	<u>10,457</u>
Total	<u>\$ 9,296,654</u>	<u>\$ 6,843,345</u>	<u>\$ 9,071,058</u>	<u>\$ 6,373,490</u>

The dependence upon general revenues for governmental activities is apparent, with 73.61% of expenses supported through taxes and other general revenues. The chart below illustrates the City's program revenues versus general revenues for 2024 and 2023.

Governmental Activities – General and Program Revenues

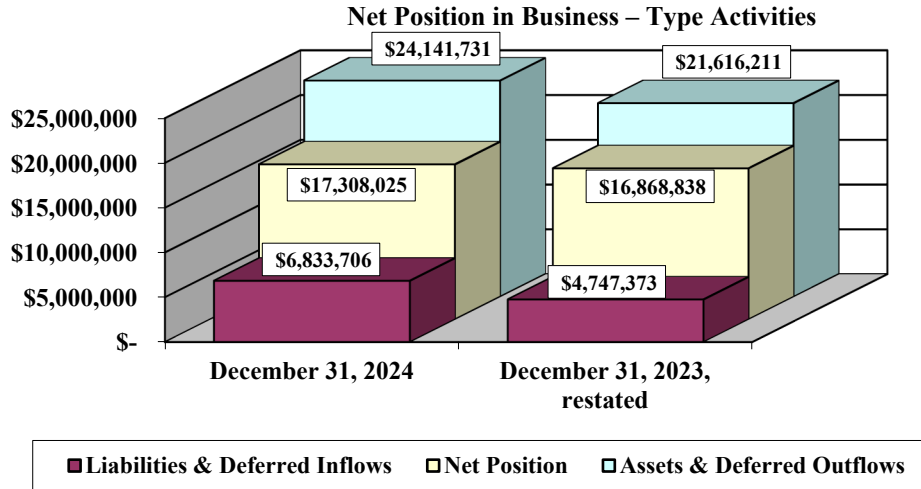


Business-Type Activities

Business-type activities include the sewer, water and storm water enterprise funds. These funds had program revenues of \$5,280,258, general revenues of \$16,687 and expenses of \$4,857,758 for 2024. The graph on the following page shows the business-type activities assets, liabilities, and net position at year-end. The net position as of December 31, 2023, was restated as described in Note 3.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds reported a combined fund balance of \$4,301,017 which is an increase of \$55,372 from last year's total of \$4,245,645.

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2024 for all major and non-major governmental funds.

	Fund Balances 12/31/24	Fund Balances 12/31/23	Change	Percentage Change
Major funds:				
General	\$ 1,942,984	\$ 1,805,622	\$ 137,362	7.61%
Street construction, maintenance and repair	996,981	1,305,264	(308,283)	(23.62%)
Police department operating levy fund	228,085	110,781	117,304	105.89%
Other nonmajor governmental funds	1,132,967	1,023,978	108,989	10.64%
Total	<u>\$ 4,301,017</u>	<u>\$ 4,245,645</u>	<u>\$ 55,372</u>	1.30%

The increase in fund balance in 2024 is due to the increase in revenues in the police department operating levy fund. This increase is due to increased collection on the police department's tax levy.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

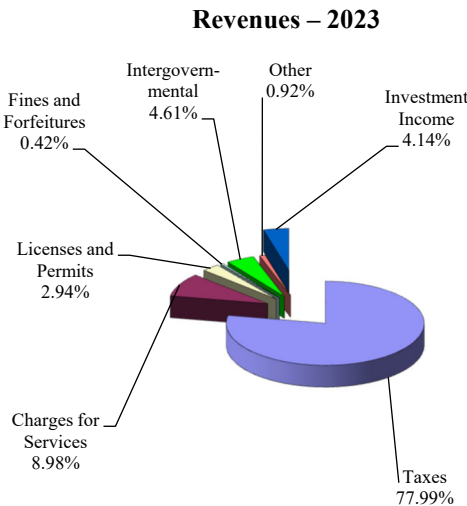
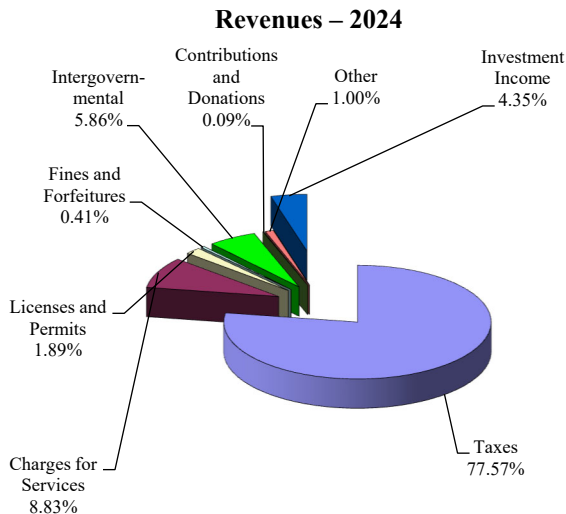
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)**

General Fund

The City's general fund balance increased \$137,362. The table that follows assists in illustrating the revenues of the general fund.

	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Income taxes	\$ 4,388,764	\$ 4,326,613	\$ 62,151	1.44%
Real and other taxes	311,118	208,095	103,023	49.51%
Special assessments	2,133	-	2,133	100.00%
Charges for services	535,302	522,275	13,027	2.49%
Licenses and permits	114,441	170,926	(56,485)	(33.05%)
Fines and forfeitures	24,917	24,224	693	2.86%
Intergovernmental	354,941	268,104	86,837	32.39%
Investment income	263,971	240,699	23,272	9.67%
Contributions and donations	5,600	-	5,600	100.00%
Other	60,743	53,754	6,989	13.00%
Total	<u>\$ 6,061,930</u>	<u>\$ 5,814,690</u>	<u>\$ 247,240</u>	4.25%

Revenues in the general fund increased \$247,240 or 4.25% in 2024. Income tax revenue represents 72.40% of all 2024 general fund revenue. Income tax revenue increased 1.44% from the prior year. Intergovernmental revenue increased \$86,837 or 32.39% due to an increase in grants and state local government revenue. Revenues from charges for services increased \$13,027 or 2.49% compared to 2023. Investment income increased by \$23,272 or 9.67% due to an increase in earnings from the City's investments. All other revenues remained consistent with the prior year. Real and other taxes increased \$165,174 50.95% due to an increased collection in property taxes for the fiscal year.



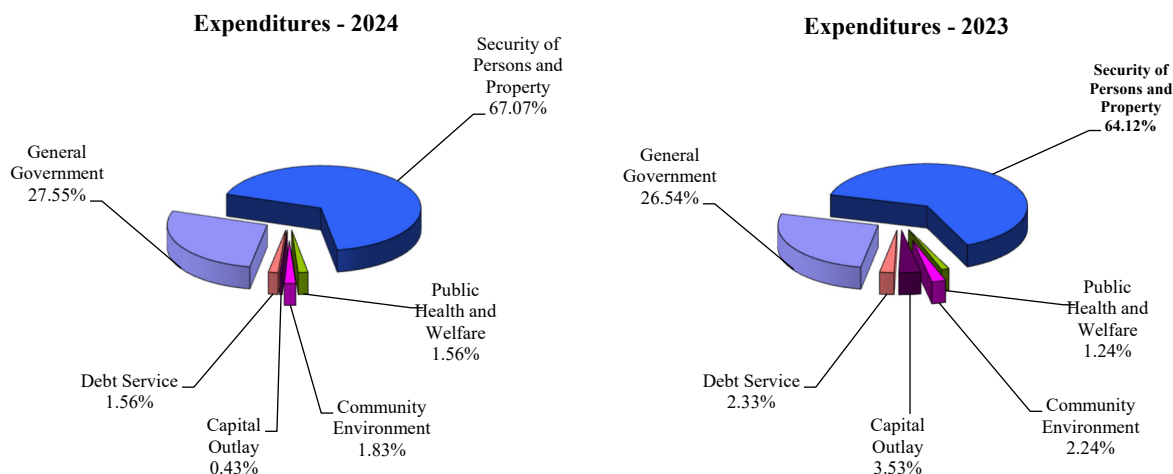
**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)**

The table that follows assists in illustrating the expenditures of the general fund.

	2024	2023		Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>	<u>Change</u>
<u>Expenditures</u>				
General government	\$ 1,602,822	\$ 1,441,024	\$ 161,798	11.23%
Security of persons and property	3,902,078	3,480,902	421,176	12.10%
Public health and welfare	90,657	67,057	23,600	35.19%
Community environment	106,641	121,687	(15,046)	(12.36%)
Capital outlay	24,927	191,541	(166,614)	(86.99%)
Debt service	90,943	126,390	(35,447)	(28.05%)
Total	<u>\$ 5,818,068</u>	<u>\$ 5,428,601</u>	<u>\$ 389,467</u>	7.17%

The City's total general fund expenditures increased \$389,467 or 7.17% in 2024. The greatest increase was in security of person and property expenditures. Security of persons and property expenditure function increased due to increased expenditures for the police department in fiscal year 2024. Capital outlay expenditures decreased by \$166,614 due to less projects during 2024 and less purchases of capital assets in the general fund.



Budgeting Highlights

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

Budgetary information is presented for the general fund, the street construction maintenance and repair fund, and the police department operating levy fund. In the general fund, the actual revenues and other financing sources came in \$231,734 more than they were in the final budget and actual expenditures and other financing uses were \$245,592 less than the amount in the final budgeted appropriations. Budgeted expenditures and other financing uses increased \$201,500 from the original to the final budget. Budgeted revenues and other financing sources increased \$162,847 from the original to the final budget.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

Street Construction Maintenance and Repair Fund

The street construction maintenance and repair fund had revenues of \$1,618,448 in 2024. The expenditures of the street construction, maintenance, and repair fund totaled \$1,926,731 and fund balance decreased \$308,283 or 23.62% during 2024. The decrease in fund balance is due to an increase in expenditures from maintenance and repair of roads during 2024 over revenues.

Police Department Operating Levy Fund

The police department operating levy fund had revenues of \$871,423 in 2024. The expenditures totaled \$754,119, the increase in fund balance and fund balance at years end were \$117,304 and \$228,085, respectively. The increase in fund balance is primarily due to an increase in collection of taxes during 2024.

Proprietary Funds

The City's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. All of the City's enterprise funds are considered major funds. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements, as well as internal balances between the governmental and business-type funds due to the allocation of the internal service fund (reported as internal balances) which are not reported on the proprietary statements. During 2024, the Storm fund had a change in net position of \$726,534, primarily related to capital contributions of \$754,822. The storm fund had capital contributions related to the Sawmill Creek Improvement and Overbrook Stormwater projects.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2024, the City had \$36,278,129 (net of accumulated depreciation) invested in land, buildings, land improvements, equipment, infrastructure, and construction in progress (CIP). Of this total, \$16,931,587 was reported in governmental activities and \$19,346,542 was reported in business-type activities. The following table shows fiscal 2024 balances compared to 2023. See Note 9 to the basic financial statements for details on the City's capital assets.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 2,319,102	\$ 2,319,102	\$ 21,297	\$ 21,297	\$ 2,340,399	\$ 2,340,399
Construction in progress	386,632	114,938	3,581,235	1,012,702	3,967,867	1,127,640
Buildings	1,576,244	1,686,115	1,828,946	1,907,769	3,405,190	3,593,884
Equipment	1,629,677	1,881,964	470,396	584,759	2,100,073	2,466,723
Infrastructure	<u>11,019,932</u>	<u>10,887,667</u>	<u>13,444,668</u>	<u>14,118,753</u>	<u>24,464,600</u>	<u>25,006,420</u>
Totals	<u>\$ 16,931,587</u>	<u>\$ 16,889,786</u>	<u>\$ 19,346,542</u>	<u>\$ 17,645,280</u>	<u>\$ 36,278,129</u>	<u>\$ 34,535,066</u>

The City's infrastructure is the largest governmental activities capital asset category, which includes bridges and streets. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 65.09% of the City's total governmental capital assets at December 31, 2024.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)**

The City's largest business-type capital asset category is infrastructure, which includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 69.49% of the City's total business-type capital assets at December 31, 2024.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2024 and 2023:

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
General obligation notes	\$ 218,351	\$ 301,611
Total long-term obligations	<u>\$ 218,351</u>	<u>\$ 301,611</u>
	Business-Type Activities	
	<u>2024</u>	<u>2023</u>
OPWC loans	\$ 454,200	\$ 487,070
OWDA loans	5,466,409	3,163,985
General obligation notes	<u>92,234</u>	<u>127,404</u>
Total long-term obligations	<u>\$6,012,843</u>	<u>\$3,778,459</u>

All of the City's long-term obligations are considered direct borrowings. Further detail on the City's long-term obligations can be found in Note 11 to the financial statements.

Economic Conditions and Outlook

Economic Development efforts have continued in 2024. Farmer's National Bank recently completed a 27,000 sq. ft. addition to the headquarters building. The property at 8 N. Broad St. has been undergoing a complete renovation and some tenants are slated to open during 2025. Mahoning County Career and Technical Center will be starting construction on a new Health and Wellness Center in 2025. City management has also been working diligently with other public entities to locate a potential developer for the Red Gate Farm property.

The annual street resurfacing program in 2024 paved the following streets: Manor Hill Dr, South Hillside Dr, Oak St, Kirk St, Cross St and a repair at Hilltop and SR 46.

Replacement of water meters is continuing. The Sawmill Creek Improvement Project was completed in 2024. This project is for the underground water retention of storm water to help mitigate flooding in that area. This project is funded by multiple grants totaling \$1,162,400 and a loan in the amount of \$1,188,898 from Ohio Water Development Authority (OWDA).

In the Summer of 2024, the interior of the 1,000,000-gallon water storage tank on Hilltop Blvd. was rebuilt with new rafters fabricated and exterior painting.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information please contact: Christine Clayton, Finance Director, 104 Lisbon Street, Canfield, Ohio 44406.

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**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents. . .	\$ 3,645,439	\$ 3,160,321	\$ 6,805,760
Cash and cash equivalents with fiscal agent. . .	226,685	-	226,685
Receivables:			
Income taxes.	1,176,703	-	1,176,703
Real and other taxes	1,751,164	-	1,751,164
Accounts.	36,846	1,200,822	1,237,668
Special assessments	63,642	-	63,642
Due from other governments.	522,852	49,500	572,352
Prepayments	235,312	41,755	277,067
Net pension asset.	32,189	8,899	41,088
Net OPEB asset.	78,899	21,814	100,713
Internal balance	(77,164)	77,164	-
Capital assets:			
Land and construction in progress.	2,705,734	3,602,532	6,308,266
Depreciable capital assets, net.	14,225,853	15,744,010	29,969,863
Total capital assets, net.	16,931,587	19,346,542	36,278,129
Total assets	24,624,154	23,906,817	48,530,971
Deferred outflows of resources:			
Pension	2,367,642	213,772	2,581,414
OPEB	318,241	21,142	339,383
Total deferred outflows of resources	2,685,883	234,914	2,920,797
Liabilities:			
Accrued wages payable.	159,368	17,519	176,887
Due to other governments	24,596	2,491	27,087
Accrued interest payable	98	143	241
Claims payable.	90,015	-	90,015
Deposits held and due to others.	81,307	-	81,307
Long-term liabilities:			
Due within one year	421,699	215,588	637,287
Due in more than one year:			
Net pension liability.	7,515,815	650,460	8,166,275
Net OPEB liability.	390,188	-	390,188
Other amounts due in more than one year. .	1,009,826	5,921,110	6,930,936
Total liabilities	9,692,912	6,807,311	16,500,223
Deferred inflows of resources:			
Property taxes levied for the next fiscal year . .	1,475,909	-	1,475,909
Pension	287,790	13,912	301,702
OPEB	383,252	12,483	395,735
Total deferred inflows of resources	2,146,951	26,395	2,173,346
Net position:			
Net investment in capital assets	16,713,236	13,333,699	30,046,935
Restricted for:			
Capital projects	4,828	-	4,828
Transportation projects	1,001,990	-	1,001,990
Security of persons and property.	214,679	-	214,679
Permanent fund - expendable	165,222	-	165,222
Permanent fund - nonexpendable	72,400	-	72,400
Other purposes.	111,088	30,713	141,801
Unrestricted (deficit)	(2,813,269)	3,943,613	1,130,344
Total net position.	\$ 15,470,174	\$ 17,308,025	\$ 32,778,199

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

		Program Revenues		
		Charges for	Operating Grants	Capital Grants
	Expenses	Services and Sales	and Contributions	and Contributions
Governmental activities:				
General government.	\$ 1,725,889	\$ 214,902	\$ 131,032	\$ -
Security of persons and property . . .	5,328,707	629,367	431,707	-
Public health and welfare	137,497	39,509	13,540	-
Transportation.	1,937,886	-	716,529	228,453
Community environment	105,931	2,050	-	-
Leisure time activity.	53,099	32,500	13,720	-
Interest	7,645	-	-	-
Total governmental activities	<u>9,296,654</u>	<u>918,328</u>	<u>1,306,528</u>	<u>228,453</u>
Business-type activities:				
Water	2,478,454	2,383,274	-	-
Sewer	1,876,569	1,671,287	-	-
Storm	502,735	470,875	-	754,822
Total business-type activities	<u>4,857,758</u>	<u>4,525,436</u>	<u>-</u>	<u>754,822</u>
Total primary government	<u>\$ 14,154,412</u>	<u>\$ 5,443,764</u>	<u>\$ 1,306,528</u>	<u>\$ 983,275</u>

General revenues:

Property taxes levied for:
 General purposes
 Street construction, maintenance and repair . .
 Police department operating levy
 Income taxes levied for:
 General purposes.
 Permissive motor vehicle license tax
 Grants and entitlements not restricted
 to specific programs
 Investment earnings
 Miscellaneous

Total general revenues

Change in net position

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

Restatement - change in accounting principle

Net position at beginning of year, restated

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (1,379,955)	\$ -	\$ (1,379,955)
(4,267,633)	-	(4,267,633)
(84,448)	-	(84,448)
(992,904)	-	(992,904)
(103,881)	-	(103,881)
(6,879)	-	(6,879)
(7,645)	-	(7,645)
<u>(6,843,345)</u>	<u>-</u>	<u>(6,843,345)</u>
-	(95,180)	(95,180)
-	(205,282)	(205,282)
-	722,962	722,962
-	422,500	422,500
<u>(6,843,345)</u>	<u>422,500</u>	<u>(6,420,845)</u>
313,609	-	313,609
621,677	-	621,677
863,768	-	863,768
4,400,764	-	4,400,764
69,279	-	69,279
227,866	-	227,866
263,971	-	263,971
104,154	16,687	120,841
<u>6,865,088</u>	<u>16,687</u>	<u>6,881,775</u>
21,743	439,187	460,930
16,406,044	16,983,689	33,389,733
<u>(957,613)</u>	<u>(114,851)</u>	<u>(1,072,464)</u>
<u>15,448,431</u>	<u>16,868,838</u>	<u>32,317,269</u>
<u>\$ 15,470,174</u>	<u>\$ 17,308,025</u>	<u>\$ 32,778,199</u>

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Street Construction Maintenance and Repair	Police Department Operating Levy	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents . .	\$ 1,304,341	\$ 824,077	\$ 119,484	\$ 1,113,131	\$ 3,361,033
Receivables:					
Income taxes.	1,176,703	-	-	-	1,176,703
Real and other taxes	310,829	621,672	818,663	-	1,751,164
Accounts.	36,581	-	-	265	36,846
Special assessments	27,714	-	-	35,928	63,642
Interfund loans.	25,000	-	-	-	25,000
Due from other funds	16,625	-	-	-	16,625
Due from other governments.	148,027	293,405	6,727	74,693	522,852
Prepayments	194,586	32,638	5,056	3,032	235,312
Total assets.	<u>\$ 3,240,406</u>	<u>\$ 1,771,792</u>	<u>\$ 949,930</u>	<u>\$ 1,227,049</u>	<u>\$ 7,189,177</u>
Liabilities:					
Accrued wages payable.	125,695	14,944	17,478	1,251	159,368
Interfund loans payable.	-	-	-	25,000	25,000
Due to other funds	-	-	-	16,625	16,625
Due to other governments	19,377	1,811	2,977	431	24,596
Deposits held and due to others	79,807	-	-	1,500	81,307
Total liabilities	<u>224,879</u>	<u>16,755</u>	<u>20,455</u>	<u>44,807</u>	<u>306,896</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year. . .	270,262	538,558	667,089	-	1,475,909
Delinquent property tax revenue not available. .	7,567	15,114	27,574	-	50,255
Special assessments revenue not available. . . .	27,219	-	-	35,928	63,147
Miscellaneous revenue not available.	871	-	-	75	946
Income tax revenue not available	702,900	-	-	-	702,900
Other nonexchange transactions.	63,724	204,384	6,727	13,272	288,107
Total deferred inflows of resources	<u>1,072,543</u>	<u>758,056</u>	<u>701,390</u>	<u>49,275</u>	<u>2,581,264</u>
Fund balances:					
Nonspendable	199,341	32,638	5,056	75,432	312,467
Restricted.	-	964,343	223,029	477,433	1,664,805
Committed	193,526	-	-	622,446	815,972
Assigned	386,643	-	-	-	386,643
Unassigned (deficit)	1,163,474	-	-	(42,344)	1,121,130
Total fund balances.	<u>1,942,984</u>	<u>996,981</u>	<u>228,085</u>	<u>1,132,967</u>	<u>4,301,017</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,240,406</u>	<u>\$ 1,771,792</u>	<u>\$ 949,930</u>	<u>\$ 1,227,049</u>	<u>\$ 7,189,177</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

Total governmental fund balances		\$ 4,301,017
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		16,931,587
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 702,900	
Real and other taxes receivable	50,255	
Accounts receivable	946	
Intergovernmental receivable	288,107	
Special assessments receivable	63,147	
Total	<u>1,105,355</u>	1,105,355
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		343,912
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(98)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	32,189	
Deferred outflows of resources	2,367,642	
Deferred inflows of resources	(287,790)	
Net pension liability	(7,515,815)	
Total	<u>(5,403,774)</u>	(5,403,774)
The net OPEB liability is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB asset	78,899	
Deferred outflows of resources	318,241	
Deferred inflows of resources	(383,252)	
Net OPEB liability	(390,188)	
Total	<u>(376,300)</u>	(376,300)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	1,213,174	
General obligation notes payable	218,351	
Total	<u>(1,431,525)</u>	(1,431,525)
Net position of governmental activities		<u><u>\$ 15,470,174</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

	General	Street Construction Maintenance and Repair	Police Department Operating Levy	Other Governmental Funds	Total Governmental Funds
Revenues:					
Income taxes	\$ 4,388,764	\$ -	\$ -	\$ -	\$ 4,388,764
Real and other taxes.	311,118	611,677	848,109	-	1,770,904
Permissive motor vehicle license tax.	-	47,957	-	-	47,957
Special assessments	2,133	-	-	35,878	38,011
Charges for services.	535,302	-	-	61,375	596,677
Licenses and permits	114,441	-	-	-	114,441
Fines and forfeitures.	24,917	-	-	90,454	115,371
Intergovernmental	354,941	861,989	13,009	462,973	1,692,912
Investment income.	263,971	58,261	9,986	40,928	373,146
Contributions and donations.	5,600	-	-	-	5,600
Other	60,743	38,564	319	35,871	135,497
Total revenues	<u>6,061,930</u>	<u>1,618,448</u>	<u>871,423</u>	<u>727,479</u>	<u>9,279,280</u>
Expenditures:					
Current:					
General government	1,602,822	-	-	45,416	1,648,238
Security of persons and property	3,902,078	-	754,119	321,450	4,977,647
Public health and welfare.	90,657	-	-	36,417	127,074
Leisure time activity	-	-	-	97,230	97,230
Community environment.	106,641	-	-	-	106,641
Transportation	-	682,813	-	62,336	745,149
Capital outlay	24,927	1,243,918	-	162,141	1,430,986
Debt service:					
Principal retirement.	83,260	-	-	-	83,260
Interest	7,683	-	-	-	7,683
Total expenditures.	<u>5,818,068</u>	<u>1,926,731</u>	<u>754,119</u>	<u>724,990</u>	<u>9,223,908</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>243,862</u>	<u>(308,283)</u>	<u>117,304</u>	<u>2,489</u>	<u>55,372</u>
Other financing sources (uses):					
Transfers in	-	-	-	106,500	106,500
Transfers (out).	(106,500)	-	-	-	(106,500)
Total other financing sources (uses)	<u>(106,500)</u>	<u>-</u>	<u>-</u>	<u>106,500</u>	<u>-</u>
Net change in fund balances	137,362	(308,283)	117,304	108,989	55,372
Fund balances at beginning of year	<u>1,805,622</u>	<u>1,305,264</u>	<u>110,781</u>	<u>1,023,978</u>	<u>4,245,645</u>
Fund balances at end of year	<u>\$ 1,942,984</u>	<u>\$ 996,981</u>	<u>\$ 228,085</u>	<u>\$ 1,132,967</u>	<u>\$ 4,301,017</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

Net change in fund balances - total governmental funds	\$ 55,372
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
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 exceeds depreciation expense in the current period.	
Capital asset additions	\$ 1,455,904
Current year depreciation	(1,409,485)
Total	46,419
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.	(4,618)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Income taxes	12,000
Real and other taxes	23,118
Special assessments	21,770
Charges for services	(300)
Fines and forfeitures	745
Intergovernmental revenues	(20,894)
Other	(1,601)
Total	34,838
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	83,260
In the statement of activities, interest is accrued on outstanding notes, whereas in governmental funds, an interest expenditure is reported when due.	38
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	617,285
OPEB	12,699
Total	629,984
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.	
Pension	(809,317)
OPEB	(49,643)
Total	(858,960)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(50,529)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	85,939
Change in net position of governmental activities	\$ 21,743

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Storm	Total	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 803,727	\$ 723,451	\$ 1,633,143	\$ 3,160,321	\$ 284,406
Cash and cash equivalents with fiscal agent. . .	-	-	-	-	226,685
Accounts.	635,015	448,286	117,521	1,200,822	-
Due from other governments.	-	-	49,500	49,500	-
Prepayments	21,970	10,700	9,085	41,755	-
Total current assets.	<u>1,460,712</u>	<u>1,182,437</u>	<u>1,809,249</u>	<u>4,452,398</u>	<u>511,091</u>
Noncurrent assets:					
Net pension asset	2,709	3,731	2,459	8,899	-
Net OPEB asset	6,641	9,146	6,027	21,814	-
Capital assets:					
Land and construction in progress.	1,244,779	112,256	2,245,497	3,602,532	-
Depreciable capital assets, net.	6,030,502	4,800,346	4,913,162	15,744,010	-
Total capital assets, net	<u>7,275,281</u>	<u>4,912,602</u>	<u>7,158,659</u>	<u>19,346,542</u>	<u>-</u>
Total noncurrent assets	<u>7,284,631</u>	<u>4,925,479</u>	<u>7,167,145</u>	<u>19,377,255</u>	<u>-</u>
Total assets	<u>8,745,343</u>	<u>6,107,916</u>	<u>8,976,394</u>	<u>23,829,653</u>	<u>511,091</u>
Deferred outflows of resources:					
Pension.	65,019	88,824	59,929	213,772	-
OPEB.	6,515	8,950	5,677	21,142	-
Total deferred outflows of resources	<u>71,534</u>	<u>97,774</u>	<u>65,606</u>	<u>234,914</u>	<u>-</u>
Liabilities:					
Current liabilities:					
Accrued wages payable.	5,457	5,857	6,205	17,519	-
Due to other governments.	686	1,081	724	2,491	-
Accrued interest payable	5	47	91	143	-
Compensated absences payable - current	13,275	11,919	11,220	36,414	-
OWDA loans payable	26,185	74,920	20,630	121,735	-
OPWC loans payable.	14,093	-	7,200	21,293	-
Notes payable	-	36,146	-	36,146	-
Claims payable	-	-	-	-	90,015
Total current liabilities	<u>59,701</u>	<u>129,970</u>	<u>46,070</u>	<u>235,741</u>	<u>90,015</u>
Long-term liabilities:					
Compensated absences payable	20,269	33,572	33,600	87,441	-
OWDA loans payable	2,833,632	1,336,927	1,174,115	5,344,674	-
OPWC loans payable.	288,907	-	144,000	432,907	-
Other loans payable	-	56,088	-	56,088	-
Net pension liability.	198,029	272,723	179,708	650,460	-
Total long-term liabilities	<u>3,340,837</u>	<u>1,699,310</u>	<u>1,531,423</u>	<u>6,571,570</u>	<u>-</u>
Total liabilities	<u>3,400,538</u>	<u>1,829,280</u>	<u>1,577,493</u>	<u>6,807,311</u>	<u>90,015</u>
Deferred inflows of resources:					
Pension.	5,518	7,426	968	13,912	-
OPEB.	3,800	5,234	3,449	12,483	-
Total deferred inflows of resources	<u>9,318</u>	<u>12,660</u>	<u>4,417</u>	<u>26,395</u>	<u>-</u>
Net position:					
Net investment in capital assets	4,112,464	3,408,521	5,812,714	13,333,699	-
Restricted for other purposes	9,350	12,877	8,486	30,713	-
Unrestricted	1,285,207	942,352	1,638,890	3,866,449	421,076
Total net position	<u>\$ 5,407,021</u>	<u>\$ 4,363,750</u>	<u>\$ 7,460,090</u>	<u>17,230,861</u>	<u>\$ 421,076</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				77,164	
Net position of business-type activities				<u>\$ 17,308,025</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Storm	Total	
Operating revenues:					
Charges for services	\$ 2,383,274	\$ 1,671,287	\$ 470,875	\$ 4,525,436	\$ 1,065,866
Other operating revenues	6,327	909	9,451	16,687	-
Total operating revenues.	<u>2,389,601</u>	<u>1,672,196</u>	<u>480,326</u>	<u>4,542,123</u>	<u>1,065,866</u>
Operating expenses:					
Personal services	225,804	297,074	236,637	759,515	-
Contract services	1,756,151	1,159,573	31,146	2,946,870	376,092
Materials and supplies.	115,057	34,475	23,277	172,809	-
Claims expense	-	-	-	-	589,923
Depreciation.	363,853	379,247	195,563	938,663	-
Other	964	4,384	3,820	9,168	-
Total operating expenses.	<u>2,461,829</u>	<u>1,874,753</u>	<u>490,443</u>	<u>4,827,025</u>	<u>966,015</u>
Operating income (loss)	<u>(72,228)</u>	<u>(202,557)</u>	<u>(10,117)</u>	<u>(284,902)</u>	<u>99,851</u>
Nonoperating expenses:					
Interest expense	(21,480)	(7,995)	(17,599)	(47,074)	4,279
Loss on disposal of capital assets	(639)	(639)	(572)	(1,850)	-
Total nonoperating expenses	<u>(22,119)</u>	<u>(8,634)</u>	<u>(18,171)</u>	<u>(48,924)</u>	<u>4,279</u>
Income (loss) before capital contributions.	<u>(94,347)</u>	<u>(211,191)</u>	<u>(28,288)</u>	<u>(333,826)</u>	<u>104,130</u>
Capital contributions.	<u>-</u>	<u>-</u>	<u>754,822</u>	<u>754,822</u>	<u>-</u>
Change in net position	<u>(94,347)</u>	<u>(211,191)</u>	<u>726,534</u>	<u>420,996</u>	<u>104,130</u>
Net position at beginning of year, as previously reported.	<u>5,521,178</u>	<u>4,638,024</u>	<u>6,765,514</u>	<u>16,924,716</u>	<u>316,946</u>
Restatement - change in accounting principle	<u>(19,810)</u>	<u>(63,083)</u>	<u>(31,958)</u>	<u>(114,851)</u>	<u>-</u>
Net position at beginning of year, restated	<u>5,501,368</u>	<u>4,574,941</u>	<u>6,733,556</u>	<u>16,809,865</u>	<u>316,946</u>
Net position at end of year	<u>\$ 5,407,021</u>	<u>\$ 4,363,750</u>	<u>\$ 7,460,090</u>	<u>17,230,861</u>	<u>\$ 421,076</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.				<u>18,191</u>	
Change in net position of business-type activities.				<u>\$ 439,187</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANFIELD
MAHONING COUNTY, 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	Storm	Total	
Cash flows from operating activities:					
Cash received from sales/charges for services.	\$ 2,387,303	\$ 1,676,419	\$ 476,705	\$ 4,540,427	\$ 1,065,866
Cash received from other operations	6,327	909	9,451	16,687	-
Cash payments for personal services.	(231,711)	(326,662)	(221,170)	(779,543)	-
Cash payments for contractual services	(1,754,524)	(1,158,893)	(30,526)	(2,943,943)	(376,092)
Cash payments for materials and supplies.	(115,057)	(34,475)	(23,277)	(172,809)	-
Cash payments for claims	-	-	-	-	(515,428)
Cash payments for other expenses.	(964)	(4,384)	(3,820)	(9,168)	-
Net cash provided by operating activities	291,374	152,914	207,363	651,651	174,346
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,265,036)	(34,762)	(1,341,977)	(2,641,775)	-
OWDA loan issuance	1,245,214	-	1,194,745	2,439,959	-
Principal retirement on loans and notes	(40,166)	(158,209)	(7,200)	(205,575)	-
Interest and fiscal charges.	(21,480)	(8,008)	(17,508)	(46,996)	-
Capital contributions	-	-	1,052,558	1,052,558	-
Net cash provided by (used in) capital and related financing activities.	(81,468)	(200,979)	880,618	598,171	-
Cash flows from investing activities:					
Interest received	-	-	-	-	4,279
Net cash provided by investing activities	-	-	-	-	4,279
Net increase (decrease) in cash and cash equivalents . .	209,906	(48,065)	1,087,981	1,249,822	178,625
Cash and cash equivalents at beginning of year	593,821	771,516	545,162	1,910,499	332,466
Cash and cash equivalents at end of year	\$ 803,727	\$ 723,451	\$ 1,633,143	\$ 3,160,321	\$ 511,091
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (72,228)	\$ (202,557)	\$ (10,117)	\$ (284,902)	\$ 99,851
Adjustments:					
Depreciation	363,853	379,247	195,563	938,663	-
Changes in assets and liabilities:					
Change in accounts receivable	4,029	5,132	5,830	14,991	-
Change in prepayments.	1,698	4,490	679	6,867	-
Change in net pension asset	(388)	(539)	(455)	(1,382)	-
Change in net OPEB asset	(6,641)	(9,146)	(6,027)	(21,814)	-
Change in deferred outflows - pension	36,965	49,204	31,087	117,256	-
Change in deferred outflows - OPEB	9,304	12,777	8,020	30,101	-
Change in accrued wages payable.	300	(1,701)	1,534	133	-
Change in intergovernmental payable	(344)	(112)	(310)	(766)	-
Change in compensated absences payable	3,525	(29,793)	8,913	(17,355)	-
Change in net pension liability	(39,555)	(54,004)	(25,378)	(118,937)	-
Change in net OPEB liability	(5,251)	(7,222)	(4,533)	(17,006)	-
Change in deferred inflows - pension.	(4,409)	4,597	603	791	-
Change in deferred inflows - OPEB	516	2,541	1,954	5,011	-
Change in claims payable	-	-	-	-	74,495
Net cash provided by operating activities.	\$ 291,374	\$ 152,914	\$ 207,363	\$ 651,651	\$ 174,346

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024

	<u>Private-Purpose Trust</u>	<u>Custodial</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 27,855	\$ 4,307
Receivables:		
Income taxes	-	3,364
Total assets	<u>27,855</u>	<u>\$ 7,671</u>
Liabilities:		
Intergovernmental payable.	-	\$ 7,671
Total liabilities.	<u>-</u>	<u>\$ 7,671</u>
Net position:		
Held in trust for other purposes.	<u>27,855</u>	
Total net position.	<u>\$ 27,855</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

	<u>Private-Purpose Trust</u>	<u>Custodial</u>
Additions:		
Fines and forfeitures collected for other governments.	\$ -	\$ 194
Income taxes collected as fiscal agent.	-	34,592
Total additions	<u>-</u>	<u>34,786</u>
Deductions:		
Fines and forfeitures remitted to other governments. .	-	194
Income taxes distributed as fiscal agent.	-	34,592
Total deductions.	<u>-</u>	<u>34,786</u>
Change in net position	-	-
Net position at beginning of year.	<u>27,855</u>	<u>-</u>
Net position at end of year	<u><u>\$ 27,855</u></u>	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE CITY

The City of Canfield (the “City”) was incorporated under the laws of the State of Ohio in 1852 and adopted its first charter in 1968. The form of government provided in this Charter is known as the “Council-Manager Plan”. The Charter provides for a council of five members consisting of the Mayor and four other persons elected at large. Council members are elected to terms of 4 years with a maximum of 4 consecutive terms. The Mayor is elected to a term of 4 years with a maximum of 2 consecutive terms. The Mayor does not serve as President of the Council and does not have any veto power over the actions of the Council.

The City Manager is appointed by the Council and is the chief executive, administrative and law enforcement officer of the City. The Director of Finance is appointed by the Manager, with the approval of Council. The Director of Finance is the fiscal officer of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City of Canfield, this includes police protection, street maintenance and repairs, planning and zoning, parks and recreation, water and wastewater. The operation of each of these activities is directly controlled by Council through the budgetary process.

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

Prior to 1990, the Fire Department of Canfield was solely operated by the City. The Cardinal Joint Fire District is a jointly managed organization with the Township of Canfield. The City and Township appoint two each of the five-member board. The fifth board member is selected by the other four members. The Cardinal Joint Fire District is supported by its own millage.

The City is associated with two organizations which are defined as a jointly governed organization. The Canfield Community Joint Economic District was established during 2015. The Millennial Moments Joint Economic District was established during 2019. As of January 1, 2024, the City is associated with an organization which is defined as an insurance purchasing pool, the South Central Ohio Insurance Consortium (SCIOC). See Notes 15 and 16 for more detail.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

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

B. Basis of Presentation - Fund Accounting

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service fund are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

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

C. Fund Accounting

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

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

General fund - The general fund is used to account for and report all financial resources not accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio. This includes, but is not limited to, police and fire protection, public health activities, cemetery, and the general administration of City functions.

Street construction maintenance and repair fund - This fund accounts for revenues generated from license and gasoline taxes to be used on local roads within the City.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

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

Police department operating levy fund - This fund accounts for property tax collections received through a tax levy to be used for the operations of the police department programs and capital expenditures.

Other governmental funds of the City are used to account for:

Nonmajor special revenue funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Nonmajor capital projects funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Nonmajor permanent funds - Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry.

Proprietary Funds - Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise funds or internal service funds.

Enterprise funds - The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water fund - This fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

Sewer fund - This fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Storm fund - This fund accounts for the provision of storm water services to the residents and commercial users located within the City.

Internal service fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on the activity of the centralized City self-insurance health program. The City joined the South Central Ohio Insurance Consortium in 2024.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The City's only trust fund is a private-purpose trust fund. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City has two custodial funds. The City's custodial funds primarily account for the mayor's court and JEDD agreements with Canfield Township.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

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

D. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All nonfiduciary assets, deferred outflows, liabilities and deferred inflows associated with the operation of the City are included on the statement of net position.

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows 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 total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds and private purpose trust funds.

E. Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6).

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

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

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

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance 2025 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

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

F. Budgetary Data

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

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

Tax Budget - During the first Council meeting in July, the Manager presents the annual operating budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. In accordance with Section 5705.281 of the Ohio Revised Code, the Mahoning County Budget Commission waived the requirement of the City to adopt a tax budget under Section 5705.28 of the Ohio Revised Code for the calendar year.

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

Appropriations - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department, and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of Council.

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

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized during the year for budget control purposes. Encumbrances outstanding at year-end are reported as expenditures under the City's budgetary basis of accounting. For GAAP reporting purposes, encumbrances outstanding at year-end are reported in restricted, committed, or assigned fund balance for governmental funds since they do not constitute expenditures or liabilities.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

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

H. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During 2024, investments were limited to a repurchase agreement and investments in State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

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

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

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue earned and credited to the general fund during 2024 amounted to \$263,971, which included \$195,927 assigned from other funds of the City.

For purposes of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City, are considered to be cash equivalents. Investments with maturities greater than three months at the time of purchase are reported as investments.

Cash that is held separately with the SCIOC for the self-insurance program that began January 1, 2024, and not included in the City treasury, is reported as "cash and cash equivalents with fiscal agent".

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

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000 for all assets other than grants that require the reporting of all assets regardless of cost. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. In addition, assets having an estimated useful life of more than one year that are below the \$5,000 threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Land improvements	7-20 years	-
Buildings	50 years	50 years
Equipment	3-20 years	3-20 years
Infrastructure	50-75 years	-
Water and Sewer Lines	-	50 years

J. Compensated Absences

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

Vacation

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

Sick Leave

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

Personal Days

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

K. Accrued Liabilities and Long-Term Obligations

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

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

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

L. Interfund Balances

Receivables and payables for services provided by one fund to another fund are classified as "interfund loans" and "due to/from other funds." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

M. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

N. Prepayments

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

O. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable in the general fund.

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

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

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

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

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

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

P. Estimates

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

Q. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions from grants and other funds are reported as revenue in the proprietary fund financial statements.

R. Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Police Department assets acquired through the trust funds are restricted to law enforcement use.

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

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

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer and storm water enterprise funds and charges for services to other departments for the self-insurance internal service fund. 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 these descriptions are reported as nonoperating revenues and expenses.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items during 2024.

U. Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

B. Deficit Fund Balances

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

<u>Nonmajor governmental fund</u>	<u>Deficit</u>
OVI Task Force Grant 2025	\$ 42,344

The deficit fund balance in this fund resulted from negative fund balances in violation of ORC 5705.10(1).

<u>Nonmajor governmental fund</u>	<u>Deficit</u>
OVI Task Force Grant 2025	\$ (16,625)
Red Gate	(2,922)

C. Restatement of Net Position

During 2024, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "Compensated Absences". The effect of this change on net position at the beginning of the year for the governmental activities, business-type activities and enterprise funds is separately displayed in the financial statements.

NOTE 4 - DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the financial statements as "equity in pooled cash and cash equivalents." Statutes require the classification of monies held by the City into three categories:

Active Monies: those monies required to be kept in a "cash" or "near-cash" status for immediate use by the City. Such monies must by law be maintained either as cash in the City treasury; in depository accounts payable or withdrawable on demand; including negotiable order of withdrawal (NOW) account; or in money market deposit accounts.

Inactive Monies: those monies not required for use within the current five-year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories or as savings or deposit accounts including, but not limited to, passbook accounts.

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

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

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The City may also invest any monies not required to be used for a period of six months or more in the following:

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At year-end, the City had \$1,710 in undeposited cash on hand which is included on the financial statements of the City as part of equity in pooled cash and cash equivalents. At December 31, 2024, the City had \$226,685 on deposit in its self-insurance in its self-insurance fiscal agent account. This amount is not part of the City's internal investment pool and has been excluded from the total amount of deposits reported below.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Cash and Cash Equivalent with Fiscal Agent

At year-end, \$226,685 was held with the SCIOC. This amount is now part of the City's internal investment pool and has been excluded from the total amount of deposits reported below. The balance of the account is reported on the financial statements as cash and cash equivalents with fiscal agent.

C. Deposits with Financial Institutions

At December 31, 2024, the carrying amount of all City deposits was a deficit of \$103,456. A liability was not recorded for the negative carrying amount of deposits because there was no actual overdraft, due to the "zero-balance" nature of the City's bank accounts. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2024, \$254,157, of the City's bank balance of \$406,695, was covered by the FDIC. The remaining portion of the bank balance of \$152,538 was covered by the Ohio Pooled Collateral System (OPCS).

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, the City's financial institutions were approved for a reduced collateral rate. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

D. Investments

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

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturities 6 months or less</u>
<i>Cost value:</i>		
Repurchase agreement	\$ 6,937,335	\$ 6,937,335
<i>Amortized cost:</i>		
STAR Ohio	2,333	2,333
Total	<u>\$ 6,939,668</u>	<u>\$ 6,939,668</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the City's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The City's federal agency securities that underlie the repurchase agreements were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the City's \$6,937,335 investment in a repurchase agreement, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2024:

<u>Investment type</u>	<u>Measurement</u>	
	<u>Value</u>	<u>% to Total</u>
Repurchase agreement	\$ 6,937,335	99.97%
STAR Ohio	2,333	0.03%
Total	<u>\$ 6,939,668</u>	<u>\$ 1.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2024:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ (103,456)
Investments	6,939,668
Cash on hand	1,710
Cash with fiscal agent	226,685
Total	<u>\$ 7,064,607</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 3,872,124
Business type activities	3,160,321
Private purpose trust funds	27,855
Custodial funds	4,307
Total	<u>\$ 7,064,607</u>

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended December 31, 2024, consisted of the following, as reported on the fund financial statements:

Transfers to parks fund from general fund	\$ 90,000
Transfers to recreation fund from general fund	<u>16,500</u>
Total transfers to nonmajor fund from general fund	<u>\$ 106,500</u>

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

- B. Due to/from other funds at December 31, 2024, as reported on the fund financial statements, consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General fund	Nonmajor special revenue funds	<u>\$ 16,625</u>

The primary purpose of the due to/from other funds is to cover the negative cash balance at year-end in the nonmajor governmental funds. The interfund balances will be repaid once the anticipated revenues are received.

- C. Interfund loans for the year ended December 31, 2024, consisted of the following, as reported on the fund financial statements:

<u>Interfund loan receivable</u>	<u>Interfund fund loan payable</u>	<u>Amount</u>
Nonmajor special revenue	General Fund	<u>\$ 25,000</u>

The primary purpose of the due to/from other funds is to cover the negative cash balance at year-end in the nonmajor governmental funds. The interfund balances will be repaid once the anticipated revenues are received.

NOTE 6 - PROPERTY TAXES

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

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 6 - PROPERTY TAXES - (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Canfield. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2024 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2024 operations and the collection of delinquent taxes has been offset by a deferred inflow since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is considered a deferred inflow.

The full tax rate for all City operations for the year ended December 31, 2024 was \$6.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based is presented on the following page.

Real property	
Residential/agricultural	\$ 287,449,030
All other classes	32,124,780
Public utility	
Real	<u>7,157,480</u>
Total assessed value	<u><u>\$ 326,731,290</u></u>

NOTE 7 - LOCAL INCOME TAX

Resident - For residents, aged 18 and over, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the resident, including the resident's distributive share of the net profit of pass-through entities owned directly or indirectly by the resident and any net profit of the resident.

Residents who pay another city income tax are given a credit of ½ of 1% of the wage on which the other city tax is paid.

Resident Business - Businesses located within the City must withhold the 1% tax on the gross compensation of all employees 18 years of age and older. Copies of all W-2's Forms must be provided to the City. They must also provide copies of all 1099 Miscellaneous Income Forms issued since the tax is not withheld on that compensation. Taxes are paid on the net profit of the business.

Non-Resident - Taxes are paid on income and wages earned from a business located in the City. The employer must withhold the City income tax on the wages paid all employees. Income earned while working within the city limits is taxable to the City and the employer (even if located outside of the City) must withhold the city tax on these wages. Independent contractors pay on earnings, payments, bonuses, commissions and/or fees received. Since they are not employees, the tax is not withheld by an employer and they file and pay their own taxes.

Non-Resident Business - The tax is withheld on the individuals working within the City limits. Taxes are paid on the net profit of the portion of the business conducted within the City of Canfield or for the City of Canfield.

Income tax proceeds are received by the general fund.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 8 - RECEIVABLES

Receivables at December 31, 2024, consisted of taxes, accounts (billings for user charged services), special assessments, and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as “due from other governments” on the basic financial statements. Receivables have been recorded to the extent that they are measurable at December 31, 2024.

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

Governmental Activities:

Income taxes	\$ 1,176,703
Real and other taxes	1,751,164
Accounts	36,846
Special assessments	63,642
Due from other governments	522,852

Business-type Activities:

Accounts	1,200,822
Due from other governments	49,500

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year. The special assessments are for street lighting which is billed and paid every year. The payment is behind by one year, similar to real and other taxes.

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**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 9 - CAPITAL ASSETS

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

	Balance 12/31/2023	Additions	Disposals	Balance 12/31/2024
<u>Governmental Activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,319,102	\$ -	\$ -	\$ 2,319,102
Construction in progress	114,938	312,192	(40,498)	386,632
Total capital assets, not being depreciated	2,434,040	312,192	(40,498)	2,705,734
<i>Capital assets, being depreciated:</i>				
Buildings	4,428,186	-	-	4,428,186
Land improvements	39,290	-	-	39,290
Equipment	3,717,223	397,816	(98,717)	4,016,322
Infrastructure	22,378,881	786,394	-	23,165,275
Total capital assets, being depreciated	30,563,580	1,184,210	(98,717)	31,649,073
<i>Less: accumulated depreciation:</i>				
Buildings	(2,742,071)	(109,871)	-	(2,851,942)
Land improvements	(39,290)	-	-	(39,290)
Equipment	(1,835,259)	(645,485)	94,099	(2,386,645)
Infrastructure	(11,491,214)	(654,129)	-	(12,145,343)
Total accumulated depreciation	(16,107,834)	(1,409,485)	94,099	(17,423,220)
Total capital assets, being depreciated, net	14,455,746	(225,275)	(4,618)	14,225,853
Governmental activities capital assets, net	<u>\$ 16,889,786</u>	<u>\$ 86,917</u>	<u>\$ (45,116)</u>	<u>\$ 16,931,587</u>

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

<u>Governmental activities:</u>	
General government	\$ 79,519
Security of persons and property	476,394
Public health and welfare	10,505
Leisure time activities	67,589
Community environment	818
Transportation	<u>774,660</u>
Total depreciation expense - governmental activities	<u>\$ 1,409,485</u>

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 9 - CAPITAL ASSETS - (Continued)

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

	Balance 12/31/2023	Additions	Disposals	Balance 12/31/2024
<u>Business-type Activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 21,297	\$ -	\$ -	\$ 21,297
Construction in progress	1,012,702	2,599,733	(31,200)	3,581,235
Total capital assets, not being depreciated	1,033,999	2,599,733	(31,200)	3,602,532
<i>Capital assets, being depreciated:</i>				
Buildings	3,028,852	6,500	-	3,035,352
Equipment	1,049,855	27,782	(38,357)	1,039,280
Infrastructure	27,954,212	38,960	-	27,993,172
Total capital assets, being depreciated	32,032,919	73,242	(38,357)	32,067,804
<i>Less: accumulated depreciation:</i>				
Buildings	(1,121,083)	(85,323)	-	(1,206,406)
Equipment	(465,096)	(140,295)	36,507	(568,884)
Infrastructure	(13,835,459)	(713,045)	-	(14,548,504)
Total accumulated depreciation	(15,421,638)	(938,663)	36,507	(16,323,794)
Total capital assets, being depreciated, net	16,611,281	(865,421)	(1,850)	15,744,010
Business-type activities capital assets, net	<u>\$ 17,645,280</u>	<u>\$ 1,734,312</u>	<u>\$ (33,050)</u>	<u>\$ 19,346,542</u>

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

<u>Business-type activities:</u>	
Water	\$ 363,853
Sewer	379,247
Storm	195,563
Total depreciation expense - business-type activities	<u>\$ 938,663</u>

NOTE 10 – OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn ten to thirty days of vacation per year, depending upon length of service. Earned unused vacation time up to a maximum of 200 hours is paid upon termination of employment. Employees earn sick leave at a rate of ten (10) hours per month. Sick leave accrual is continuous, up to 2,000 hours. Upon retirement or death, an employee with 10 years of continuous service can be paid an amount equal to one-fourth (1/4) the total number of accumulated, unused sick hours, not to exceed the maximum of 500 hours. As of December 31, 2024, the liability for unpaid compensated absences was \$1,337,029 for the entire City.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 11 - LONG-TERM OBLIGATIONS

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

Governmental activities:	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Restated Balance 12/31/2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2024</u>	<u>Amounts Due in One Year</u>
<u>General obligation notes (direct borrowings):</u>							
Police dispatch equipment	2020	2.69%	\$ 301,611	\$ -	\$ (83,260)	\$ 218,351	\$ 85,570
Total general obligation notes			<u>301,611</u>	<u>-</u>	<u>(83,260)</u>	<u>218,351</u>	<u>85,570</u>
<u>Other long-term obligations:</u>							
Net pension liability			7,485,901	208,035	(178,121)	7,515,815	-
Net OPEB liability			427,332	18,795	(55,939)	390,188	-
Compensated absences *			<u>1,162,645</u>	<u>50,529</u>	<u>-</u>	<u>1,213,174</u>	<u>336,129</u>
Total long-term obligations			<u>9,075,878</u>	<u>277,359</u>	<u>(234,060)</u>	<u>9,119,177</u>	<u>336,129</u>
Total governmental activities long-term obligations			<u>\$ 9,377,489</u>	<u>\$ 277,359</u>	<u>\$ (317,320)</u>	<u>\$ 9,337,528</u>	<u>\$ 421,699</u>

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

General obligation notes: On September 4, 2020, the City issued a general obligation note in the amount of \$580,000 to assist with installation and renovating of the City's police department dispatch center. This note has an interest rate of 2.69% and matures on June 1, 2027. The principal and interest on the note will be paid out of the general fund.

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

Net pension liability and net OPEB liability: See Notes 13 and 14 for more details. The City pays obligations related to employee compensation from the fund benefitting from their service which for the City, is primarily the general, Street, and Police funds.

The following is the summary of the City's future annual debt service and interest requirements for governmental fund obligations:

<u>Year Ending</u>	<u>General Obligation Notes</u>		
<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 85,570	\$ 5,374	\$ 90,944
2026	87,919	3,024	90,943
2027	<u>44,862</u>	<u>610</u>	<u>45,472</u>
Total	<u>\$ 218,351</u>	<u>\$ 9,008</u>	<u>\$ 227,359</u>

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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

Business-type activities	Date of Issue	Interest Rate	Restated Balance 12/31/2023	Additions	Retirements	Balance 12/31/2024	Amounts Due in One Year
<u>OPWC loans (direct borrowings):</u>							
Sawmill sanitary main lining	2003	0.00%	\$ 11,577	\$ -	\$ (11,577)	\$ -	\$ -
Water transmission line rehabilitation and replacement	2015	0.00%	317,093	-	(14,093)	303,000	14,093
Fairview Dr. storm water management	2015	0.00%	158,400	-	(7,200)	151,200	7,200
Total OPWC loans			<u>487,070</u>	<u>-</u>	<u>(32,870)</u>	<u>454,200</u>	<u>21,293</u>
<u>OWDA loans (direct borrowings):</u>							
Water main replacement	2022	0.43%	529,186	-	(26,073)	503,113	26,185
Redgate Farm sewer extension	2023	0.33%	1,461,764	-	(74,673)	1,387,091	74,920
Redgate phase 3	2023	0.00%	8,052	-	-	8,052	-
Canfield tank rehabilitation	2023	1.99%-2.23%	1,107,343	1,249,361	-	2,356,704	-
Redgate phase 2	2023	0.00%	53,493	-	(36,789)	16,704	-
Sawmill Creek improvements	2023	3.61%	4,147	1,190,598	-	1,194,745	20,630
Total OWDA loans			<u>3,163,985</u>	<u>2,439,959</u>	<u>(137,535)</u>	<u>5,466,409</u>	<u>121,735</u>
<u>Other long-term obligations:</u>							
Sewer to Millennial note - direct borrowing	2020	2.69%	127,404	-	(35,170)	92,234	36,146
Net pension liability			769,397	-	(118,937)	650,460	-
Net OPEB liability			17,006	-	(17,006)	-	-
Compensated absences *			141,210	-	(17,355)	123,855	36,414
Total other long-term obligations			<u>1,055,017</u>	<u>-</u>	<u>(188,468)</u>	<u>866,549</u>	<u>72,560</u>
Total business-type activities long-term obligations			<u>\$ 4,706,072</u>	<u>\$ 2,439,959</u>	<u>\$ (358,873)</u>	<u>\$ 6,787,158</u>	<u>\$ 215,588</u>

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

OPWC loans: User charges and impact fees are used to pay the OPWC loans reported in the enterprise funds.

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

OWDA loans: In 2022, the City entered into an arrangement to fund Bradford Dr. and Herbert Rd. waterline replacements through the Ohio Water Development Authority (OWDA). The City's total liability on this loan as of December 31, 2024 was \$503,113. This loan bears an interest rate of 0.43% and the first semi-annual payment of principal and interest was due on January 1, 2024, which the City paid in 2023. The final payment is due on July 1, 2043. This loan is a liability of the water fund.

In 2023, the City entered into an arrangement to fund the Redgate farm sewer extension through the OWDA. The City's total liability on this loan as of December 31, 2024 was \$1,387,091. This loan bears an interest rate of 0.33% and the first semi-annual payment of principal and interest was due on July 1, 2023. The final payment is due on January 1, 2043. This loan is a liability of the sewer fund.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

In 2023, the City entered into an arrangement to fund the third phase of the Redgate sewer extension through the OWDA. The City's total liability on this loan as of December 31, 2024 was \$8,052. This loan is still considered "open". This loan bears an interest rate of 0.00% and the first semi-annual payment of principal and interest is due on July 1, 2025. The final payment is due on January 1, 2030. This loan is a liability of the sewer fund.

In 2023, the City entered into an arrangement to fund the Canfield tank rehabilitation through the OWDA. The City's total liability on this loan as of December 31, 2024 was \$2,356,704. This loan is still considered "open". There is no schedule available for this loan as of December 31, 2024. This loan bears an interest rate of 1.99% and 2.23%. The first semi-annual payment of principal and interest is due on January 1, 2026. The final payment is due on July 1, 2045. This loan is a liability of the water fund.

In 2023, the City entered into an arrangement to fund the Redgate phase two sewer extension through the OWDA. The City's total liability on this loan as of December 31, 2024 was \$23,261. There is no schedule available for this loan as of December 31, 2024. This loan is still considered "open". This loan bears an interest rate of 0.00% and the first semi-annual payment of principal and interest is due on July 1, 2024. The final payment is due on January 1, 2029.

In 2023, the City entered into an arrangement to fund Sawmill Creek improvements through the OWDA. The City's total liability on this loan as of December 31, 2024 was \$1,194,745. This loan is still considered "open". This loan bears an interest rate of 3.61% and the first semi-annual payment of principal and interest is due on July 1, 2025. The final payment is due on January 1, 2045. This loan is a liability of the water fund.

OWDA loans are direct borrowings that have terms negotiated directly between the City and the OWDA and are not offered for public sale. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default (the schedule below will not agree to the balance of OWDA loans outstanding in the schedule of long-term obligations due to various loans still being "open" at December 31, 2024).

General obligation notes: On September 4, 2020, the City issued a general obligation note in the amount of \$245,000 for the purpose of financing construction and installation of a sanitary sewer project to extend sanitary sewers to the Millennial Moments JEDD. The notes have an interest rate of 2.69% and mature on June 1, 2027. The principal and interest on the note will be paid out of the sewer fund.

Net pension liability and net OPEB liability: See Notes 13 and 14 for more details. The City pays obligations related to employee compensation from the fund benefitting from their service which for the City, are the water, sewer, and storm funds.

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**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The following is the summary of the City's future annual debt service and interest requirements for business-type activities obligations:

<u>Year Ending December 31,</u>	<u>OPWC Loans</u>			<u>OWDA LOANS</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 21,293	\$ -	\$ 21,293	\$ 121,735	\$ 28,216	\$ 149,951
2026	21,293	-	21,293	143,849	48,297	192,146
2027	21,293	-	21,293	145,754	46,392	192,146
2028	21,293	-	21,293	147,718	44,430	192,148
2029	21,293	-	21,293	149,740	42,406	192,146
2030 - 2034	106,465	-	106,465	781,273	179,457	960,730
2035 - 2039	106,466	-	106,466	842,093	118,634	960,727
2040 - 2042	106,465	-	106,465	711,339	48,040	759,379
2045 - 2046	28,339	-	28,339	41,448	748	42,196
Total	<u>\$ 454,200</u>	<u>\$ -</u>	<u>\$ 454,200</u>	<u>\$ 3,084,949</u>	<u>\$ 556,620</u>	<u>\$ 3,641,569</u>

C. Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2024, the City's total debt margin was \$34,088,434 and the unvoted debt margin was \$17,751,870.

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**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 12 - RISK MANAGEMENT

A. Property, Liability and Bonds

The City is exposed to various risks of loss related to torts: theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the City contracted with Allied Public Risk Insurance Group purchased through McGowan Governmental Underwriters for various types of insurance as follows:

City of Canfield Insurance Policies:

<u>Company</u>	<u>Type of Coverage</u>	<u>Deductible</u>
Argonaut Insurance Company	General Liability	None
	Umbrella Liability	None
	General Property Insurance	\$ 500
	Commercial Inland Marine	\$ 500
	Commercial Property	\$ 1,000
	Commercial Automobile-Comprehensive	\$ 1,000
	Commercial Automobile-Collision	\$ 1,000
	Commercial Automobile-Liability	None
	Employment Practices Liability	\$ 10,000
	Law Enforcement Liability	\$ 10,000
	Public Officials Liability	\$ 10,000
Western Surety/ State Auto Insurance Company	Bond- Employee & Officials	None

No settlements exceeded the insurance coverage in the last three years. There has been no significant reduction in coverage from the prior year.

B. Workers' Compensation

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

C. Unemployment

The City pays unemployment claims to the State of Ohio as incurred.

D. Medical, Prescription and Dental Insurance

The City provides medical, prescription and dental insurance for its employees. Premiums are paid directly to the South Central Ohio Insurance Consortium (SCOIC), who then submits payments for actual claims to a third party administrator, who services all claims submitted by employees. The City joined the SCOIC effective January 1, 2024.

The SCOIC was established to accumulate balances sufficient to self-insure basic medical and prescription drug coverage and permit excess umbrella coverage for claims over a predetermined level.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 12 - RISK MANAGEMENT - (Continued)

Premiums are paid to the SCOIC from the self-insurance fund of the City. The City has a cash balance with the fiscal agent of \$226,685 at December 31, 2024. Claims payments are made on an as-incurred basis by the third party administrator, with the balance of contributions remaining with the fiscal agent of the SCOIC.

The members are self-insured for medical, dental and pharmacy benefits. The risk for medical, dental and pharmacy benefits remains with members. The claims payable will be reported for medical, dental and pharmacy claims as of June 30, 2024, and cash with fiscal agent for the balance of funds held by the SCOIC that covers medical, dental and pharmacy claims will be reported.

The claims liability of \$90,015 reported at December 31, 2024, is based on an estimate provided by the third party administrators and requirements of Governmental Accounting Standards Board Statement No. 10 as amended by GASB Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. Changes in claims activity for the past fiscal year are as follows:

<u>Year</u>	<u>Balance</u>	<u>Year Claims</u>	<u>Payments</u>	<u>Balance</u>
2024	\$ 15,520	\$ 589,923	\$ (515,428)	\$ 90,015
2023	18,349	724,792	(727,621)	15,520

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

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

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

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

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

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$307,048 for 2024. Of this amount, \$12,208 is reported as due to other governments.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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

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

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

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$376,741 for 2024. Of this amount, \$14,359 is reported as due to other governments.

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

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

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

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.01117200%	0.01302900%	0.01958400%	0.05216410%	
Proportion of the net pension liability/asset current measurement date	<u>0.01147100%</u>	<u>0.01326400%</u>	<u>0.00285400%</u>	<u>0.05344080%</u>	
Change in proportionate share	<u>0.00029900%</u>	<u>0.00023500%</u>	<u>-0.01673000%</u>	<u>0.00127670%</u>	
Proportionate share of the net pension liability	\$ 3,003,156	\$ -	\$ -	\$ 5,163,119	\$ 8,166,275
Proportionate share of the net pension asset	-	(40,770)	(318)	-	(41,088)
Pension expense	316,713	2,994	(30)	553,873	873,550

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 49,083	\$ 1,651	\$ 683	\$ 165,750	\$ 217,167
Net difference between projected and actual earnings on pension plan investments	606,165	6,630	54	585,089	1,197,938
Changes of assumptions	-	1,518	8	326,305	327,831
Changes in employer's proportionate percentage/ difference between employer contributions	53,559	-	-	101,130	154,689
Contributions subsequent to the measurement date	293,875	7,347	5,826	376,741	683,789
Total deferred outflows of resources	<u>\$ 1,002,682</u>	<u>\$ 17,146</u>	<u>\$ 6,571</u>	<u>\$ 1,555,015</u>	<u>\$ 2,581,414</u>
	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ -	\$ 4,033	\$ -	\$ 57,743	\$ 61,776
Changes of assumptions	-	-	-	78,407	78,407
Changes in employer's proportionate percentage/ difference between employer contributions	38,405	-	-	123,114	161,519
Total deferred inflows of resources	<u>\$ 38,405</u>	<u>\$ 4,033</u>	<u>\$ -</u>	<u>\$ 259,264</u>	<u>\$ 301,702</u>

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

\$683,789 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2025.

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 - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Year Ending December 31:						
2025	\$	155,258	\$ 1,013	\$ 113	\$ 243,351	\$ 399,735
2026		214,638	1,828	121	251,953	468,540
2027		386,819	3,817	135	396,698	787,469
2028		(86,314)	(1,093)	79	(13,538)	(100,866)
2029		-	112	79	39,843	40,034
Thereafter		-	90	218	703	1,011
Total	\$	670,401	\$ 5,767	\$ 745	\$ 919,010	\$ 1,595,923

Actuarial Assumptions - OPERS

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

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

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**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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MAHONING COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 4,727,773	\$ 3,003,156	\$ 1,568,774
Combined Plan	(24,671)	(40,770)	(53,454)
Member-Directed Plan	(228)	(318)	(400)

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OP&F

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

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

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

Healthy Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Note: assumptions are geometric.

* levered 2x

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

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

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MAHONING COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 6,838,935	\$ 5,163,119	\$ 3,769,514

NOTE 14 - POSTEMPLOYMENT BENEFITS

Net OPEB Liability (Asset)

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

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

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

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

Group A 30 years of qualified health care service credit;

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

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

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

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 December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior	Age and Service Requirements December 1, 2014 or Prior
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

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

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

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

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$3,555 for 2024. Of this amount, \$141 is reported as due to other governments.

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

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The City's contractually required contribution to OP&F was \$9,914 for 2024. Of this amount, \$378 is reported as due to other governments.

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

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

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

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability			
prior measurement date	0.01156900%	0.05216410%	
Proportion of the net OPEB liability/asset			
current measurement date	<u>0.01115900%</u>	<u>0.05344080%</u>	
Change in proportionate share	<u>-0.00041000%</u>	<u>0.00127670%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 390,188	\$ 390,188
Proportionate share of the net OPEB asset	(100,713)	-	(100,713)
OPEB expense	(8,923)	55,628	46,705

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 18,763	\$ 18,763
Net difference between projected and actual earnings on OPEB plan investments	60,484	28,813	89,297
Changes of assumptions	25,929	134,269	160,198
Changes in employer's proportionate percentage/ difference between employer contributions	1,813	55,843	57,656
Contributions subsequent to the measurement date	3,555	9,914	13,469
Total deferred outflows of resources	<u>\$ 91,781</u>	<u>\$ 247,602</u>	<u>\$ 339,383</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 14,334	\$ 71,698	\$ 86,032
Changes of assumptions	43,294	251,269	294,563
Changes in employer's proportionate percentage/ difference between employer contributions	1	15,139	15,140
Total deferred inflows of resources	<u>\$ 57,629</u>	<u>\$ 338,106</u>	<u>\$ 395,735</u>

\$13,469 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2025.

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

	OPERS	OP&F	Total
Year Ending December 31:			
2025	\$ (1,291)	\$ 31,482	\$ 30,191
2026	5,229	(14,100)	(8,871)
2027	47,081	(9,169)	37,912
2028	(20,422)	(33,790)	(54,212)
2029	-	(35,944)	(35,944)
Thereafter	-	(38,897)	(38,897)
Total	<u>\$ 30,597</u>	<u>\$ (100,418)</u>	<u>\$ (69,821)</u>

Actuarial Assumptions - OPERS

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

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

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

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

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

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

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

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

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	\$ 55,349	\$ (100,713)	\$ (229,987)

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

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

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ 104,895	\$ 100,713	\$ 95,967

Actuarial Assumptions - OP&F

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

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

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

Health Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

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

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

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

Note: assumptions are geometric.

* levered 2x

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 480,603	\$ 390,188	\$ 314,040

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

Canfield Community Joint Economic Development District (JEDD)

The City of Canfield has entered into a contractual agreement effective April 27, 2015 with Canfield Township to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State of Ohio, the City, the Township and the JEDD. The JEDD is administered by a five-member Board of Directors consisting of one member representing the City, one member representing the Township, one member representing the owners of businesses located in the JEDD, one member representing persons working within the JEDD, and one member who shall serve as the chairperson who selected by the other four members. The initial term of the agreement is for a period of twenty-five years from the effective date. The Board of Directors has entered into an agreement with the City of Canfield to administer, collect and enforce the income tax on behalf of the JEDD. In consideration of its services pertaining to income tax administration and collection, the City shall receive a service fee equal to one percent of gross income tax revenue based upon receipts. The City shall pay one percent of the gross income tax into escrow. Upon termination of the contractual agreement, any property, asset and obligations of the JEDD shall be divided equally between the parties, except that any items of infrastructure constructed by or for anybody shall be retained by that party. The JEDD had income tax revenue of \$3,233.04 during 2024.

Millennial Moments Joint Economic Development District (JEDD)

The City of Canfield has entered into a contractual agreement effective April 16, 2019 with Canfield Township for the purpose of facilitating economic development and redevelopment, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people in the State of Ohio and in the respective areas of the contracting parties. The JEDD is administered by a five-member Board of Directors consisting of one member representing the City, one member representing the Township, one member representing the owners of businesses located in the JEDD, one member representing persons working within the JEDD, and one member who shall serve as the chairperson who is selected by the other four members. The municipal member and township member must be an elected official. The initial term of the agreement is for a period of twenty-five years from the effective date. The Board of Directors has entered into an agreement with the City of Canfield to administer, collect and enforce the income tax on behalf of the JEDD. In consideration of its services pertaining to income tax administration and collection, the City shall receive a service fee equal to one percent of gross income tax revenue based upon receipts. The City shall pay one percent of the gross income tax into escrow. Upon termination of the contractual agreement, any property, asset and obligations of the JEDD shall be divided equally between the parties, except that any items of infrastructure constructed by or for anybody shall be retained by that party. The JEDD had income tax revenue of \$131.61 during 2024.

NOTE 16 – INSURANCE PURCHASING POOL

South Central Ohio Insurance Consortium

The City of Canfield is a member of the South-Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool. The SCOIC's primary purpose and objective is establishing and carrying out a cost-effective cooperative health program for its member organizations. The governing board consists of the treasurer or other designee appointed by each of the members of the SCOIC. Members include 27 public entities with approximately 3,500 employee lives covered for medical and prescription benefits with many different plan designs in place, as well as dental, vision, life, and accidental death and dismemberment insurances. The Bloom-Carroll Local School District serves as the fiscal agent for the SCOIC.

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 16 – INSURANCE PURCHASING POOL – (Continued)

SCOIC contracts with the Jefferson Health Plan (JHP), for internal pool and stop loss coverage. The SCOIC members are considered self-insured and pay a monthly premium to SCOIC that is actuarially calculated based on the participants' actual claims experience which are utilized for the payments of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. The entity participates in a shared-risk pool through SCOIC for individual claims from \$100,000-\$500,000. SCOIC members also participate in a JHP shared risk pool for individual claims from \$500,000-\$1,500,000. Sun Life provides stop loss coverage for individual claims over \$1,500,000. In the event the entity withdraws from SCOIC, the entity would be required to give a 180-day notice prior to the end of their three-year contract, be responsible for all run-out claims, and would have no rights to share in any surplus funds of SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, Bloom-Carroll Local School District, 5240 Plum Road NW, Carroll, Ohio 43112.

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**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 17 - FUND BALANCE

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

<u>Fund balance</u>	<u>General</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Police Department Operating Levy</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Prepays	\$ 194,586	\$ 32,638	\$ 5,056	\$ 3,032	\$ 235,312
Unclaimed monies	4,755	-	-	-	4,755
Permanent fund	-	-	-	72,400	72,400
Total nonspendable	<u>199,341</u>	<u>32,638</u>	<u>5,056</u>	<u>75,432</u>	<u>312,467</u>
Restricted:					
Security of persons and property	-	-	223,029	125,447	348,476
Public health and welfare	-	-	-	5,010	5,010
Transportation	-	964,343	-	176,926	1,141,269
Capital outlay	-	-	-	4,828	4,828
Permanent fund	-	-	-	165,222	165,222
Total restricted	<u>-</u>	<u>964,343</u>	<u>223,029</u>	<u>477,433</u>	<u>1,664,805</u>
Committed:					
General government	54,106	-	-	321,872	375,978
Security of persons and property	139,420	-	-	-	139,420
Leisure time activities	-	-	-	300,574	300,574
Total committed	<u>193,526</u>	<u>-</u>	<u>-</u>	<u>622,446</u>	<u>815,972</u>
Assigned:					
General government	5,545	-	-	-	5,545
Security of persons and property	56,709	-	-	-	56,709
Community environment	427	-	-	-	427
Subsequent year appropriations	323,962	-	-	-	323,962
Total assigned	<u>386,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,643</u>
Unassigned (deficit)	<u>1,163,474</u>	<u>-</u>	<u>-</u>	<u>(42,344)</u>	<u>1,121,130</u>
Total fund balances	<u>\$ 1,942,984</u>	<u>\$ 996,981</u>	<u>\$ 228,085</u>	<u>\$ 1,132,967</u>	<u>\$ 4,301,017</u>

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

NOTE 18- OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 275,583
Street construction, maintenance and repair	110,092
Police department operating levy	75,530
Nonmajor governmental	<u>146,872</u>
Total	<u>\$ 608,077</u>

NOTE 19 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2024.

B. Litigation

The City of Canfield is currently involved in one matter of pending litigation. The City management is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 20 - CONTRACTUAL COMMITMENTS

At December 31, 2024, the City had the following outstanding contractual commitments:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
MS Consultants Inc	\$ 964,799	\$ 713,774	\$ 251,025
Yarian Brothers Construction Inc	2,133,308	1,738,783	394,525
Diperna & Dompany LLC	27,500	-	27,500
Howells and Baird Inc	46,750	11,123	35,628
Tyler Technologies Inc	178,360	149,781	28,579
Macqueen Equipment LLC	97,893	-	97,893
DPH Architecture	12,500	3,080	9,420
Grahamboys LLC	190,000	-	190,000
Total contractual commitments	<u>\$ 3,651,110</u>	<u>\$ 2,616,540</u>	<u>\$ 1,034,570</u>

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Income taxes	\$ 4,138,274	\$ 4,257,130	\$ 4,426,260	\$ 169,130
Real and other taxes.	264,698	272,300	283,118	10,818
Special assessments	1,531	1,575	1,638	63
Charges for services.	481,870	495,710	515,404	19,694
Licenses and permits	107,186	110,264	114,645	4,381
Fines and forfeitures	24,479	25,182	26,182	1,000
Intergovernmental.	339,924	349,686	363,579	13,893
Investment income	246,796	253,884	263,971	10,087
Contributions and donations.	5,236	5,386	5,600	214
Other	56,279	57,895	60,195	2,300
Total budgetary revenues	<u>5,666,273</u>	<u>5,829,012</u>	<u>6,060,592</u>	<u>231,580</u>
Budgetary expenditures:				
Current:				
General government	1,799,049	1,892,551	1,678,900	213,651
Security of persons and property	3,881,251	3,943,307	4,116,426	(173,119)
Public health and welfare.	71,860	90,750	94,841	(4,091)
Community environment	145,316	128,895	117,510	11,385
Capital outlay.	164,047	225,750	26,075	199,675
Debt service:				-
Principal retirement.	119,698	83,672	83,254	418
Interest and fiscal charges	11,055	7,728	7,689	39
Total budgetary expenditures	<u>6,192,276</u>	<u>6,372,653</u>	<u>6,124,696</u>	<u>247,957</u>
Budgetary excess of expenditures over revenues	<u>(526,003)</u>	<u>(543,641)</u>	<u>(64,104)</u>	<u>479,537</u>
Budgetary other financing sources (uses):				
Sale of capital assets.	3,771	3,879	4,033	154
Transfers (out).	(109,373)	(106,500)	(108,865)	(2,365)
Advance (out).	(1,004)	(25,000)	(25,000)	-
Total budgetary other financing sources (uses)	<u>(106,606)</u>	<u>(127,621)</u>	<u>(129,832)</u>	<u>(2,211)</u>
Net change in fund balances	(632,609)	(671,262)	(193,936)	477,326
Budgetary fund balances at beginning of year	859,246	859,246	859,246	-
Prior year encumbrances appropriated . . .	251,415	251,415	251,415	-
Budgetary fund balances at end of year	<u>\$ 478,052</u>	<u>\$ 439,399</u>	<u>\$ 916,725</u>	<u>\$ 477,326</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Real and other taxes.	\$ 482,229	\$ 602,936	\$ 565,709	\$ (37,227)
Permissive motor vehicle license tax.	54,342	67,944	42,427	(25,517)
Intergovernmental.	722,703	903,607	869,029	(34,578)
Investment income	49,571	61,980	58,261	(3,719)
Other	32,873	41,102	38,564	(2,538)
Total budgetary revenues	<u>1,341,718</u>	<u>1,677,569</u>	<u>1,573,990</u>	<u>(103,579)</u>
Budgetary expenditures:				
Current:				
Transportation	1,015,290	978,290	737,595	240,695
Capital outlay.	1,009,343	1,220,843	1,305,035	(84,192)
Debt service:				
Principal retirement.	23,500	-	-	-
Interest and fiscal charges	750	-	-	-
Total budgetary expenditures	<u>2,048,883</u>	<u>2,199,133</u>	<u>2,042,630</u>	<u>156,503</u>
Budgetary excess of expenditures over revenues	<u>(707,165)</u>	<u>(521,564)</u>	<u>(468,640)</u>	<u>52,924</u>
Net change in fund balances	(707,165)	(521,564)	(468,640)	52,924
Budgetary fund balances at beginning of year	783,452	783,452	783,452	-
Prior year encumbrances appropriated . . .	<u>399,173</u>	<u>399,173</u>	<u>399,173</u>	<u>-</u>
Budgetary fund balances at end of year	<u>\$ 475,460</u>	<u>\$ 661,061</u>	<u>\$ 713,985</u>	<u>\$ 52,924</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Real and other taxes.	\$ 788,473	\$ 796,100	\$ 783,109	\$ (12,991)
Intergovernmental.	13,098	13,225	13,009	(216)
Investment income	10,054	10,152	9,986	(166)
Other	321	324	319	(5)
Total budgetary revenues	<u>811,946</u>	<u>819,801</u>	<u>806,423</u>	<u>(13,378)</u>
Budgetary expenditures:				
Current:				
Security of persons and property	764,775	809,775	821,166	(11,391)
Capital outlay.	60,000	60,000	-	60,000
Total budgetary expenditures	<u>824,775</u>	<u>869,775</u>	<u>821,166</u>	<u>48,609</u>
Budgetary excess of expenditures over revenues	<u>(12,829)</u>	<u>(49,974)</u>	<u>(14,743)</u>	<u>35,231</u>
Net change in fund balances	(12,829)	(49,974)	(14,743)	35,231
Budgetary fund balances at beginning of year	29,731	29,731	29,731	-
Prior year encumbrances appropriated . . .	28,966	28,966	28,966	-
Budgetary fund balances at end of year	<u>\$ 45,868</u>	<u>\$ 8,723</u>	<u>\$ 43,954</u>	<u>\$ 35,231</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANFIELD, OHIO
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.011471000%	\$ 3,003,156	\$ 1,888,086	159.06%	79.01%
2023	0.011172000%	3,300,214	1,731,743	190.57%	75.74%
2022	0.011823000%	1,028,649	1,758,407	58.50%	92.62%
2021	0.011950000%	1,769,535	1,683,086	105.14%	86.88%
2020	0.011947000%	2,361,406	1,680,993	140.48%	82.17%
2019	0.011216000%	3,071,835	1,514,879	202.78%	74.70%
2018	0.010017000%	1,571,472	1,323,738	118.71%	84.66%
2017	0.010735000%	2,437,737	1,387,675	175.67%	77.25%
2016	0.011121000%	1,926,297	1,392,950	138.29%	81.08%
2015	0.011088000%	1,337,337	1,354,508	98.73%	86.45%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 293,875	\$ (293,875)	\$ -	\$ 2,099,107	14.00%
2023	264,332	(264,332)	-	1,888,086	14.00%
2022	242,444	(242,444)	-	1,731,743	14.00%
2021	246,177	(246,177)	-	1,758,407	14.00%
2020	235,632	(235,632)	-	1,683,086	14.00%
2019	235,339	(235,339)	-	1,680,993	14.00%
2018	212,083	(212,083)	-	1,514,879	14.00%
2017	172,086	(172,086)	-	1,323,738	13.00%
2016	166,521	(166,521)	-	1,387,675	12.00%
2015	167,154	(167,154)	-	1,392,950	12.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Asset	City's Proportionate Share of the Net Pension Asset	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.013264000%	\$ 40,770	\$ 60,908	66.94%	144.55%
2023	0.013029000%	(30,709)	60,486	-50.77%	137.14%
2022	0.013042000%	(51,387)	59,457	-86.43%	169.88%
2021	0.014747000%	42,568	64,993	65.50%	157.67%
2020	0.013853000%	28,887	61,671	46.84%	145.28%
2019	0.025031000%	27,990	107,057	26.14%	126.64%
2018	0.023669000%	32,221	96,938	33.24%	137.28%
2017	0.029751000%	16,557	115,808	14.30%	116.55%
2016	0.031320000%	15,241	113,283	13.45%	116.90%
2015	0.032328000%	12,448	118,167	10.53%	114.83%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 7,347	\$ (7,347)	\$ -	\$ 61,225	12.00%
2023	7,309	(7,309)	-	60,908	12.00%
2022	8,468	(8,468)	-	60,486	14.00%
2021	8,324	(8,324)	-	59,457	14.00%
2020	9,099	(9,099)	-	64,993	14.00%
2019	8,634	(8,634)	-	61,671	14.00%
2018	14,988	(14,988)	-	107,057	14.00%
2017	12,602	(12,602)	-	96,938	13.00%
2016	13,897	(13,897)	-	115,808	12.00%
2015	13,594	(13,594)	-	113,283	12.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Asset	City's Proportionate Share of the Net Pension Asset	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.002854000%	\$ 318	\$ 21,020	1.51%	134.44%
2023	0.019584000%	(1,532)	133,240	-1.15%	126.74%
2022	0.019744000%	(3,585)	123,790	-2.90%	171.84%
2021	0.015328000%	2,794	92,060	3.03%	188.21%
2020	0.011854000%	448	70,460	0.64%	118.84%
2019	0.010445000%	238	59,710	0.40%	113.42%
2018	0.011236000%	392	61,580	0.64%	124.46%
2017	0.012497000%	52	64,874	0.08%	103.40%
2016	0.012233000%	47	86,063	0.05%	103.91%
2015	n/a	n/a	n/a	n/a	107.10%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 5,826	\$ (5,826)	\$ -	\$ 58,260	10.00%
2023	2,102	(2,102)	-	21,020	10.00%
2022	13,324	(13,324)	-	133,240	10.00%
2021	12,379	(12,379)	-	123,790	10.00%
2020	9,206	(9,206)	-	92,060	10.00%
2019	7,046	(7,046)	-	70,460	10.00%
2018	5,971	(5,971)	-	59,710	10.00%
2017	6,158	(6,158)	-	61,580	10.00%
2016	6,163	(6,163)	-	51,358	12.00%
2015	8,176	(8,176)	-	68,133	12.00%

(1) Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.
n/a - information not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.053440800%	\$ 5,163,119	\$ 1,707,305	302.41%	63.63%
2023	0.052164100%	4,955,084	1,569,595	315.69%	62.90%
2022	0.053399300%	3,336,079	1,512,732	220.53%	75.03%
2021	0.055412300%	3,777,506	1,507,768	250.54%	70.65%
2020	0.054977600%	3,703,585	1,450,879	255.26%	69.89%
2019	0.052250000%	4,264,981	1,312,763	324.89%	63.07%
2018	0.049365000%	3,029,758	1,198,095	252.88%	70.91%
2017	0.046735300%	2,961,289	1,118,963	264.65%	68.36%
2016	0.052747000%	3,393,261	1,190,137	285.12%	66.77%
2015	0.052845000%	2,737,607	1,160,168	235.97%	72.20%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
<i>Police:</i>					
2024	\$ 376,741	\$ (376,741)	\$ -	\$ 1,982,847	19.00%
2023	324,388	(324,388)	-	1,707,305	19.00%
2022	298,223	(298,223)	-	1,569,595	19.00%
2021	287,419	(287,419)	-	1,512,732	19.00%
2020	286,476	(286,476)	-	1,507,768	19.00%
2019	275,667	(275,667)	-	1,450,879	19.00%
2018	249,425	(249,425)	-	1,312,763	19.00%
2017	227,638	(227,638)	-	1,198,095	19.00%
2016	212,603	(212,603)	-	1,118,963	19.00%
2015	226,126	(226,126)	-	1,190,137	19.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	City's Proportion of the Net OPEB Liability/(Asset)	City's Proportionate Share of the Net OPEB Liability/(Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.011159000%	\$ (100,713)	\$ 1,970,014	5.11%	107.76%
2023	0.011569000%	72,945	1,925,469	3.79%	94.79%
2022	0.012179000%	(381,465)	1,941,654	19.65%	128.23%
2021	0.012167000%	(216,765)	1,840,139	11.78%	115.57%
2020	0.012001000%	1,657,651	1,813,124	91.43%	47.80%
2019	0.011594000%	1,511,584	1,681,646	89.89%	46.33%
2018	0.010460000%	1,135,879	1,482,256	76.63%	54.14%
2017	0.011308530%	1,142,200	1,568,357	72.83%	54.05%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 3,555	\$ (3,555)	\$ -	\$ 2,218,592	0.16%
2023	2,059	(2,059)	-	1,970,014	0.10%
2022	5,329	(5,329)	-	1,925,469	0.28%
2021	4,951	(4,951)	-	1,941,654	0.25%
2020	3,682	(3,682)	-	1,840,139	0.20%
2019	2,819	(2,819)	-	1,813,124	0.16%
2018	2,388	(2,388)	-	1,681,646	0.14%
2017	16,669	(16,669)	-	1,482,256	1.12%
2016	32,989	(32,989)	-	1,554,841	2.12%
2015	30,125	(30,125)	-	1,574,366	1.91%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANFIELD
MAHONING COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.053440800%	\$ 390,188	\$ 1,707,305	22.85%	51.89%
2023	0.052164100%	371,393	1,569,595	23.66%	52.59%
2022	0.053399300%	585,302	1,512,732	38.69%	46.86%
2021	0.055412300%	587,102	1,507,768	38.94%	45.42%
2020	0.054977600%	543,054	1,450,879	37.43%	47.08%
2019	0.052250000%	475,816	1,312,763	36.25%	46.57%
2018	0.049365000%	2,796,952	1,198,095	233.45%	14.13%
2017	0.046753000%	2,219,260	1,118,963	198.33%	15.96%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
<i>Police:</i>					
2024	\$ 9,914	\$ (9,914)	\$ -	\$ 1,982,847	0.50%
2023	8,537	(8,537)	-	1,707,305	0.50%
2022	7,848	(7,848)	-	1,569,595	0.50%
2021	7,564	(7,564)	-	1,512,732	0.50%
2020	7,539	(7,539)	-	1,507,768	0.50%
2019	7,254	(7,254)	-	1,450,879	0.50%
2018	6,564	(6,564)	-	1,312,763	0.50%
2017	5,990	(5,990)	-	1,198,095	0.50%
2016	5,595	(5,595)	-	1,118,963	0.50%
2015	6,112	(6,112)	-	1,190,137	0.50%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CANFIELD, OHIO

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

NOTE 1 - BUDGETARY PROCESS

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

The schedule of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, street construction, maintenance and repair fund, and the police department operating levy fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

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

Net Change in Fund Balance

	<u>General fund</u>	<u>SCMR</u>	<u>PD Operating</u>
Budget basis	\$ (193,936)	\$ (468,640)	\$ (14,743)
Net adjustment for revenue accruals	790	44,458	65,000
Net adjustment for expenditure accruals	37,616	5,807	(8,483)
Net adjustment for other sources/uses	25,000	-	-
Funds budgeted elsewhere	(7,691)	-	-
Adjustments for encumbrances	<u>275,583</u>	<u>110,092</u>	<u>75,530</u>
GAAP Basis	<u>\$ 137,362</u>	<u>\$ (308,283)</u>	<u>\$ 117,304</u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the self-insurance fund, unclaimed monies fund, subdivision escrow fund, and the subdivision deposits fund.

CITY OF CANFIELD, OHIO

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

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

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

Change in assumptions:

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

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Change in benefit terms:

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

CITY OF CANFIELD, OHIO

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

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

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

Changes in assumptions:

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

CITY OF CANFIELD, OHIO

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

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

Change in assumptions:

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

CITY OF CANFIELD, OHIO

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

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

- For 2024, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed to 5.70%, (b) the municipal bond rate was changed to 3.77% and (c) the health care cost trend rate was changed to 5.50% initial, 3.50% ultimate in 2038.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Change in benefit terms:

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

Change in assumptions:

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

**CITY OF CANFIELD
MAHONING COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
<i>National Highway Traffic Safety Administration</i>			
<i>Passed Through Ohio Department of Public Safety - Highway Safety Cluster</i>			
National Priority Safety Program - OVI Task Force 2024	20.616	OVI-2024-Canfield Police Departmen-00006	190,050
National Priority Safety Program - OVI Task Force 2025	20.616	OVI-2025-Canfield Police Departmen-00006	41,626
Total U.S. Department of Transportation Highway Safety Cluster			231,676
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through Ohio Office of Criminal Justice Services</i>			
Equitable Sharing Agreement	16.922		91,823
Bulletproof Vest Partnership Program	16.607		2,819
Total U.S. Department of Justice			94,642
FEDERAL EMERGENCY MANAGEMENT AGENCY			
<i>Passed Through Ohio Emergency Management Agency</i>			
Hazard Mitigation Grant Program	97.039	FEMA-DR-4447.08-R-OH	733,491
Hazard Mitigation Grant Program	97.039	FEMA-DR-4507.18-R-OH	83,622
Total Federal Emergency Management Agency			817,113
Total Expenditures of Federal Awards			\$1,143,431

The accompanying notes are an integral part of this schedule.

**CITY OF CANFIELD
MAHONING COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - MATCHING REQUIREMENTS

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

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

City of Canfield
Mahoning County
104 Lisbon Street
Canfield, Ohio 44406

To the Members of Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Canfield, Mahoning County, Ohio (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 11, 2025, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board Statement 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.

KEITH FABER
Ohio Auditor of State



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

September 11, 2025

OHIO AUDITOR OF STATE KEITH FABER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

City of Canfield
Mahoning County
104 Lisbon Street
Canfield, Ohio 44406

To the Members of Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Canfield's, Mahoning County, (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City of Canfield's major federal program for the year ended December 31, 2024. The City of Canfield's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

KEITH FABER
Ohio Auditor of State

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

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

September 11, 2025

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**CITY OF CANFIELD
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Hazard Mitigation Grant (AL # 97.039)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF CANFIELD

MAHONING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/25/2025

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This report is a matter of public record and is available online at
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