CITY OF NEW ALBANY
FRANKLIN COUNTY, OHIO

Basic Financial Statements

For the Year Ended
December 31, 2019

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Serving Ohio Local Governments

CITY OF NEW ALBANY, OHIO

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Julian & Grube

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Accountant's Compilation Report

To the Members of City Council
New Albany, Ohio

Management is responsible for the accompanying basic financial statements of the City of New Albany, which comprise the statements listed in the table of contents as of December 31, 2019 and for the fiscal year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 3 through 20 and the required supplementary information on pages 114 through 128 be presented to supplement the basic financial statements. Although this information is not a part of the basic financial statements, the Governmental Accounting Standards Board considers it essential to placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Julian & Grube, Inc.

Westerville, Ohio
July 13, 2020

CITY OF NEW ALBANY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

The management's discussion and analysis of the City of New Albany (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, 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 2019 are as follows:

- The total net position of the City increased $20,288,563 or 9.08%.

- General revenues accounted for $51,958,506 or 77.36% of total governmental activities revenue. Program specific revenues including charges for services, grants and contributions accounted for $15,208,251 or 22.64% of total governmental activities revenue.

- The City had $46,878,194 in expenses related to governmental activities.

- The City had six major funds consisting of the general fund, economic opportunity fund, economic development fund, capital improvement fund, bond improvement fund and water & sanitary sewer fund.

- The general fund had revenues and other financing sources of $26,113,764 in 2019. The expenditures and other financing uses of the general fund totaled $20,771,860 in 2019. The net increase in fund balance for the general fund was $5,341,904 or 25.82%.

- The economic opportunity fund had revenues and expenditures of $13,145,645 in 2019.

- The economic development fund had revenues of $2,063,298 and expenditures and other financing uses of $2,930,797 in 2019. The net decrease in fund balance for the economic development fund was $1,392,936 or 70.74%.

- The capital improvement fund had $6,570,975 in revenues and financing sources and $6,580,902 in expenditures in 2019. The net decrease in fund balance for the capital improvement fund was $9,927.

- The bond improvement fund had revenues of $305,678 and expenditures of $1,4615,270 in 2019. The bond improvement fund balance decreased $14,309,592 or 88.48% in 2019.

- The water and sanitary sewer improvement fund had revenues and other financing sources of $28,734,732 and expenditures and other financing uses of $25,493,026 in 2019. The water and sanitary sewer improvement fund balance increased $3,241,706 or 112.44% in 2019.

- General fund actual revenues and other financing sources at year-end were $1,132,970 higher than the final budgeted amount. Budgeted revenues and other financing sources increased by $2,199,123 from the original estimate to the final budget.

- Actual general fund expenditures and other financing uses were $2,265,682 less than the final appropriations. The City's general fund final appropriations were increased by $2,641,711 from original budgeted appropriations.

Using this Comprehensive 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 non-major funds presented in total in one column.

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 2019?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into consideration 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 whether, for the City as a whole, the financial position of the City has either improved or diminished. The causes of the 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, as well as various other factors.

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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. The analysis of the City's major governmental funds can be found later on in the MD&A.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on the balance 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.

The focus of the governmental funds is narrower than that of the government-wide financial statements. It is therefore 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.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major and non-major funds. The City's major governmental funds are the general fund, economic opportunity fund, economic development fund, capital improvement fund, bond improvement fund and water and sanitary sewer fund. Information for the major funds is presented separately in the governmental fund balance sheet, as well as in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

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CITY OF NEW ALBANY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

The following table provides a summary of the City's net position at December 31, 2019 and 2018. The net position at December 31, 2018 has been restated as described in Note 3.B.

	Net Position	
	Governmental Activities 2019	**Restated Governmental Activities 2018**
Assets		
Current and other assets	$ 124,303,156	$ 119,564,921
Capital assets, net	243,865,824	195,967,824
Total Assets	**$ 368,168,980**	**$ 315,532,745**
Deferred Outflows of Resources		
Unamortized deferred charges	$ 770,908	$ 856,314
Pension	4,774,550	2,542,565
OPEB	1,244,569	1,114,367
Total Deferred Outflows of Resources	**$ 6,790,027**	**$ 4,513,246**
Liabilities		
Other liabilities	$ 14,155,008	$ 8,704,316
Long-term liabilities:		
Due within one year	3,739,630	3,693,831
Net pension liability	14,274,229	9,159,862
Net OPEB liability	4,670,360	7,664,640
Other amounts	83,689,465	57,684,024
Total Liabilities	**$ 120,528,692**	**$ 86,906,673**
Deferred Inflows of Resources		
Property taxes and PILOTs	$ 10,234,137	$ 8,067,380
Pension	187,533	1,298,812
OPEB	236,231	289,275
Total Deferred Outflows of Resources	**$ 10,657,901**	**$ 9,655,467**
Net Position		
Net investment in capital assets	$ 157,583,370	$ 155,222,996
Restricted	37,433,554	32,152,654
Unrestricted	48,755,490	36,108,201
Total Net Position	**$ 243,772,414**	**$ 223,483,851**

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.

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

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

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

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

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, 2019, the City's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $243,772,414 and had increased by $20,288,563 or 9.08% from December 31, 2018's restated amount.

Capital assets reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets represented 66.24% of total assets. Capital assets include land, easements and rights of way, construction in progress, buildings and improvements, equipment, software, vehicles and infrastructure. Net investment in capital assets at December 31, 2019, was $157,583,370. 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, $37,572,882, represents resources that are subject to external restriction on how they may be used. The remaining unrestricted balance is $48,616,162.

The following table depicts the changes in net position for 2019 and 2018. The net position at December 31, 2018 has been restated as described in Note 3.B.

	Change in Net Position	
Revenues	**Governmental Activities 2019**	**Restated Governmental Activities 2018**
Program revenues:		
Charges for services and sales	$ 5,057,334	$ 2,100,635
Operating grants and contributions	4,618,628	5,179,181
Capital grants and contributions	5,532,289	19,552,762
Total Program Revenues	**$ 15,208,251**	**$ 26,832,578**
General revenues:		
Property and other taxes	$ 1,761,229	$ 1,487,133
Income taxes	40,774,119	36,654,313
Unrestricted grants and entitlements	806,182	726,722
Investment earnings	852,305	450,008
Payment in lieu of taxes (PILOT)	7,514,460	7,220,516
Miscellaneous	250,211	703,467
Total General Revenues	**$ 51,958,506**	**$ 47,242,159**
Total Revenues	**$ 67,166,757**	**$ 74,074,737**
Expenses:		
General government	$ 13,373,521	$ 10,989,897
Security of persons and property	2,193,568	5,258,558
Transportation	9,833,467	7,911,591
Community environment	3,322,715	2,803,799
Economic development	16,300,760	13,726,317
Interest and fiscal charges	1,854,163	1,402,594
Total Expenses	**$ 46,878,194**	**$ 42,092,756**
Change in Net Position	**$ 20,288,563**	**$ 31,981,981**
Net position at beginning of year (restated)	223,483,851	191,501,870
Net Position at End of Year	**$ 243,772,414**	**$ 223,483,851**

Governmental Activities

Governmental activities net position increased by $20,288,563 during 2019.

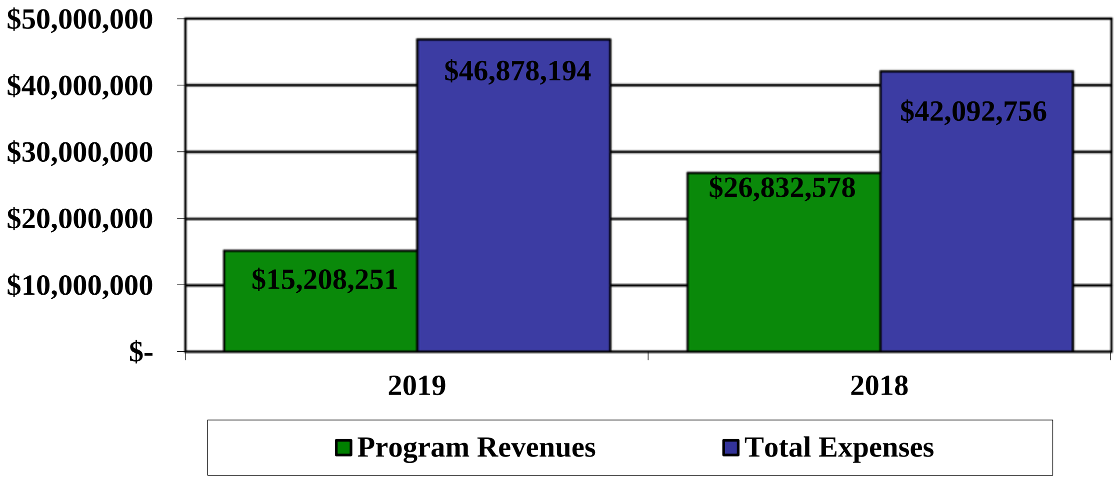
Security of persons and property, which primarily supports the operations of the police department, had expenses of $2,193,568 which accounted for 4.68% of the total expenses of the City. These expenses were partially funded by $184,608 in direct charges to users of the services. The large decrease in security of persons and property was the result of a change in the OPEB benefits provided to retirees by the Ohio Police & Fire (OP&F) pension fund which switched from a claims based model to a stipend based model. General government expenses totaled $13,234,193 which was partially funded by $4,012,959 in direct charges to users of the services. Economic development expenses totaled $16,300,760 which accounted for 34.77% of the total expenses of the City. Transportation expenses totaled $9,833,467 which accounted for 20.98% of total expenses of the City.

The state and federal government contributed to the City a total of $4,618,628 in operating grants and contributions. The City had $5,532,289 in capital grants and contributions, primarily from capital grants received from the New Albany Community Authority, grants received from the Ohio Department of Transportation (ODOT) and donated infrastructure. These revenues are restricted to a particular program or purpose.

General revenues totaled $51,958,506 and amounted to 77.36% of total governmental revenues. These revenues primarily consist of property and income tax revenue of $42,535,348. This increase was the result of an increase in businesses in the City's business park and an increase in assessed values related to property tax collections. The other primary source of general revenues is payments in lieu of taxes which totaled $7,514,460. These increased due to the additional of new tax incremental financing (TIF) districts during the year.

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. It identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. The City is dependent upon property and income taxes as well as unrestricted grants and entitlements to support governmental activities, including security of persons and property and general government expenses.

Governmental Activities – Program Revenues vs. Total Expenses

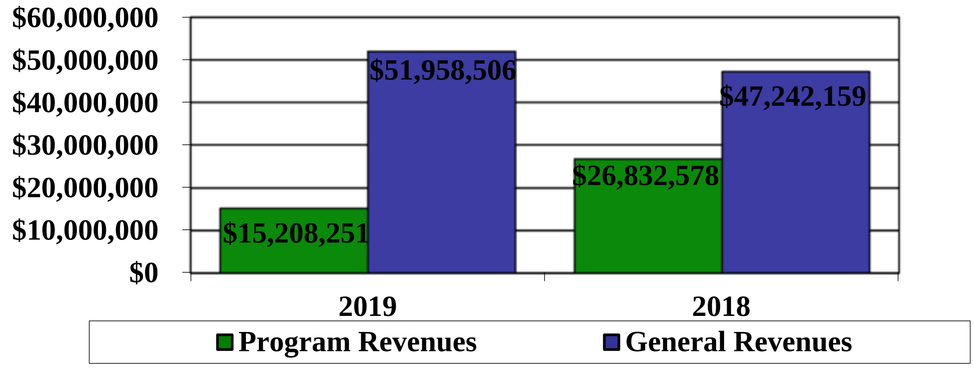


Governmental Activities

	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Program Expenses:				
General government	$ 13,373,521	$ 7,982,149	$ 10,989,897	$ 8,668,112
Security of persons and property	2,193,568	1,995,378	5,258,558	5,074,671
Transportation	9,833,467	4,085,532	7,911,591	(6,432,644)
Community environment	3,322,715	2,498,788	2,803,799	2,290,857
Economic development	16,300,760	13,253,933	13,726,317	4,256,588
Interest and fiscal charges	1,854,163	1,854,163	1,402,594	1,402,594
Total Expenses	**$ 46,878,194**	**$ 31,669,943**	**$ 42,092,756**	**$ 15,260,178**

The City is dependent on general revenues, including taxes, to support most of the City's expenses including general government services, security of persons and property, community environment and interest and fiscal charges. Approximately 67.56% of the City's expenses are supported through taxes and other general revenues. In accordance with GASB Statement No. 34, capital contributions of infrastructure are program revenues offsetting transportation program expenses which ultimately support the maintenance of the infrastructure.

Governmental Activities – General and Program Revenues



Financial Analysis of the Governments' 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, unreserved 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 $91,639,575 which is $4,618,894 lower than last year's restated total of $96,258,469. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2019 and December 31, 2018 for all major and non-major governmental funds. The fund balances at December 31, 2018 have been restated as described in Note 3.B.

	Fund Balances 12/31/19	Restated Fund Balances 12/31/18	Change	Percent Change
Funds				
General	$ 26,027,034	$ 20,685,130	$ 5,341,904	25.82%
Economic Opportunity	-	-	-	0.00%
Economic Development	576,141	1,969,077	(1,392,936)	-70.74%
Capital Improvement	8,865,733	8,875,660	(9,927)	-0.11%
Bond Improvement	1,862,346	16,171,938	(14,309,592)	-88.48%
Water and Sanitary Sewer Improvement	6,124,868	2,883,162	3,241,706	112.44%
Other nonmajor governmental funds	48,183,453	45,673,502	2,509,951	5.50%
Total Fund Balance - Governmental Funds	**$ 91,639,575**	**$ 96,258,469**	**$ (4,618,894)**	**-4.80%**

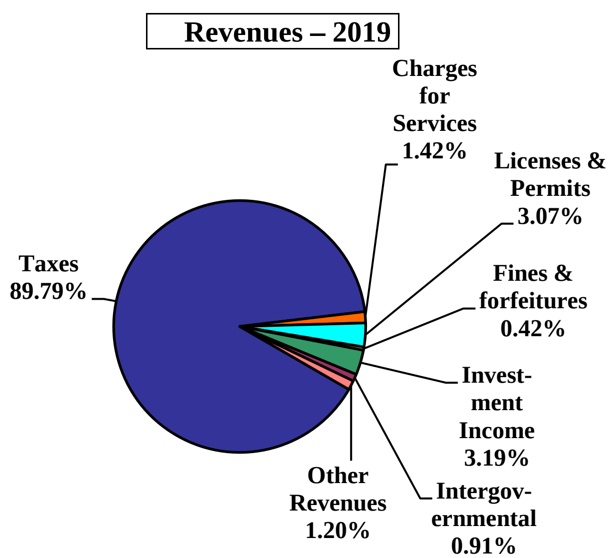
General Fund

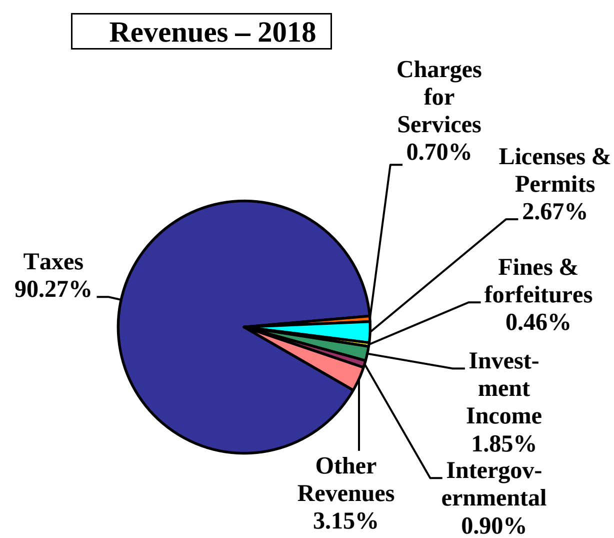
The City's general fund balance increased by $5,341,904 during 2019. This increase is mainly due to an increase in revenues compared to 2018.

Revenue in the general fund increased 8.56% during 2019. Tax revenue represents 89.79% of all general fund revenue. Tax revenue increased by $1,727,604 or 7.97%. This increase was the result of increases in business in the City. The increase in charges for services was due to an increase in plat and admin services charges during the year. The increase in investment income was due to an increase in interest received from investments.

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

	2019 Amount	2018 Amount	Percent Change
Revenues			
Taxes	$ 23,392,559	$ 21,664,955	7.97%
Charges for services	370,342	168,317	120.03%
Licenses and permits	800,073	641,055	24.81%
Fines and forfeitures	108,800	111,366	-2.30%
Intergovernmental	237,902	215,178	10.56%
Investment income	830,557	443,308	87.35%
Other	313,704	755,001	-58.45%
Total Revenues - General Fund	**$ 26,053,937**	**$ 23,999,180**	**8.56%**





CITY OF NEW ALBANY, OHIO

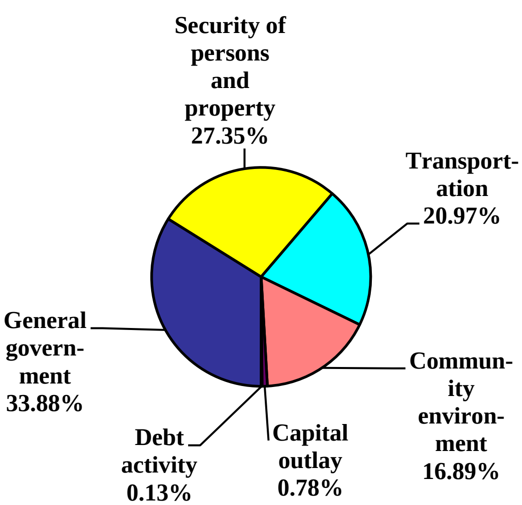
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)

Overall expenditures of the general fund increased by $1,687,956. The increase in general government was the result of increased spending in all departments but primarily due to increases in salaries and related expenditures. The increase in security of persons and property related to increases in the Police Department, primarily in the area of salaries and related items. The increase in transportation expenditures was due to the Public Service Department's increase in salaries and related items. Community environment increased due to the Community Development Department increasing expenditures in general operating costs.

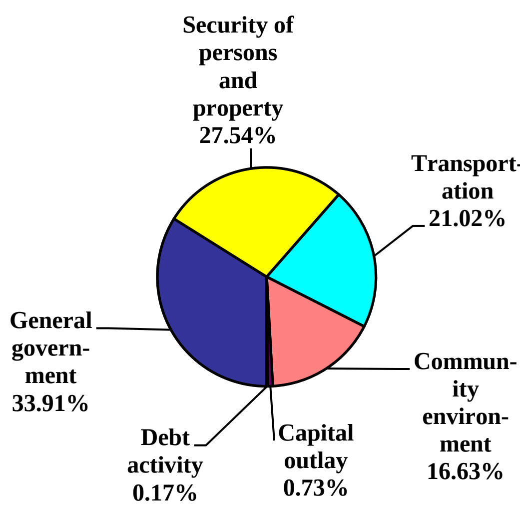
The table and charts that follow assist in illustrating the expenditures of the general fund:

	2019 Amount	2018 Amount	Percent Change
Expenditures			
General government	$ 5,637,983	$ 5,069,460	11.21%
Security of persons and property	4,549,848	4,117,257	10.51%
Transportation	3,488,133	3,141,686	11.03%
Community environment	2,810,438	2,486,791	13.01%
Capital outlay	129,348	109,145	18.51%
Debt activity	21,387	24,842	-13.91%
Total Expenditures - General Fund	**$ 16,637,137**	**$ 14,949,181**	**11.29%**

Expenditures – 2019



Expenditures – 2018



Economic Opportunity Fund

The City's Economic Opportunity fund receives income tax revenue pledged to the New Albany Community Authority, the New Albany-Plain Local School District, Johnstown-Monroe Local School District, the Licking Height Local School District and the City of Columbus. The Economic Opportunity fund had $13,145,645 in revenues and expenditures during 2019.

Economic Development Fund

The economic development fund had revenues of $2,063,298. The economic development fund had expenditures and other financing uses of $2,930,797 in 2019. The fund balance of the economic development fund decreased $1,392,936 in 2019.

Capital Improvement Fund

The capital improvement fund had revenues and other financing sources of $6,570,975 and expenditures of $6,580,902 in 2019. The fund balance increased $9,927 in 2019.

Bond Improvement Fund

The bond improvement fund had revenues of $305,678 and expenditures of $14,615,270 in 2019. The fund balance decreased $14,309,592 due to spending the bonds issued in 2018 on various projects.

Water and Sanitary Sewer Improvement Fund

The water and sanitary sewer improvement fund had revenues and other financing sources of $28,734,732 and expenditures and other financing uses of $25,493,026 in 2019. The fund balance increased $3,241,706 due to the issuance of Ohio Water Development Authority (OWDA) loans.

2019 Budgetary 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 than the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund. In the general fund, the original budgeted revenues and other financing sources of $22,269,931 were increased to $24,469,054 in the final budget. This increase was the result of increases to income taxes and investment income projections throughout the year. Actual revenues and other financing sources increased $1,132,970 from the final budget due to additional increase in actual income tax collections.

Original budgeted appropriations and other financing uses of $22,252,128 were increased to $24,893,839 in the final budget. The most significant increases were in the areas of transfers out. Transfers out increased to maintain the City's target carryover balance of 60% annual revenues and reallocate assets to better position the City for future endeavors. Transfers totaling $4,234,723 were made to the City's surplus funds for future needs of Infrastructure Replacement, Capital Equipment Replacement, and Severance Liability expenses further isolating the general fund from large one-time expenses. The majority of general fund departments showed increased budgets as there was more income tax projected to be collected. Actual expenditures and other financing uses decreased $2,265,682 from the final budget due to conservative budgeting practices and departments not spending their allocated budget.

Capital Assets and Debt Administration

Capital Assets

At the end of 2019, the City had $243,865,824 (net of accumulated depreciation) invested in land, easements and right of ways, buildings and improvements, equipment, software, vehicles, infrastructure and construction in progress.

The following table shows December 31, 2019 balances compared to December 31, 2018 (see note 10 to the basic financial statements):

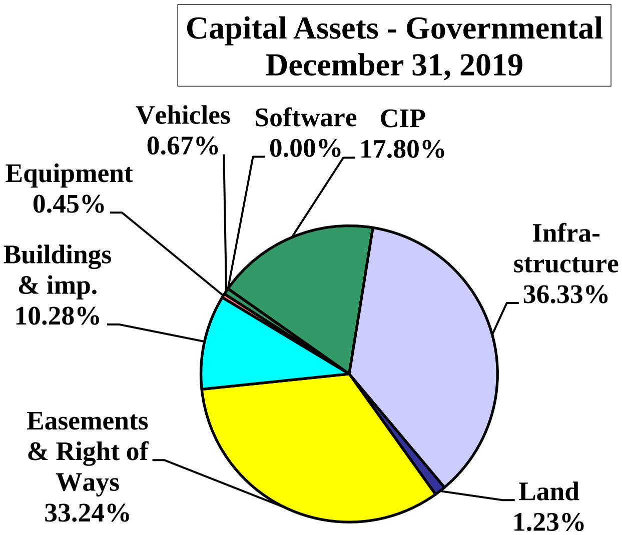
Capital Assets at December 31
(Net of Depreciation)

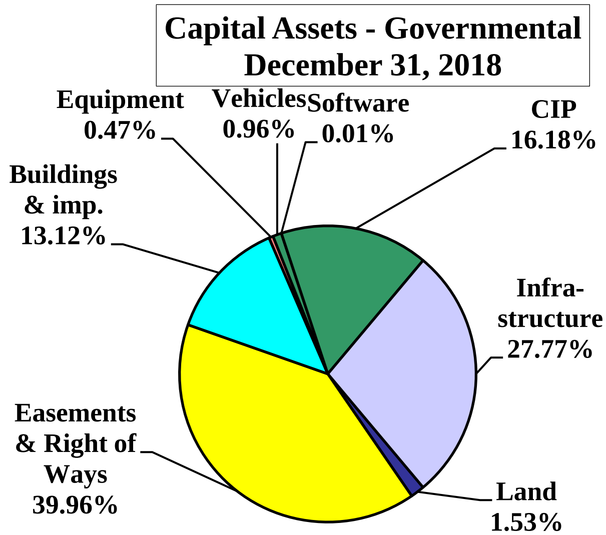
	Governmental Activities	
	2019	**2018**
Land	$ 2,997,546	$ 2,997,546
Easements and right of ways	81,053,886	78,320,680
Construction-in-progress	43,410,927	31,713,578
Buildings and improvements	25,078,282	25,711,869
Equipment	1,102,299	912,982
Software	6,445	10,725
Vehicles	1,630,875	1,873,854
Infrastructure	88,585,564	54,426,590
Total Capital Assets - Governmental	**$ 243,865,824**	**$ 195,967,824**

Capital assets increased $47,878,000 during 2019. This is due to $54,802,128 in additions exceeding depreciation expense of $6,849,387 and disposals of $54,741, net of accumulated depreciation. Capital asset additions include:

- $2,733,206 in capital contributions received from various sources for easements, rights of way and infrastructure.
- Construction related to the Blacklick Creek Trunk Sewer (phases 2A-1 and 2A-2), Rose Run Park Enhancements, Beech Road South Infrastructure, the New Albany Pressure District Booster Station and Morse Road Water main.

The following graphs show the breakdown of governmental capital assets by category for 2019 and 2018.



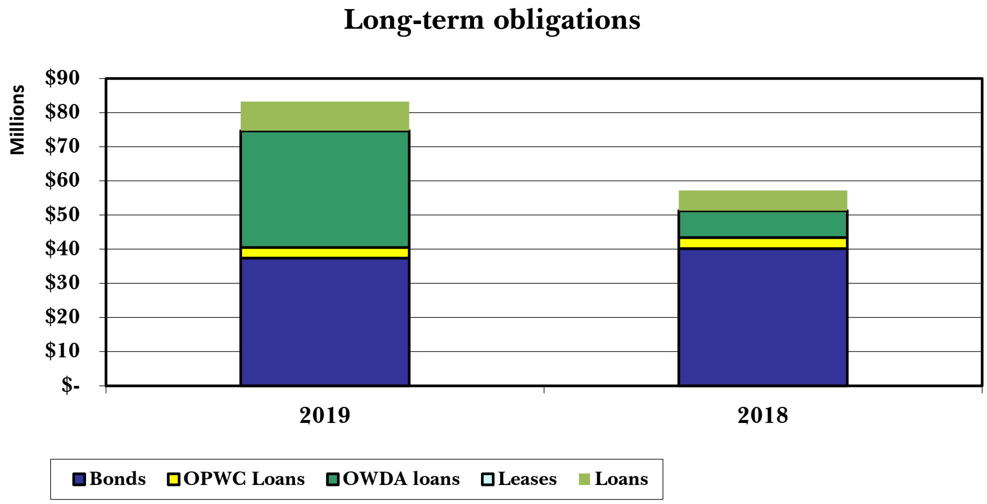


Debt Administration

The City had the following long-term obligations outstanding at December 31, 2019 and 2018 (see note 14 to the basic financial statements).

	2019	2018
Series 2012 refunding bonds	$ 7,015,000	$ 7,585,000
Series 2013 refunding bonds	1,975,000	2,395,000
Series 2014 A capital facilities bonds	4,565,000	4,915,000
Series 2014 B taxable special obligation bonds	2,810,000	3,000,000
Series 2016 refunding bonds	5,035,000	5,600,000
Series 2016 - capital facilities bonds	16,005,000	16,650,000
New Albany Company loan payable	6,439,883	3,830,726
New Albany Community Authority payable	2,087,393	2,087,393
OWDA loans	34,144,018	7,806,398
OPWC loans	3,060,273	3,268,295
Capital lease obligation payable	77,391	42,448
Total long-term obligations	**$ 83,213,958**	**$ 57,180,260**

A comparison of the long-term obligations of 2019 and 2018 by category is depicted in the following chart:



Economic Condition and Outlook

New Albany is a robust community that balances residential, commercial and green space uses to create an exceptional quality of life for residential and corporate citizens. New Albany officially obtained classification as a city in April 2011. There are a number of factors behind New Albany's success, but one of the most significant reasons is that New Albany is a 'master-planned' community. This process requires the City to create and manage long-term plans for land use, infrastructure and economic growth and development.

The economic outlook for the City of New Albany is very positive. The primary driver is the success of the New Albany International Business Park in terms of attracting companies like Facebook, who announced, and started constructing in 2018, one of the most advanced, energy efficient data centers in the world. The facility will initially consist of two buildings to open in approximately 2019 and 2021. Also, L Brands, within the Personal Care and Beauty Campus, completed a 40,000 square foot renovation on a distribution facility creating 90 new jobs. Additionally, AEP occupied a new facility in 2018, which houses their existing transmissions group. The new building is directly adjacent to their mission critical site. The new businesses adding to the business park, in addition to the expansion of existing businesses, has led to a robust growth in income tax collections for the City. New Albany also has strong prospects in the pipeline and is supported by a growing Columbus metropolitan economy and an improved US economy.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Bethany Staats, CPA, Director of Finance, City of New Albany, 99 W. Main Street, P.O. Box 188, New Albany, Ohio 43054 or email finance@newalbanyohio.org.

CITY OF NEW ALBANY, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government		Component Unit	
	Governmental Activities		New Albany Community Improvement Corporation	
ASSETS				
Equity in pooled cash, cash equivalents and investments	$	91,873,354	$	45,925
Cash with fiscal agent		382,022		-
Receivables (net of allowance for uncollectibles):				
Income taxes		9,344,701		-
Property and other taxes		1,314,920		-
Payment in lieu of taxes		8,993,413		-
Accounts		117,904		6,469
Accrued interest		221,482		-
Due from other governments		7,305,391		-
Materials and supplies inventory		389,006		-
Prepayments		189,773		3,066
Net pension asset		121,198		-
Equity interest in the performing arts center		4,049,992		-
Capital assets:				
Non-depreciable capital assets		127,462,359		-
Depreciable capital assets, net		116,403,465		-
Total capital assets, net		243,865,824		-
Total Assets	**$**	**368,168,980**	**$**	**55,460**
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized deferred charges on debt refunding	$	770,908	$	-
Pension		4,774,550		-
OPEB		1,244,569		-
Total Deferred Outflows Of Resources	**$**	**6,790,027**	**$**	**-**
LIABILITIES				
Accounts payable	$	3,694,926	$	7,334
Contracts payable		5,572,507		-
Retainage payable		1,091,430		-
Accrued wages and benefits payable		328,851		-
Due to other governments		3,258,695		-
Payroll withholdings payable		75,497		-
Accrued interest payable		133,102		-
Unearned revenue		-		5,467
Long-term liabilities:				
Due within one year		3,739,630		-
Due in more than one year:				
Net pension liability		14,274,229		-
Net OPEB liability		4,670,360		-
Other amounts		83,689,465		-
Total Liabilities	**$**	**120,528,692**	**$**	**12,801**
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for the next fiscal year	$	1,240,724	$	-
Pension		187,533		-
OPEB		236,231		-
PILOTs levied for the next fiscal year		8,993,413		-
Total Deferred Inflows Of Resources	**$**	**10,657,901**	**$**	**-**
NET POSITION				
Net investment in capital assets	$	157,583,370	$	-
Restricted for:				
Capital projects		22,350,683		-
Street construction and maintenance		2,313,291		-
Safety programs		219,080		-
Economic development		939,399		-
Tax increment financing		10,068,268		-
Other purposes		1,682,161		-
Unrestricted		48,616,162		42,659
Total Net Position	**$**	**243,772,414**	**$**	**42,659**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NEW ALBANY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

		Program Revenues			Net Revenue (Expense) And Change in Net Position	
					Primary Government	Component Unit
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**New Albany Community Improvement Corporation**
GOVERNMENTAL ACTIVITIES						
General government	$ 13,373,521	$ 4,012,959	$ 784,616	$ 593,797	$ (7,982,149)	
Security of persons and property	2,193,568	184,608	13,582	-	(1,995,378)	
Transportation	9,833,467	35,840	773,603	4,938,492	(4,085,532)	
Community environment	3,322,715	823,927	-	-	(2,498,788)	
Economic development	16,300,760	-	3,046,827	-	(13,253,933)	
Interest and fiscal charges	1,854,163	-	-	-	(1,854,163)	
Total Governmental Activities	**$ 46,878,194**	**$ 5,057,334**	**$ 4,618,628**	**$ 5,532,289**	**$ (31,669,943)**	
COMPONENT UNIT						
New Albany Community Improvement Corporation	**$ 239,826**	**$ 92,446**	**$ 125,001**	**$ -**		**$ (22,379)**
General revenues:						
Property and other taxes levied for:						
General fund					$ 1,612,273	$ -
Special revenue					148,956	-
Income taxes levied for:						
General fund					22,566,988	-
Special revenue					12,839,202	-
Capital projects					5,367,929	-
Grants and entitlements not restricted to specific programs					806,182	-
Investment earnings					852,305	-
Payments in lieu of taxes					7,514,460	-
Miscellaneous					250,211	52,794
Total General Revenues					**$ 51,958,506**	**$ 52,794**
CHANGE IN NET POSITION					**$ 20,288,563**	**$ 30,415**
Net position at beginning of year (restated)					223,483,851	12,244
NET POSITION AT END OF YEAR					**$ 243,772,414**	**$ 42,659**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF NEW ALBANY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	Economic Opportunity Fund	Economic Development Fund	Capital Improvement Fund
ASSETS				
Equity in pooled cash, cash equivalents and investments	$ 22,876,207	$ -	$ 2,980,814	$ 10,659,536
Cash with fiscal agent	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Income taxes	5,237,085	2,900,310	-	740,356
Property and other taxes	1,306,075	-	-	-
Payment in lieu of taxes	-	-	-	-
Accounts	116,312	-	-	-
Interfund loans	275,000	-	-	-
Accrued interest	80,636	-	-	40,177
Due from other governments	136,211	-	-	554,641
Materials and supplies inventory	389,006	-	-	-
Prepayments	189,773	-	-	-
Total Assets	**$ 30,606,305**	**$ 2,900,310**	**$ 2,980,814**	**$ 11,994,710**
LIABILITIES				
Accounts payable	$ 406,001	$ -	$ 2,404,673	$ -
Contracts payable	-	-	-	2,096,443
Retainage payable	-	-	-	222,005
Accrued wages and benefits payable	328,851	-	-	-
Compensated absences payable	53,374	-	-	-
Interfund loans payable	-	-	-	-
Due to other governments	198,569	1,762,279	-	-
Payroll withholdings payable	75,497	-	-	-
Total Liabilities	**$ 1,062,292**	**$ 1,762,279**	**$ 2,404,673**	**$ 2,318,448**
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for the next fiscal year	$ 1,240,724	$ -	$ -	$ -
Delinquent property tax revenue not available	38,817	-	-	-
Accrued interest not available	40,192	-	-	20,026
Miscellaneous revenue not available	55,405	-	-	-
Income tax revenue not available	2,054,941	1,138,031	-	290,503
Intergovernmental revenues not available	86,900	-	-	500,000
PILOTs levied for the next fiscal year	-	-	-	-
Total Deferred Inflows Of Resources	**$ 3,516,979**	**$ 1,138,031**	**$ -**	**$ 810,529**
FUND BALANCE				
Nonspendable	$ 581,719	$ -	$ -	$ -
Restricted	-	-	576,141	-
Committed	1,307,020	-	-	8,865,733
Assigned	1,329,827	-	-	-
Unassigned	22,808,468	-	-	-
Total Fund Balances	**$ 26,027,034**	**$ -**	**$ 576,141**	**$ 8,865,733**
Total Liabilities, Deferred Inflows Of Resources And Fund Balances	**$ 30,606,305**	**$ 2,900,310**	**$ 2,980,814**	**$ 11,994,710**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Bond Improvement Fund	Water and Sanitary Sewer Fund	Other Governmental Funds	Total Governmental Funds
$ 4,672,510	$ 1,992,392	$ 48,691,895	$ 91,873,354
-	-	382,022	382,022
-	-	466,950	9,344,701
-	-	8,845	1,314,920
-	-	8,993,413	8,993,413
-	-	1,592	117,904
-	-	-	275,000
17,611	7,510	75,548	221,482
-	5,584,727	1,029,812	7,305,391
-	-	-	389,006
-	-	-	189,773
$ 4,690,121	**$ 7,584,629**	**$ 59,650,077**	**$ 120,406,966**
$ -	$ -	$ 884,252	$ 3,694,926
2,188,608	1,216,982	70,474	5,572,507
630,389	239,036	-	1,091,430
-	-	-	328,851
-	-	-	53,374
-	-	275,000	275,000
-	-	159,816	2,120,664
-	-	-	75,497
$ 2,818,997	**$ 1,456,018**	**$ 1,389,542**	**$ 13,212,249**
$ -	$ -	$ -	$ 1,240,724
-	-	-	38,817
8,778	3,743	37,656	110,395
-	-	353,956	409,361
-	-	183,223	3,666,698
-	-	508,834	1,095,734
-	-	8,993,413	8,993,413
$ 8,778	**$ 3,743**	**$ 10,077,082**	**$ 15,555,142**
$ -	$ -	$ -	$ 581,719
1,862,346	-	27,712,103	30,150,590
-	6,124,868	4,901,546	21,199,167
-	-	15,569,804	16,899,631
-	-	-	22,808,468
$ 1,862,346	**$ 6,124,868**	**$ 48,183,453**	**$ 91,639,575**
$ 4,690,121	**$ 7,584,629**	**$ 59,650,077**	**$ 120,406,966**

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CITY OF NEW ALBANY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019

Total Governmental Fund Balances		**$ 91,639,575**
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		243,865,824
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	$ 3,666,698	
Property and other taxes receivable	38,817	
Accounts receivable	56,997	
Due from other governments	1,448,098	
Accrued interest receivable	110,395	
Total		5,321,005
The equity interest in the performing arts center is not a financial resource and therefore is not reported in funds.		4,049,992
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(133,102)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		770,908
Unamortized premiums and discounts on bond issuances are not recognized in the funds.		
Premiums	(2,588,983)	
Discounts	9,490	
Total		(2,579,493)
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	121,198	
Deferred outflows of resources	4,774,550	
Deferred inflows of resources	(187,533)	
Net pension liability	(14,274,229)	
Total		(9,566,014)
The net OPEB liability are not available to 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.		
Deferred outflows of resources	1,244,569	
Deferred inflows of resources	(236,231)	
Net OPEB liability	(4,670,360)	
Total		(3,662,022)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable	(37,405,000)	
Loan payable	(8,527,276)	
OWDA loans	(34,144,018)	
OPWC loans	(3,060,273)	
Compensated absences	(1,582,270)	
Capital leases payable	(77,391)	
Due to other governments	(1,138,031)	
Total		(85,934,259)
Net Position Of Governmental Activities		**$ 243,772,414**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NEW ALBANY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General	Economic Opportunity Fund	Economic Development Fund	Capital Improvement Fund
REVENUES				
Income taxes	$ 21,742,065	$ 12,614,884	$ -	$ 3,025,128
Property and other taxes	1,650,494	-	-	-
Charges for services	370,342	-	-	35,840
Licenses and permits	800,073	-	-	-
Fines and forfeitures	108,800	-	-	-
Intergovernmental	237,902	-	14,288	552,814
Payment in lieu of taxes	-	-	-	-
Investment income	830,557	-	-	457,193
Rental income	63,493	-	-	-
Contributions and donations	6,613	-	2,049,010	-
Other	243,598	530,761	-	-
Total Revenues	**$ 26,053,937**	**$ 13,145,645**	**$ 2,063,298**	**$ 4,070,975**
EXPENDITURES				
Current:				
General government	$ 5,637,983	$ -	$ -	$ -
Security of persons and property	4,549,848	-	-	-
Transportation	3,488,133	-	-	-
Community environment	2,810,438	-	-	-
Economic development	-	13,145,645	2,930,797	-
Capital outlay	129,348	-	-	6,580,902
Debt service:				
Principal retirement	19,016	-	-	-
Interest and fiscal charges	2,371	-	-	-
Total Expenditures	**$ 16,637,137**	**$ 13,145,645**	**$ 2,930,797**	**$ 6,580,902**
Excess (deficiency) of revenues over (under) expenditures	**9,416,800**	**-**	**(867,499)**	**(2,509,927)**
OTHER FINANCING SOURCES/(USES)				
Sale of capital assets	$ 5,868	$ -	$ -	$ -
OWDA loans issued	-	-	-	-
Capital lease transaction	53,959	-	-	-
Transfers in	-	-	-	2,500,000
Transfers out	(4,134,723)	-	(525,437)	-
Other loan proceeds	-	-	-	-
Total Other Financing Sources/(Uses)	**$ (4,074,896)**	**$ -**	**$ (525,437)**	**$ 2,500,000**
NET CHANGE IN FUND BALANCE	**$ 5,341,904**	**$ -**	**$ (1,392,936)**	**$ (9,927)**
Fund balances at beginning of year	20,685,130	-	1,969,077	8,875,660
FUND BALANCE AT END OF YEAR	**$ 26,027,034**	**$ -**	**$ 576,141**	**$ 8,865,733**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Bond Improvement Fund	Water and Sanitary Sewer Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 2,128,776	$ 39,510,853
-	-	148,956	1,799,450
-	1,968,383	717,192	3,091,757
-	-	347,934	1,148,007
-	-	5,674	114,474
-	-	1,336,151	2,141,155
-	-	7,514,460	7,514,460
305,678	114,209	832,287	2,539,924
-	-	606,293	669,786
-	-	522,710	2,578,333
-	-	573,906	1,348,265
$ 305,678	**$ 2,082,592**	**$ 14,734,339**	**$ 62,456,464**
$ -	$ -	$ 5,703,996	$ 11,341,979
-	-	19,834	4,569,682
-	-	158,486	3,646,619
-	-	-	2,810,438
-	-	-	16,076,442
14,615,270	25,272,513	6,021,754	52,619,787
-	-	3,615,385	3,634,401
-	-	2,047,606	2,049,977
$ 14,615,270	**$ 25,272,513**	**$ 17,567,061**	**$ 96,749,325**
(14,309,592)	**(23,189,921)**	**(2,832,722)**	**(34,292,861)**
$ -	$ -	$ -	$ 5,868
-	26,652,140	-	26,652,140
-	-	-	53,959
-	-	5,401,112	7,901,112
-	(220,513)	(3,020,439)	(7,901,112)
-	-	2,962,000	2,962,000
$ -	**$ 26,431,627**	**$ 5,342,673**	**$ 29,673,967**
$ (14,309,592)	**$ 3,241,706**	**$ 2,509,951**	**$ (4,618,894)**
16,171,938	2,883,162	45,673,502	96,258,469
$ 1,862,346	**$ 6,124,868**	**$ 48,183,453**	**$ 91,639,575**

CITY OF NEW ALBANY, 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, 2019

Net Change In Fund Balances - Total Governmental Funds		**$ (4,618,894)**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 52,068,922	
Current year depreciation	(6,849,387)	
Total		45,219,535
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. The City received $12,744,897 in capital contributions and ($54,741) in disposals, net of accumulated depreciation.		2,678,465
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	1,263,266	
Delinquent property taxes	(38,221)	
Intergovernmental revenues	320,972	
Investment income	45,394	
Other	385,676	
Total		1,977,087
The equity interest in the performing arts center does not provide current financial resources and is not reported in the funds.		(106,229)
Proceeds of capital leases and loans are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		
OWDA loans	(26,652,140)	
Other loans	(2,962,000)	
Capital leases	(53,959)	
Total		(29,668,099)
Repayment of bonds, loans and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
Bonds	2,740,000	
Other loans	352,843	
OWDA loans	314,520	
OPWC loans	208,022	
Capital leases	19,016	
Total		3,634,401

Continued

CITY OF NEW ALBANY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
Accrued interest payable	$ 106,891	
Amortization of deferred amounts on refunding	(870)	
Amortization of bond premiums	175,199	
Amortization of bond discounts	(85,406)	
Total		$ 195,814
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		1,102,597
OPEB		21,123
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset/liability are reported as pension/OPEB expense in the statement of activities.		
Pension		(2,902,653)
OPEB		3,156,403
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.		
Compensated absences	(176,669)	
Due to other governments	(224,318)	
Total		(400,987)
Change In Net Position Of Governmental Activities		**$ 20,288,563**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NEW ALBANY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
REVENUES				
Income taxes	$ 18,974,000	$ 20,250,000	$ 21,496,288	$ 1,246,288
Property and other taxes	1,470,573	1,535,000	1,643,472	108,472
Charges for services	176,000	176,000	367,692	191,692
Licenses and permits	580,000	680,000	796,956	116,956
Fines and forfeitures	110,000	110,000	110,203	203
Intergovernmental	229,358	229,358	231,826	2,468
Payment in lieu of taxes	-	125,000	-	(125,000)
Investment income	400,000	600,000	701,687	101,687
Rental income	52,000	52,000	63,493	11,493
Contributions and donations	5,000	5,000	4,113	(887)
Other	248,000	681,696	180,426	(501,270)
Total Revenues	**$ 22,244,931**	**$ 24,444,054**	**$ 25,596,156**	**$ 1,152,102**
EXPENDITURES				
Current:				
General government	$ 7,704,349	$ 7,733,902	$ 6,313,889	$ 1,420,013
Security of persons and property	5,092,907	5,039,736	4,610,159	429,577
Transportation	4,170,671	4,164,353	3,826,934	337,419
Community environment	3,313,657	3,263,963	3,210,579	53,384
Capital outlay	235,821	182,162	156,873	25,289
Total Expenditures	**$ 20,517,405**	**$ 20,384,116**	**$ 18,118,434**	**$ 2,265,682**
Excess of revenues over expenditures	**1,727,526**	**4,059,938**	**7,477,722**	**3,417,784**
OTHER FINANCING SOURCES/(USES)				
Sale of capital assets	$ 25,000	$ 25,000	$ 5,868	$ (19,132)
Transfers out	(1,459,723)	(4,234,723)	(4,234,723)	-
Advances out	(275,000)	(275,000)	(275,000)	-
Total Other Financing Sources/(Uses)	**$ (1,709,723)**	**$ (4,484,723)**	**$ (4,503,855)**	**$ (19,132)**
NET CHANGE IN FUND BALANCE	**$ 17,803**	**$ (424,785)**	**$ 2,973,867**	**$ 3,398,652**
Fund balances at beginning of year	15,264,284	15,264,284	15,264,284	-
Prior year encumbrances appropriated	1,539,499	1,539,499	1,539,499	-
FUND BALANCE AT END OF YEAR	**$ 16,821,586**	**$ 16,378,998**	**$ 19,777,650**	**$ 3,398,652**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NEW ALBANY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ECONOMIC OPPORTUNITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
REVENUES				
Income taxes	$ 10,827,000	$ 13,070,089	$ 13,033,871	$ (36,218)
Other	-	530,761	530,761	-
Total Revenues	**$ 10,827,000**	**$ 13,600,850**	**$ 13,564,632**	**$ (36,218)**
EXPENDITURES				
Current:				
Economic development	$ 10,827,000	$ 13,600,850	$ 13,600,668	$ 182
Total Expenditures	**$ 10,827,000**	**$ 13,600,850**	**$ 13,600,668**	**$ 182**
NET CHANGE IN FUND BALANCE	**$ -**	**$ -**	**$ (36,036)**	**$ (36,036)**
Fund balances at beginning of year	36,036	36,036	36,036	-
FUND BALANCE AT END OF YEAR	**$ 36,036**	**$ 36,036**	**$ -**	**$ (36,036)**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NEW ALBANY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ECONOMIC DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
REVENUES				
Contributions and donations	$ 3,000,000	$ 3,025,000	$ 3,049,010	$ 24,010
Other	-	-	14,288	14,288
Total Revenues	**$ 3,000,000**	**$ 3,025,000**	**$ 3,063,298**	**$ 38,298**
EXPENDITURES				
Current:				
Economic development	$ 2,734,487	$ 4,054,478	$ 3,244,582	$ 809,896
Total Expenditures	**$ 2,734,487**	**$ 4,054,478**	**$ 3,244,582**	**$ 809,896**
Excess (deficiency) of expenditures over (under) revenues	**265,513**	**(1,029,478)**	**(181,284)**	**848,194**
OTHER FINANCING USES				
Transfers out	$ (525,438)	$ (525,438)	$ (525,438)	$ -
Total Other Financing Uses	**$ (525,438)**	**$ (525,438)**	**$ (525,438)**	**$ -**
NET CHANGE IN FUND BALANCE	**$ (259,925)**	**$ (1,554,916)**	**$ (706,722)**	**$ 848,194**
Fund balances at beginning of year	2,340,718	2,340,718	2,340,718	-
Prior year encumbrances appropriated	234,926	234,926	234,926	-
FUND BALANCE AT END OF YEAR	**$ 2,315,719**	**$ 1,020,728**	**$ 1,868,922**	**$ 848,194**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NEW ALBANY, OHIO

STATEMENT OF FIUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2019

		Custodial
ASSETS		
Equity in pooled cash, cash equivalents and investments	$	2,651,065
Cash in segregated accounts		3,072
Accounts receivable		6
Total Assets	**$**	**2,654,143**
LIABILITIES		
Due to other governments	$	1,899
Total Liabilities	**$**	**1,899**
NET POSITION		
Restricted for individuals, organizations and other governments	$	2,652,244
Total Net Position	**$**	**2,652,244**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NEW ALBANY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Custodial
ADDITIONS	
Licenses, permits and fees for other governments	$ 2,082,094
Fines and forfeitures for other governments	38,024
Total Additions	**$ 2,120,118**
DEDUCTIONS	
Licenses, permits and fees distributions to other governments	$ 281,262
Fines and forfeitures distributions to other governments	46,968
Total Deductions	**$ 328,230**
NET CHANGE IN FIDUCIARY NET POSITION	**1,791,888**
Net position at beginning of year (restated)	860,356
NET POSITION AT END OF YEAR	**$ 2,652,244**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - DESCRIPTION OF THE CITY

The City of New Albany (the "City") is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution, the City charter, and various sections of the Ohio Revised Code. The City is located in the northeast section of Franklin County, Ohio, in the Columbus metropolitan area and encompasses approximately fifteen square miles.

The City was founded in 1837 and incorporated as a village in 1856. The City operates under a charter that was approved by the voters on November 3, 2009 and became effective on January 1, 2010. The City is organized as a Mayor-Council-Manager form of government.

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 City has one component unit.

***The New Albany Community Improvement Corporation* -** The New Albany Community Improvement Corporation (the "CIC") was formed pursuant to Ordinance O-15-2006 passed April 4, 2006 and incorporated as a corporation not-for-profit under Title XVII, Chapters 1702 and 1724 of the Ohio Revised Code for the purpose to advance, encourage, and promote industrial, economic, commercial and civic development of the City of New Albany. The CIC has been designated as the City of New Albany's agent for industrial and commercial distributions and research and development. The membership of the CIC includes nine members: four City representatives (the Mayor or permanent designee, the Council President or permanent designee, the City Manager and the Director of Development) and five members appointed by a majority of the City Council. The CIC is also dependent on the City for financial support and is able to impose its will on the CIC and is therefore presented as a component unit of the City. The CIC began operations on April 17, 2009. Financial statements can be obtained from the Director of Finance, New Albany Community Improvement Corporation, 99 West Main Street, New Albany, Ohio 43054, and further disclosures for the discretely presented component unit can be found in Note 25.

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

To provide necessary services to its citizens, the City is divided into various departments including police, street maintenance, parks and recreation, public service and planning, and zoning. The operation of each of these departments is directly controlled by the City, through the budgetary process and therefore is included as a part of the reporting entity.

The following organizations are described due to their significant relationship to the City:

JOINT VENTURE WITH AN EQUITY INTEREST

New Albany Performing Arts Center

During 2004, the City entered into a joint operating agreement with New Albany-Plain Local School District (the "district"), Plain Township (the "township") and the New Albany Community Foundation (the "foundation") for the operations of the New Albany Performing Arts Center (the "Center"). The Center was constructed through a joint collaboration between the City, district and township. Each of these entities owns a portion of the Center, as tenants in common, equal to their financial contribution of the construction. The City, district and township each committed $5 million, $5 million and $3 million, respectively, to supplement the construction of the Center. The City made the $3 million contribution to the Center on behalf of the township in exchange for tax revenues from three area tax increment financing agreements. The foundation contributed $2,311,377 to be applied to an endowment for the purpose of subsidizing the operation of the Center.

The Center serves both school and community needs, including music, theater, dance and ballet. The Center is governed by a Board that is comprised of three members appointed by the City, three members appointed by the township, three members appointed by the foundation, and the Center Governing Board as appointed shall appoint an additional three members subject to the ratification and appointment by a majority of owners.

The Center became fully operational in June 2008. The original joint operating agreement was amended in February 2008. The amended agreement provides the district, the City and the township with an ongoing equity interest in the Center. The equity interest in the Center is calculated based upon the proportionate share of the City's contribution to the total contributions to construct the Center times the book value of the Center. At December 31, 2019, the City's equity interest in the Center was $4,049,992. Any further capital contributions will increase the City's equity in the Center.

Financial information for the Center may be obtained from the Treasurer of the New Albany-Plain Local School District at 55 North High Street, New Albany, Ohio 43054.

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

JOINTLY GOVERNED ORGANIZATIONS:

New Albany - Plain Local Joint Park District

The New Albany Plain-Local Joint Park District (the "Park District") is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating entities as follows: (1) the City of New Albany; (2) Plain Township; (3) the New Albany-Plain Local School District. The Park District possesses its own budgeting and taxing authority.

West Licking Joint Fire District - The West Licking Joint Fire District, a jointly governed organization, is a political subdivision governed by a Board of Trustees which possesses its own contracting and budgeting authority. The Board of Trustees consists of one representative from each of the participating governments; the City of Pataskala, the Village of Kirkersville, City of New Albany, Harrison Township, Etna Township, City of Reynoldsburg and Jersey Township. The City made no contributions during 2019 for the operation of the West Licking Joint Fire District.

Regional Income Tax Agency (RITA)
In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for 185 municipalities throughout the State of Ohio. During 2019, the City paid $791,874 in income tax collection fees to RITA.

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

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the component unit is presented in Note 26.

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.

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

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

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

C. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The City does not have any proprietary funds.

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

The following are the City's major governmental funds:

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

<u>*Economic opportunity fund*</u> - The economic opportunity fund accounts for income taxes that are restricted for and pledged to the New Albany Community Authority, the New Albany-Plain Local School District, the Licking Heights School District and the Johnstown-Monroe Local School District for public infrastructure improvements. This fund consists of three distinct economic opportunity zones. These zones are the Oak Grove I, Oak Grove II, Central College and Blacklick sub areas.

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

Economic development fund **-** To account for financial resources received from the New Albany Community Authority that are restricted for miscellaneous projects throughout the City.

Capital improvement fund - To account for municipal income tax revenues that are committed for various capital improvement expenditures within the City.

Bond improvement fund **-** To account for other financing resources from bond issuances that are restricted for various capital improvement expenditures within the City, including the construction of various facilities and infrastructure.

Water and sanitary sewer improvement fund **-** To account for revenues that are committed for the improvement of water and storm sewer lines within the City.

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

***Fiduciary Funds* -** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City’s only fiduciary funds are custodial funds. The City’s custodial funds include the Columbus agency fund, board of building standards fund, Columbus Annexation fund and Mayor’s Court fund for deposits held by the City and due to other governments, entities or individuals.

D. Measurement Focus

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

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

Fund Financial Statements **-** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement method, only current assets, current deferred outflows of resources, current liabilities and current deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial 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. Custodial funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions **-** Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the 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 year. For the City, available means expected to be received within sixty days of year end.

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

in which the resources are provided to the City on a reimbursement basis.

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, see Notes 15 and 16 for deferred outflows of resources related the City's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 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. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, see Notes 15 and 16 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is 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.

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

F. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. For all funds, Council appropriations are made by function and within each department at the object level for personal services and operating and contractual services. Capital outlay, debt service, and transfers/advances Council appropriations are made at the fund level. This is known as the legal level of budgetary control. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. All funds, except custodial funds, are legally required to be budgeted; however, only governmental funds are legally required to be reported.

Tax Budget **-** A tax budget of estimated revenue and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

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 about December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources.

The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year. The certificate of estimated resources may be further amended during the year if the Director of Finance determines, and the Budget Commission agrees, that the estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the original and final amended official certificate of estimated resources issued during 2019.

Appropriations **-** According to the City charter, the City Manager, in consultation with the Director of Finance, is to submit a proposed operating budget to the City Council for their consideration no later than the first scheduled meeting in November. An appropriation ordinance to control expenditures must be passed on or before December 31 of each year for the ensuing fiscal year. In the event that Council is unable or unwilling to adopt both the operating budget and appropriation ordinance as submitted or amended by December 31, both are deemed to have been adopted finally by Council as submitted by the Manager.

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

The appropriation ordinance fixes spending authority at the legal level of budgetary control. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations at the legal level of control for a fund may only be modified during the year by an ordinance of Council. The amounts on the budgetary statement reflect the original and final appropriation amounts, including all amendments and modifications legally enacted by 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 re-appropriated as part of the subsequent year appropriations.

G. Cash and Investments

Cash balances of the City’s funds are pooled and invested in investments maturing within five years in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund’s interest in the pooled bank account is presented on the financial statements as “equity in pooled cash, cash equivalents and investments”.

During 2019, investments were limited to Farm Federal Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, negotiable certificates of deposit, U.S. Treasury notes, U.S. Treasury bills, Jackson Local School District (Stark County, Ohio) bonds, U.S. Government money market accounts and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts and STAR Ohio, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

During 2019, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. During 2019, interest revenue credited to the general fund amounted to $830,557 which includes $325,222 assigned from other City funds.

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

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

H. Inventories of Materials and Supplies

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

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

Inventory consists of expendable supplies held for consumption.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City chose not to retroactively report infrastructure in accordance with Phase III implementation of GASB 34. The City's infrastructure consists of curbs, sidewalks, and streets constructed or improved after 2003.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated except for land, easements and right of ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. During 2019, the City maintained the capital asset thresholds as noted on the next page. Capital assets within a class can have different thresholds depending on the asset category within the class.

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

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

Description	Governmental Activities Estimated Lives	Capitalization Threshold
Land	N/A	$0
Easements & right of ways	N/A	$0
Buildings and improvements	10 - 50 years	$10,000
Equipment	3 - 20 years	$5,000 - $10,000
Software	3 years	$5,000
Vehicles	6 - 15 years	$25,000
Infrastructure	15 - 50 years	$15,000 - $25,000

J. Compensated Absences

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

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

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

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

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

K. Accrued Liabilities and Long-Term Obligations

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

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, compensated absences, claims and judgements and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2019, are recorded as prepayments using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed. At year end, because payments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

M. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivables/payables". On fund financial statements, receivables and payables resulting from long-term interfund balances are classified as "advances to/from other funds". On fund financial statements, receivables and payables resulting from negative cash are classified as "due to/due from other funds". These amounts are eliminated in the governmental activities column on the statement of net position.

N. Interfund Activity

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

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.

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

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 are legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

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

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.

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

P. Unamortized Bond Premium and Discount/Unamortized Accounting Gain or Loss/Bond Issuance Costs

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

On the governmental fund financial statements, bond premiums and discounts are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 14.

Bond issuance costs are expensed when they occur.

Q. 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.

R. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purpose consists of the Mayor’s Court computer fund (a nonmajor governmental fund), subdivision development fund (a nonmajor governmental fund) and the builder’s escrow fund (a nonmajor governmental fund).

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

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2019.

T. 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.

U. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2019, the City has implemented GASB Statement No. 83, "*Certain Asset Retirement Obligations*", GASB Statement No. 84, "*Fiduciary Activities*", GASB Statement No. 88, "*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*" and GASB Statement No. 90, "*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the City.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental or proprietary funds. These fund reclassifications resulted in the restatement of the City's financial statements.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the City.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the City.

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CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Restatement of Net Position and Fund Balances

The implementation of GASB 84 had the following effect on fund balance as reported at December 31, 2018:

	General	Economic Opportunity Fund	Economic Development Fund	Capital Improvement Fund	Bond Improvement Fund
Fund Balance as previously reported	$ 20,685,130	$ -	$ 1,969,077	$ 8,875,660	$ 16,171,938
GASB Statement No. 84	-	-	-	-	-
Restated Fund Balance, at December 31, 2018	**$ 20,685,130**	**$ -**	**$ 1,969,077**	**$ 8,875,660**	**$ 16,171,938**

	Water and Sanitary Sewer Fund	Other Governmental Funds	Total Governmental Funds
Fund Balance as previously reported	$ 2,883,162	$ 43,819,851	$ 94,404,818
GASB Statement No. 84	-	1,853,651	1,853,651
Restated Fund Balance, at December 31, 2018	**$ 2,883,162**	**$ 45,673,502**	**$ 96,258,469**

The implementation of the GASB 84 pronouncement had the following effect on the net position as reported at December 31, 2018:

	Governmental Activities
Net position as previously reported	$ 221,630,200
GASB Statement No. 84	1,853,651
Restated net position at December 31, 2018	**$ 223,483,851**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

Due to the implementation of GASB Statement No.84, the new classification of custodial funds is reporting a beginning net position of $860,356. Also, related to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. At December 31, 2018, agency funds reported assets and liabilities of $2,041,031.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories: active, inactive and interim.

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

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

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

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

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

3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2 above, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);

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 and other obligations guaranteed by the United States;

2. Discount notes of the Federal National Mortgage Association (FNMA);

3. Bonds of the State of Ohio; and,

4. Bonds of any municipal corporation, City, county, township, or other political subdivision of Ohio, as to which there is no default of principal, interest or coupons.

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 Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on hand: At year end, the City had $200 in undeposited cash on hand which is included on the financial statements of the City as part of "equity in pooled cash, cash equivalents and investments".

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Cash with fiscal agent: At year end, the City had $382,022 held with Franklin County for permissive tax. The data regarding insurance and collateralization can be obtained from the Franklin County Comprehensive Annual Financial Report for the year ended December 31, 2019. This amount is not included in the City's depository balance below.

Cash in segregated accounts: At year end, $3,072 was on deposit for Mayor's Court. This amount is included in the total amount of deposits reported below and is reported on the financial statements as "cash in segregated accounts".

A. Deposits with Financial Institutions

At December 31, 2019, the carrying amount of all City deposits was $4,199,367 and the bank balance of all City deposits was $4,860,080. Of the bank balance, $250,000 was covered by the FDIC and the remaining was either covered by the Ohio Pooled Collateral System or exposed to custodial credit risk as described below.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the City's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2019, the City had the following investments and maturities:

		Investment Maturities				
Measurement/ Investment type	**Measurement Value**	**6 months or less**	**7 to 12 months**	**13 to 18 months**	**19 to 24 months**	**Greater than 24 months**
Fair Value:						
FFCB	$ 10,038,153	$ 1,499,835	$ 894,400	$ -	$ 1,000,380	$ 6,643,538
FHLB	6,654,231	-	1,499,940	500,065	502,445	4,151,781
FHLMC	13,139,714	-	1,500,680	1,503,225	-	10,135,809
FNMA	997,995	-	499,120	498,875	-	-
Jackson LSD Stark Co., Ohio bonds	124,401	-	124,401	-	-	-
Negotiable CDs	5,699,000	-	-	-	1,240,657	4,458,343
US Treasury notes	13,087,505	5,218,482	4,386,308	3,482,715	-	-
US Treasury bills	498,970	-	-	-	-	498,970
US Government money market	4,463,852	4,463,852	-	-	-	-
Amortized Cost:						
STAR Ohio	35,624,103	35,624,103	-	-	-	-
Total	**$ 90,327,924**	**$ 46,806,272**	**$ 8,904,849**	**$ 5,984,880**	**$ 2,743,482**	**$ 25,888,441**

The weighted average of maturity of investments is 1.31 years.

The City's investments in US Government money market is valued using quoted market prices (Level 1 inputs). The City's investments in federal agency securities (FFCB, FHLB, FHLMC, FNMA), US Treasury obligations, Jackson LSD Stark Co. Ohio bonds and negotiable certificates of deposit are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase.

The City's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

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. The federal agency securities and the U.S. government money market fund are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Director of Finance or qualified trustee.

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 ratings service. The U.S. Treasury bills, notes and the federal agency securities carry a rating of AA+ and Aaa by Standard & Poor's and Moody, respectively. The Jackson LSD Stark County, Ohio bonds were rated SP-1. The U.S. Governmental money market, the First America Treasury Fund, carries a rating of AAAm and Aaa by Standard & Poor's and Moody, respectively. The City has no investment policy that addresses credit risk.

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

The following table includes the percentage of each investment type held by the City at December 31, 2019:

Measurement/ Investment type	Measurement Value	% of Total
Fair Value:		
FFCB	$ 10,038,153	11.12
FHLB	6,654,231	7.37
FHLMC	13,139,714	14.55
FNMA	997,995	1.10
Jackson LSD Stark Co., Ohio Bonds	124,401	0.14
Negotiable CDs	5,699,000	6.31
US Treasury notes	13,087,505	14.49
US Treasury bills	498,970	0.55
US Government money market	4,463,852	4.94
Amortized cost:		
STAR Ohio	35,624,103	39.43
Total	**$ 90,327,924**	**100.00**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2019:

Cash and investments per note	
Carrying amount of deposits	$ 4,199,367
Investments	90,327,924
Cash with fiscal agent	382,022
Cash on hand	200
Total	**$ 94,909,513**
Cash and investments per statement of net position	
Governmental activities	$ 92,255,376
Custodial funds	2,654,137
Total	**$ 94,909,513**

NOTE 5 - INTERFUND TRANSACTIONS

A. Transfers

Interfund transfers for the year ended December 31, 2019, consisted of the following, as reported in the fund financial statements:

	Transfers from				
Transfers to	**General Fund**	**Economic Development Fund**	**Water and Sanitary Sewer Fund**	**Nonmajor Governmental Funds**	**Total**
Capital improvement fund	$ 2,500,000	$ -	$ -	$ -	**$ 2,500,000**
Nonmajor governmental funds	1,634,723	525,437	220,513	3,020,439	**5,401,112**
Total	**$ 4,134,723**	**$ 525,437**	**$ 220,513**	**$ 3,020,439**	**$ 7,901,112**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund 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.

All transfers made from the economic development fund, water and sanitary sewer fund and nonmajor governmental funds to the debt service fund (a nonmajor governmental fund) were made to provide funding for the payment of principal and interest on outstanding debt. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

Transfers between governmental funds are eliminated on the government-wide financial statements.

B. Interfund Loans Receivable/Payable

Interfund balances at December 31, 2019 as reported on the fund statements, consist of the following amounts of interfund loans receivable/payable:

Receivable fund	Payable fund	Amount
General fund	Nonmajor govermental fund	$ 275,000

The primary purpose of the interfund balances is to cover negative costs in specific funds where revenues were not received by December 31. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

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. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 - PROPERTY TAXES - (Continued)

The County Treasurers collect property taxes on behalf of all taxing districts in the County, including the City of New Albany. The County Treasurer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2019 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2019 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2019 was $1.94 per $1,000 of assessed value.

The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

Real property	
Residential/agricultural/	
Commercial/industrial/mineral	$ 651,258,530
Public utility	
Personal	21,485,480
Total assessed value	**$ 672,744,010**

NOTE 7 - LOCAL INCOME TAX

The City levies a municipal income tax of 2.0% on all salaries, wages, commissions and other compensation; on net profits earned within the City; and residents whose income was earned outside of the City. In the latter case, the City allows a credit of 100% for any income tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax revenue has been reported as revenue in the general fund, economic opportunity major fund, capital improvement fund (a nonmajor governmental fund), the park improvement fund (a nonmajor governmental fund) and the Oak Grove infrastructure II fund (a nonmajor governmental fund) to the extent that it was measurable and available to finance current operations at December 31. Income tax revenue for 2019 was $39,510,853 on the modified accrual statements.

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - RECEIVABLES

Receivables at December 31, 2019, consisted of income taxes, real and other taxes, payment in lieu of taxes, accounts (billings for user charged services), accrued interest, notes and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2019.

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

Governmental activities:	
Income taxes	$ 9,344,701
Property and other taxes	1,314,920
Payment in lieu of taxes	8,993,413
Accounts	117,904
Accrued interest	221,482
Due from other governments	7,305,391
Total	**$ 27,297,811**

Receivables have been disaggregated on the face of the BFS. All receivables are expected to be collected within the subsequent year.

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CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

Governmental activities:	Balance 12/31/18	Additions	Disposals	Balance 12/31/19
Capital assets, not being depreciated:				
Land	$ 2,997,546	$ -	$ -	$ 2,997,546
Easements and right of ways	78,320,680	2,733,206	-	81,053,886
Construction in progress	31,713,578	51,550,092	(39,852,743)	43,410,927
Total capital assets, not being depreciated	**$ 113,031,804**	**$ 54,283,298**	**$ (39,852,743)**	**$ 127,462,359**
Capital assets, being depreciated:				
Buildings and improvements	$ 30,930,877	$ -	$ -	$ 30,930,877
Equipment	2,395,663	358,272	-	2,753,935
Software	187,429	5,583	-	193,012
Vehicles	3,465,564	154,975	(93,842)	3,526,697
Infrastructure	91,867,220	39,852,743	-	131,719,963
Total capital assets, being depreciated	**$ 128,846,753**	**$ 40,371,573**	**$ (93,842)**	**$ 169,124,484**
Less: accumulated depreciation:				
Buildings and improvements	$ (5,219,008)	$ (633,587)	$ -	$ (5,852,595)
Equipment	(1,482,681)	(168,955)	-	(1,651,636)
Software	(176,704)	(9,863)	-	(186,567)
Vehicles	(1,591,710)	(343,213)	39,101	(1,895,822)
Infrastructure	(37,440,630)	(5,693,769)	-	(43,134,399)
Total accumulated depreciation	**$ (45,910,733)**	**$ (6,849,387)**	**$ 39,101**	**$ (52,721,019)**
Total capital assets, being depreciated, net	**$ 82,936,020**	**$ 33,522,186**	**$ (54,741)**	**$ 116,403,465**
Governmental activities capital assets, net	**$ 195,967,824**	**$ 87,805,484**	**$ (39,907,484)**	**$ 243,865,824**

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - CAPITAL ASSETS - (Continued)

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

Governmental activities:	
General government	$ 1,521,484
Security of persons and property	305,402
Community environment	30,951
Transportation	4,991,550
Total depreciation expense - governmental activities	**$ 6,849,387**

NOTE 10 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In the current and in prior years, the City entered into capital lease agreements for the acquisition of copier equipment.

The terms of the lease agreements provide an option to purchase the equipment. These leases meet the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general fund. Capital assets, acquired by lease, have been capitalized in the amount of $147,396. This amount is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded. Accumulated depreciation on the equipment totaled $71,990, leaving a current book value of $75,406. Principal payments in 2019 totaled $19,016 in the general fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2019:

Year Ending December 31,	**Equipment**
2020	$ 27,179
2021	27,178
2022	16,066
2023	13,802
Total minimum lease payments	**84,225**
Less: amount representing interest	(6,834)
Present value of future minimum lease payments	**$ 77,391**

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 11 - OPERATING LEASE - LESSEE AND LESSOR DISCLOSURE

The City entered into operating leases with The Ohio State University ("OSU") and Nationwide Children's Hospital ("NCH") for space in the Philip Heit Center for Healthy New Albany. OSU will rent 12,822 square feet of clinical/office space and 25,551 square feet of fitness center space and they entered into an initial 20 year lease. NCH will rent 51,754 square feet of multi-use space and they entered into an initial 15 year lease. The future minimum lease payments as of December 31, 2019 are as follows:

Year Ending December 31,	Minimum Lease Payments
2020	$ 1,398,958
2021	1,417,952
2022	1,437,211
2023	1,456,738
2024	1,476,538
2025 - 2029	7,689,510
2030 - 2034	2,243,376
Total minimum lease payments	**$ 17,120,283**

NOTE 12 - 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 twenty days of vacation per year, depending upon length of service and type of employment. Earned, unused vacation time is paid upon termination of employment. Employees earn sick leave at different rates depending upon length of service and type of employment. Sick leave is accrued continuously by an employee during his or her employment with the City with no limit on the balance the employee can carry. Upon separation of employment, an employee can be paid hour for hour for the first 120 hours of accumulated, unused sick leave and one third of the remaining hours of accumulated, unused sick leave. As of December 31, 2019, the liability for unpaid compensated absences was $1,635,644 for the entire City, which is reported as a fund liability and/or on the government-wide financial statements as applicable. Compensated absences will be paid from the general fund.

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - LONG-TERM OBLIGATIONS

A. Debt Issue Detail

The maturity date, interest rate, and original issue amount for the City's long-term obligations are as follows:

	Maturity Date	Interest Rate	Original Issue Amount
General obligation bonds:			
Series 2012 Refunding	2030	2.00 - 5.00%	$ 10,620,000
Series 2013 Refunding	2024	0.20 - 4.00%	4,885,000
Series 2014A Capital Facilities	2030	3.65 - 4.00%	6,560,000
Series 2014B Taxable Special Obligation	2030	3.65 - 4.00%	3,915,000
Series 2016 Refunding	2027	2.390%	6,300,000
Series 2018 Capital Facilities	2037	2.00 - 5.00%	16,650,000
Loans Payable:			
New Albany Company Loan Payable - Village Center	N/A	1.50%	2,391,090
New Albany Company Loan Payable - Oxford	N/A	1.50 - 3.00%	600,000
New Albany Company Loan Payable - Schleppi	N/A	4.00%	2,362,000
New Albany Community Authority Loan Payable	N/A	0.00%	6,000,000
Ohio Water Development Authority (OWDA) loans:			
3189 Central College/Kitzmiller Waterlines	2020	6.13%	701,331
2163 Elevated Storage Tanks	2020	5.77%	1,933,380
7874 International Business Park South	N/A	1.00-4.00%	N/A
8364 Blacklick Park Trunk Sewer Phas 2A	N/A	3.00%	N/A
Ohio Public Works Commission (OPWC) loans:			
CT06G Thompson/Harlem Rd.	2026	0%	98,000
CT66G Intersection Improvements for SR161	2024	0%	338,006
CT110 Main St. Improvements	2038	0%	178,242
CC09P High St. Improvements	2035	0%	826,017
CC18L US62/CC	2032	0%	1,013,783
CC08R Beech Road Widening	2040	0%	755,000
CT671 High St./Main St.	2029	0%	567,622
CC15T Greensward Roundabout	2042	0%	713,032

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

B. Long-Term Debt Activity

During 2019, the following changes occurred in governmental activities long-term obligations.

	Balance 12/31/18	Additions	Reductions	Balance 12/31/19	Due in One Year
Governmental activities:					
General obligation bonds:					
Series 2012 Refunding	$ 7,585,000	$ -	$ (570,000)	$ 7,015,000	$ 585,000
Series 2013 Refunding	2,395,000	-	(420,000)	1,975,000	430,000
Series 2014A Capital Facilities	4,915,000	-	(350,000)	4,565,000	365,000
Series 2014B Taxable Special Obligation	3,000,000	-	(190,000)	2,810,000	195,000
Series 2016 Refunding	5,600,000	-	(565,000)	5,035,000	575,000
Series 2018 Capital Facilities	16,650,000	-	(645,000)	16,005,000	665,000
Total - bonds	**$ 40,145,000**	**$ -**	**$ (2,740,000)**	**$ 37,405,000**	**$ 2,815,000**
Loans Payable - Direct Borrowing:					
New Albany Company - Village Center	$ 3,830,726	$ -	$ (352,843)	$ 3,477,883	$ -
New Albany Company - Oxford	-	600,000	-	600,000	-
New Albany Company - Schleppi	-	2,362,000	-	2,362,000	-
New Albany Community Authority	2,087,393	-	-	2,087,393	-
Total - Loans Payable	**$ 5,918,119**	**$ 2,962,000**	**$ (352,843)**	**$ 8,527,276**	**$ -**
OWDA Loans - Direct Borrowing:					
OWDA Loan 3189	$ 86,619	$ -	$ (56,870)	$ 29,749	$ 29,749
OWDA Loan 2163	232,729	-	(152,936)	79,793	79,793
OWDA Loan 7874	7,487,050	14,891,249	(104,714)	22,273,585	-
OWDA Loan 8364	-	11,760,891	-	11,760,891	-
Total OWDA Loans	**$ 7,806,398**	**$ 26,652,140**	**$ (314,520)**	**$ 34,144,018**	**$ 109,542**
OPWC Loans - Direct Borrowing:					
CTO6G					
Thompson/Harlem Rd.	$ 36,750	$ -	$ (4,900)	$ 31,850	$ 4,900
CT66G					
Intersection Improvements					
for SR 161	101,400	-	(16,900)	84,500	16,900
CT110 - Main St. Improvements	139,027	-	(7,130)	131,897	7,130
CC09P High St. Improvements	660,814	-	(41,301)	619,513	41,301
CC18L US62/CC	684,302	-	(50,689)	633,613	50,689
CC08R Beech Road Widening	649,300	-	(30,200)	619,100	30,200
CT67I - High St./Main St.	312,191	-	(28,381)	283,810	28,381
CC15T - Greensward Roundabout	684,511	-	(28,521)	655,990	28,521
Total OPWC Loans	**$ 3,268,295**	**$ -**	**$ (208,022)**	**$ 3,060,273**	**$ 208,022**
Total Loans	**$ 16,992,812**	**$ 29,614,140**	**$ (875,385)**	**$ 45,731,567**	**$ 317,564**

(Continued)

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

	Balance 12/31/18	Additions	Reductions	Balance 12/31/19	Due in One Year
Other long-term obligations:					
Compensated absences	$ 1,443,773	$ 975,758	$ (783,887)	$ 1,635,644	$ 583,215
Net pension liability	9,159,862	5,114,367		14,274,229	-
Net OPEB liability	7,664,640	743,522	(3,737,802)	4,670,360	-
Capital lease obligation	42,448	53,959	(19,016)	77,391	23,851
Total other long-term obligations	**$ 18,310,723**	**$ 6,887,606**	**$ (4,540,705)**	**$ 20,657,624**	**$ 607,066**
Total governmental activities and long-term obligations	**$ 75,448,535**	**$ 36,501,746**	**$ (8,156,090)**	**103,794,191**	**$ 3,739,630**
		Add: Unamortized Premium		2,588,983	
		Less: Unamortized Discount		(9,490)	
		Total on Statement of Net Position		**$ 106,373,684**	

General Obligation Bonds

On January 26, 2010, the City issued $5,850,000 in Various Purpose General Obligation Bonds (Series 2010A) and $4,820,000 in Infrastructure Improvement Bonds (Series 2010B). During 2013, the Series 2010B bonds were refunded by the Series 2013 Refunding Bonds. A portion of the Series 2010 A Bonds were issued to advance refund the callable portion ($2,255,000) of the Series 1999 Municipal Building General Obligation Bonds and a portion ($1,500,000) of the Series 2009 Bond Anticipation Notes. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The refunded bonds in the amount of $2,255,000 were subject to an optional 101% redemption prior to the refunding; therefore, no balance is outstanding as of December 31, 2019.

The reacquisition price of the Series 2010A bonds exceeded the net carrying amount of the old debt by $73,370. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which equal to the life of the Series 2010A issued. This advance refunding was undertaken to reduce the combined total debt service payments by $43,962 and resulted in an economic gain of $41,369.

On July 31, 2012, the City issued $10,620,000 in Refunding Bonds (Series 2012). The bonds were issued to refund $10,740,000 of the Series 2003 general obligation bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds at December 31, 2019 was $8,535,000.

The reacquisition price exceeded the net carrying amount of the old debt by $776,641. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2030. This advance refunding was undertaken to reduce the combined total debt service payments by $3,270,674 and resulted in an economic gain of $2,134,672.

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The December 31, 2016 balance of the Series 2007 Capital Facilities bonds ($460,000), the Series 2016 Refunding bonds ($6,220,000), the related unamortized premium on the Series 2007 Capital Facilities bonds ($884), the related unamortized deferred charges on refunding on the Series 2016 Refunding bonds ($350,226) and the OWDA loans $704,256 are not included in the City's calculation of net investment in capital assets, as the capital assets acquired by these debt obligations are not recorded on the City's financial statements. The Series 2007 bonds and Series 2016 Refunding bonds were issued to refinance bond anticipation notes previously issued to construct the Performing Arts Center, and the OWDA loans were used to acquire infrastructure assets that are no longer in possession of the City.

On October 1, 2013, the City issued $4,885,000 in Refunding Bonds (Series 2013). The bonds were issued to refund $4,820,000 of the Series 2010B general obligation bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds at December 31, 2019 was $3,880,000.

The reacquisition price exceeded the net carrying amount of the old debt by $121,328. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2024. This advance refunding was undertaken to reduce the combined total debt service payments by $1,186,913 and resulted in an economic gain of $595,099.

On July 15, 2014, the City issued $6,560,000 in Series 2014A Capital Facilities Bond and $3,915,000 in Series 2014 B Taxable Special Obligation Bonds. These bonds were used to refund a portion of the bond anticipation notes - Series 2013 and Series 2013B.

On November 23, 2016, the City issued $6,300,000 in Capital Facilities Refunding Bonds (Series 2016). The bonds were issued to refund $5,895,000 of the Series 2007 Capital Facilities Bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds at December 31, 2019 was $4,915,000.

The reacquisition price exceeded the net carrying amount of the old debt by $352.899. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2027. This advance refunding was undertaken to reduce the combined total debt service payments by $205,205 and resulted in an economic gain of $81,334.

On July 9, 2018, the City issued $16,650,000 in Capital Facilities Bonds (Series 2018). The bonds were issued to pay the costs of improvement the City's recreation facilities, including improving Rose Run Park and related improvements to Dublin-Granville Road. At December 31, 2019, there were $584,097 in unspent proceeds.

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Loans Payable

During 2014, the City entered into a loan agreement with the New Albany Company to construct the Main Street roundabout. The initial cost of the project was $3,541,654 and will be repaid from TIF revenues. In addition to the initial project costs, an additional $678,257 in proceeds have been disbursed which brought the total cost of the project to $4,219,911. The balance outstanding on the loan at December 31, 2019 was $3,477,883. The loan will be retired from the Straits Farm TIF fund (a nomajor governmental fund). There is currently no repayment schedule available.

During 2019, the City entered into a loan agreement with the New Albany Company to construct infrastructure improvements. The balance outstanding on the loan at December 31, 2019 was $600,000. The loan will be retired from the Oxford TIF fund (a nomajor governmental fund). There is currently no repayment schedule available.

During 2019, the City entered into a loan agreement with the New Albany Company to construct infrastructure improvements. The balance outstanding on the loan at December 31, 2019 was $2,362,000. The loan will be retired from the Schleppi TIF fund (a nomajor governmental fund). There is currently no repayment schedule available.

During 2014, the City entered into a loan agreement with the New Albany Community Authority to construct various infrastructure projects. The total loan was $6,000,000 and will be repaid once anticipated grants are collected. Repayment of this loan was made from the economic development capital improvement fund. There is currently no repayment schedule.

These loans are considered direct borrowings. Direct borrowings have terms negotiated directly between the City and the lender and are not offered for public sale.

Ohio Water Development Authority (OWDA) Loans

These loans are considered direct borrowings. Direct borrowings have terms negotiated directly between the City and the lender 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.

Ohio Public Works Commission (OPWC) Loans

These loans are considered direct borrowings. Direct borrowings have terms negotiated directly between the City and the lender and are not offered for public sale. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county’s undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Compensated absences: Compensated absences reported in the “long-term liabilities” account will be paid from the general fund.

Net pension liability and net OPEB liability: See Notes 16 and 17 for details. The general fund is used to liquidate the net pension liability and net OPEB liability.

Capital leases: Capital lease obligations will be paid from the general fund.

C. Legal Debt Margin

Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City’s legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2019, the City’s total voted debt margin was $71,960,153.

D. Future Debt Service Requirements

The following is a summary of the City’s future annual debt service requirements to maturity for general obligation debt, as well as OWDA and OPWC Loans payable. The OWDA loans #7874 and #8364 are not finalized and, therefore, did not have a repayment schedule at the time of the report.

Year Ending	Total General Obligation Bonds		
December 31	**Principal**	**Interest**	**Total**
2020	$ 2,815,000	$ 1,399,522	$ 4,214,522
2021	2,905,000	1,306,062	4,211,062
2022	2,990,000	1,212,015	4,202,015
2023	3,090,000	1,126,548	4,216,548
2024	2,875,000	1,033,343	3,908,343
2025 - 2029	13,665,000	3,649,235	17,314,235
2030 - 2034	5,615,000	1,351,337	6,966,337
2035 - 2037	3,450,000	279,600	3,729,600
Total	**$ 37,405,000**	**$ 11,357,662**	**$ 48,762,662**

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending	Total All OWDA Loans - Direct Borrowing		
December 31	**Principal**	**Interest**	**Total**
2020	$ 109,542	$ 2,191	$ 111,733

Year Ending	All OWPC Loans Payable - Direct Borrowing		
December 31	**Principal**	**Interest**	**Total**
2020	$ 208,022	$ -	$ 208,022
2021	208,022	-	208,022
2022	208,022	-	208,022
2023	208,022	-	208,022
2024	208,022	-	208,022
2025- 2029	938,460	-	938,460
2030 - 2034	662,481	-	662,481
2035 - 2039	318,552	-	318,552
2040 - 2042	100,670	-	100,670
Total	**$ 3,060,273**	**$ -**	**$ 3,060,273**

NOTE 14 - RISK MANAGEMENT

A. Risk Pool Membership

The City belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (“Members”). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first $250,000 casualty treaty and 30% of the first $1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first $250,000 casualty treaty and 30% of the first $1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first $250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 members as of December 31, 2018.

NOTE 14 - RISK MANAGEMENT - (Continued)

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2018 and 2017 (the latest information available).

	2018	**2017**
	$15,065,412	$14,853,620
Liabilities	(10,734,623)	(9,561,108)
Net position	**$4,330,789**	**$5,292,512**

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three years.

B. Health, Dental, Vision and Life Insurance

On August 1, 2008, the City joined the Central Ohio Health Care Consortium (COHCC), a risk-sharing pool, which provides employee health care benefits for all full-time employees who wish to participate in the plan. The COHCC consists of ten political subdivisions that pool risk for basic hospital, surgical and prescription drug coverage. The COHCC is governed by a Board of Directors consisting of one director appointed by each member municipality. The Board elects a chairman, vice-chairman, secretary and treasurer. The Board is responsible for its own financial matters and the COHCC maintains its own books of account. Budgeting and financing of the COHCC are subject to the approval of the Board. The City pays monthly contributions to the COHCC, which are used to purchase excess loss insurance for the COHCC to pay current claims and related claim settlement expenses and to establish and maintain sufficient reserves. The monthly contribution is determined for each member in accordance with the number of covered officers and employees, and the prior loss experience of the respective member group. The members' contributions represent 115 percent of the expected costs of the COHCC, which will allow the COHCC to establish excess reserves for future operations. The funds are maintained in a bank trust account established for the sole purpose and benefit of the COHCC's operations. Financial information for the COHCC can be obtained from Matthew Peoples, President, COHCC, 36 S. High Street, Canal Winchester, Ohio 43110.

NOTE 14 - RISK MANAGEMENT - (Continued)

The COHCC has entered into an agreement for individual and aggregate excess loss coverage with a commercial insurance carrier. The individual excess loss coverage has been structured to indemnify the COHCC for medical claims paid to an individual in excess of $175,000, with an individual lifetime maximum of $2,000,000. The aggregate excess loss coverage has been structured to indemnify the COHCC for aggregate claims paid in excess of $12,978,197, to a maximum of $1,000,000 annually. In the event that the losses of the consortium in any year exceeds amounts paid to the COHCC, together with all stop-loss, reinsurance and other coverage then in effect, then the payment of all uncovered losses shall revert to and be the sole obligation of the political subdivision against which the claim was made. No such loss has occurred in the past five years.

The City currently has no specified percentage share of the COHCC. The only time at which a percentage share would be calculated occurs if the COHCC votes to terminate ongoing operations. After a vote to terminate the COHCC, the Board would wind-up the COHCC's business as quickly as practicable, but in any event would complete this process no later than twelve months after the termination date. During such period, the COHCC would continue to pay all claims and expenses until the COHCC's funds are exhausted. After payment of all claims and expenses, or upon the termination of the aforesaid twelve-month period, any remaining surplus funds held by the COHCC would be paid to the members of the COHCC who are members as of the termination date. The Board would determine the manner in which such surplus funds would be distributed and would consider the percentage relationship which each member's contributions to the COHCC for the prior three calendar years of the COHCC bore to all members' contributions to the COHCC for that same period. The City’s payment for health insurance coverage to COHCC in 2019 was $308,406.

Dental, vision and life insurance benefits are also provided. The family and single rates are not gender and age sensitive, and are the same for each class of employees.

C. Workers’ Compensation

Workers’ Compensation coverage is provided by the State of Ohio. The City pays the state workers’ compensation system a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 15 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension 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.

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 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 cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS’ Traditional Pension Plan.

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

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. 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. 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% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee ***	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was $672,041 for 2019. Of this amount, $31,161 is reported as due to other governments.

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - 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 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.

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 and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	Police
2019 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2019 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50 %
Total Employer	19.50 %
Employee	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was $430,556 for 2019. Of this amount, $19,362 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 and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2018, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.02744900%	0.10994900%	0.01361200%	0.07908200%	
Proportion of the net pension liability/asset current measurement date	0.02780500%	0.10784100%	0.02669200%	0.81579000%	
Change in proportionate share	**0.00035600%**	**-0.00210800%**	**0.01308000%**	**0.73670800%**	
Proportionate share of the net pension liability	$ 7,615,227	$ -	$ -	$ 6,659,002	$ 14,274,229
Proportionate share of the net pension asset	-	(120,590)	(608)	-	(121,198)
Pension expense	1,832,792	33,464	(158)	1,036,555	2,902,653

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	$ 353	$ -	$ 2,533	$ 273,591	$ 276,477
Net difference between projected and actual earnings on pension plan investments	1,033,602	25,980	203	820,383	1,880,168
Changes of assumptions	662,925	26,934	187	176,538	866,584
Changes in employer's proportionate percentage/ difference between employer contributions	90,058	-	-	558,666	648,724
Contributions subsequent to the measurement date	579,431	68,128	24,482	430,556	1,102,597
Total deferred outflows of resources	**$ 2,366,369**	**$ 121,042**	**$ 27,405**	**$ 2,259,734**	**$ 4,774,550**

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
Deferred inflows of resources					
Differences between expected and actual experience	$ 99,992	$ 49,253	$ -	$ 6,220	$ 155,465
Changes in employer's proportionate percentage/ difference between employer contributions	-	-	-	32,068	32,068
Total deferred inflows of resources	**$ 99,992**	**$ 49,253**	**$ -**	**$ 38,288**	**$ 187,533**

$1,102,597 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2020.

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	OP&F	Total
2020	$ 759,094	$ 4,072	$ 423	$ 544,633	$ 1,308,222
2021	351,266	(1,114)	385	367,793	718,330
2022	95,888	(568)	392	357,947	453,659
2023	480,698	7,564	471	476,433	965,166
2024	-	(3,111)	350	44,084	41,323
Thereafter	-	(3,182)	902	-	(2,280)
Total	**$ 1,686,946**	**$ 3,661**	**$ 2,923**	**$ 1,790,890**	**$ 3,484,420**

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.

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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, 2018, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.50%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

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 real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees 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 table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	**Target Allocation**	**Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)**
Fixed income	23.00 %	2.79 %
Domestic equities	19.00	6.21
Real estate	10.00	4.90
Private equity	10.00	10.81
International equities	20.00	7.83
Other investments	18.00	5.50
Total	**100.00 %**	**5.95 %**

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2018 was 7.50%. 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 benefits 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.

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share			
of the net pension liability (asset):			
Traditional Pension Plan	$ 11,249,903	$ 7,615,227	$ 4,594,776
Combined Plan	(39,901)	(120,590)	(179,016)
Member-Directed Plan	(267)	(608)	(1,068)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below.

Valuation date	1/1/18 with actuarial liabilities rolled forward to 12/31/18
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%, plus productivity increase rate of 0.50%
Cost of living adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

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

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

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

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OP&F’s Board and were effective beginning with the January 1, 2018 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. A forecasted rate of inflation serves as the 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 NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation			
Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
Total	**120.00 %**		

Note: assumptions are geometric.
* levered 2x
** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

NOTE 15 - 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 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	$ 8,752,799	$ 6,659,002	$ 4,909,332

NOTE 16 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required 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.

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, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring 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. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. 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 2019 was 4.00%.

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

The City's contractually required contribution was $9,793 for 2019. Of this amount, $454 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 healthcare 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. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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.

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

OP&F maintains funds for health care in two separate accounts. There is 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. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, 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 and is limited by the provisions of Sections 115 and 401(h).

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

Beginning January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was $11,330 for 2019. Of this amount, $509 is reported as due to other governments.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, 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, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. 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.

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	OPERS	OP&F	Total
Proportion of the net OPEB liability prior measurement date	0.02932000%	0.07908200%	
Proportion of the net OPEB liability current measurement date	0.03012400%	0.08157900%	
Change in proportionate share	**0.00080400%**	**0.00249700%**	
Proportionate share of the net OPEB liability	$ 3,927,458	$ 743,902	$ 4,671,360
OPEB expense	$ 432,796	$ (3,589,199)	$ (3,156,403)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 1,331	$ -	$ 1,331
Net difference between projected and actual earnings on OPEB plan investments	180,050	25,147	205,197
Changes of assumptions	126,626	385,085	511,711
Changes in employer's proportionate percentage/ difference between employer contributions	103,002	402,205	505,207
Contributions subsequent to the measurement date	9,793	11,330	21,123
Total deferred outflows of resources	**$ 420,802**	**$ 823,767**	**$ 1,244,569**

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 10,657	$ 19,904	$ 30,561
Changes of assumptions	-	205,670	205,670
Total deferred inflows of resources	**$ 10,657**	**$ 225,574**	**$ 236,231**

$21,123 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

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:			
2020	$ 210,600	$ 101,152	$ 311,752
2021	68,526	101,152	169,678
2022	30,524	101,152	131,676
2023	90,702	108,755	199,457
2024	-	96,766	96,766
Thereafter	-	77,886	77,886
Total	**$ 400,352**	**$ 586,863**	**$ 987,215**

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.

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. 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	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.96%
Prior Measurement date	3.85%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.50%
Municipal Bond Rate	
Current measurement date	3.71%
Prior Measurement date	3.31%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.25% ultimate in 2029
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 5.60% for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	**100.00 %**	**5.16 %**

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. 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) 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 an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	$ 5,024,683	$ 3,927,458	$ 3,054,875

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

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. 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 that in the not-too-distant future, the health plan 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 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	$ 3,775,140	$ 3,927,458	$ 4,102,889

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Single discount rate:	
Currrent measurement date	4.66%
Prior measurement date	3.24%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

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

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

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

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

The most recent experience study was completed for the five-year period ended December 31, 2016.

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 the Statement of Investment Policy. A forecasted rate of inflation serves as the 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 averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
U.S. Inflation Linked Bonds *	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
Total	**120.00 %**		

Note: assumptions are geometric.
* levered 2x
** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The total OPEB liability was calculated using the discount rate of 4.66%. A discount rate of 3.24% was used to measure the total OPEB liability at December 31, 2017. The projection of cash flows used to determine the discount rate assumed the contribution 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 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 4.66%.

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 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66%), or one percentage point higher (5.66%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	$ 905,057	$ 742,902	$ 606,786

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Due to the change from a self-funded plan to the stipend plan, disclosure of the healthcare cost trend rate for OP&F is no longer available.

Changes Between Measurement Date and Report Date - Beginning January 1, 2019 OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current healthcare model to the stipend based healthcare model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Although the exact amount of these changes is not known, the overall decrease to the City's net OPEB liability is expected to be significant.

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

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

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING – (Continued)

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

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);

(e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,

(f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	General Fund	Economic Opportunity Fund	Economic Development Fund
Budget basis	$ 2,973,867	$ (36,036)	$ (706,722)
Net adjustment for revenue accruals	456,775	(418,987)	(1,000,000)
Net adjustment for expenditure accruals	(43,774)	455,023	(798,107)
Net adjustment for other sources/uses	328,959	-	1
Funds budgeted elsewhere	52,400	-	-
Adjustment for encumbrances	1,573,677	-	1,111,892
GAAP basis	**$ 5,341,904**	**$ -**	**$ (1,392,936)**

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the severance liability fund, the unclaimed monies fund, flex spending fund and payroll clearing fund.

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 18 - FUND BALANCE

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

Fund balance	General	Economic Development Fund	Capital Improvement Fund	Bond Improvement Fund
Nonspendable:				
Materials and supplies inventory	$ 389,006	$ -	$ -	$ -
Prepayments	189,773	-	-	-
Unclaimed monies	2,940	-	-	-
Total nonspendable	**$ 581,719**	**$ -**	**$ -**	**$ -**
Restricted:				
Tax incremental financing	$ -	$ -	$ -	$ -
Capital projects	-	-	-	1,862,346
Economic development	-	576,141	-	-
Street construction and maint	-	-	-	-
Safety programs	-	-	-	-
Other purposes	-	-	-	-
Total restricted	**$ -**	**$ 576,141**	**$ -**	**$ 1,862,346**
Committed:				
Capital projects	$ -	$ -	$ 8,865,733	$ -
Severance	1,307,020	-	-	-
Healthy New Albany	-	-	-	-
Total committed	**$ 1,307,020**	**$ -**	**$ 8,865,733**	**$ -**
Assigned:				
General government	$ 525,506	$ -	$ -	$ -
Security of persons and property	86,911	-	-	-
Transportation	133,542	-	-	-
Community environment	352,852	-	-	-
Debt service		-	-	-
Capital projects/capital outlay	231,016	-	-	-
Total assigned	**$ 1,329,827**	**$ -**	**$ -**	**$ -**
Unassigned	**$ 22,808,468**	**$ -**	**$ -**	**$ -**
Total fund balances	**$ 26,027,034**	**$ 576,141**	**$ 8,865,733**	**$ 1,862,346**

(Continued)

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 18 - FUND BALANCE - (Continued)

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

Fund balance	Water and Sanitary Sewer Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Materials and supplies inventory	$ -	$ -	$ 389,006
Prepayments	-	-	189,773
Unclaimed monies	-	-	2,940
Total nonspendable	**$ -**	**$ -**	**$ 581,719**
Restricted:			
Tax incremental financing	$ -	$ 9,795,657	$ 9,795,657
Capital projects	-	13,915,325	15,777,671
Economic development	-	-	576,141
Street construction and maint	-	2,090,488	2,090,488
Safety programs	-	229,712	229,712
Other purposes	-	1,680,921	1,680,921
Total restricted	**$ -**	**$ 27,712,103**	**$ 30,150,590**
Committed:			
Capital projects	$ 6,124,868	$ 4,572,870	$ 19,424,143
Severance	-	-	1,307,020
Healthy New Albany	-	328,676	468,004
Total committed	**$ 6,124,868**	**$ 4,901,546**	**$ 21,199,167**
Assigned:			
General government	$ -	$ -	$ 525,506
Security of persons and property	-	-	86,911
Transportation	-	-	133,542
Community environment	-	-	352,852
Debt service	-	1,322,032	1,322,032
Capital projects/capital outlay	-	14,247,772	14,478,788
Total assigned	**$ -**	**$ 15,569,804**	**$ 16,899,631**
Unassigned	**$ -**	**$ -**	**$ 22,808,468**
Total fund balances	**$ 6,124,868**	**$ 48,183,453**	**$ 91,639,575**

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 19 - OTHER COMMITMENTS

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

Fund	Year-End Encumbrances
General fund	$ 1,329,828
Economic development fund	566,644
Capital improvement fund	4,439,456
Bond improvement fund	2,450,759
Water and sanitary sewer improvement fund	2,473,857
Other governmental	1,494,259
Total	**$ 12,754,803**

NOTE 20 - PLEDGED REVENUES

A. Allocation of Pledged Revenues

On July 2, 1996, the City adopted Resolution 13-96 establishing the New Albany Central College Economic Opportunity Zone (the "EOZ"). Income tax revenue received by the City each year from this zone is applied as follows: (1) administrative costs of the Regional Income Tax Agency (RITA); (2) thirty percent of the balance to be deposited with the New Albany Community Authority (the "Authority"); and (3) the remaining balance to be shared equally with the New Albany - Plain Local School District.

On July 7, 1998, the City adopted Resolution R-30-98 expanding the New Albany EOZ and establishing the Oak Grove EOZ. Income tax revenue received by the City each year from this expanded EOZ is applied as follows: (1) administrative costs of the Regional Income Tax Agency (RITA); (2) thirty percent of the balance to be deposited with the Authority; and (3) the remaining balance to be shared equally with the New Albany-Plain Local School District or the Licking Heights Local School District.

NOTE 20 - PLEDGED REVENUES - (Continued)

On March 2, 1999, the City adopted Resolution R-17-99 establishing the Blacklick EOZ. Within the Blacklick EOZ, the City established Phase I and Phase II subaccounts. Income tax revenue received by the City each year from the Phase I of the Blacklick EOZ is applied as follows: (1) administrative costs of the Regional Income Tax Agency (RITA); (2) fifty percent of the balance to be deposited with the Authority; (3) an amount to the Plain Township Fire Department, in each of the years 2001 through 2005, as is mutually agreeable to the City and the Plain Township Fire Department; and (4) the remaining balance to be shared equally with the New Albany-Plain Local School District to the extent of real property tax payments which the New Albany-Plain Local School District would have received had the City not issued the tax exemption. Income tax revenue received by the City each year from Phase II of the Blacklick EOZ is applied as follows: (1) administrative costs of the Regional Income Tax Agency (RITA); (2) thirty percent of the balance to be deposited with the Authority; and (3) the remaining balance to be shared equally with the New Albany-Plain Local School District to the extent of real property tax payments which the District would have received had the City not issued the tax exemption.

On March 3, 2009, the Council adopted Resolution R-16-2009 establishing the Oak Grove II EOZ. On March 23, 2010, the City adopted Resolution R-14-2010 expanding the Oak Grove II EOZ. Income tax revenue received by the City each year from this expanded EOZ area is applied as follows: (1) administrative costs of RITA; (2) thirty percent of the balance to be deposited with the City; (3) each year the total taxable income in the Oak Grove II area exceeds $15 million, fifteen percent of the balance to the City of Columbus; and (4) the remaining balance to be deposited with the City and used to make compensation payment to the Licking Heights Local School District or the Johnstown-Monroe Local School District, as applicable, or other City purposes. The Oak Grove II EOZ is located outside the District boundary.

B. New Albany Community Authority

The income tax revenue pledged to the Authority is used for the repayment of Multi-purpose Infrastructure Improvement Bonds, Series C (the “bonds”). These bonds were used for public infrastructure construction and improvements in the EOZ’s.

In January 2004, the Authority refunded the Multi-purpose Infrastructure Improvement Bonds, Series B, using the proceeds of the Series C Bonds. In May 2011, the bonds were again refunded with a combination of $5,900,000 in ten year fixed rate bonds and a $2,000,000 13 month notes plus $800,000 in cash. The bonds have a net interest rate of 3.45% and are schedule to retire in December 2021. The note was issued with a 1.2% interest rate and matured June 1, 2012. On May 31, 2012, the Authority issued $2,000,000 in Series 2012 D notes to retire the aforementioned notes from 2011. The Series 2012D notes carried an interest rate of 1.00% and matured on May 31, 2013. On May 31, 2013, the Authority issued $1,750,000 in Series 2013 notes to retire the aforementioned notes from 2012. The Series 2013 notes carry an interest rate of 1.25% and mature on June 1, 2014. The amount of principal outstanding on the bonds at December 31, 2019 was $1,345,000.

NOTE 20 - PLEDGED REVENUES - (Continued)

The City has agreed to pledge these income tax revenues to the Authority for so long as any Authority Bonds are issued and outstanding. The Authority agrees to pledge such revenues to pay the principal of and interest and redemption premium on the Authority Bonds and any other costs, including, but not limited to, administrative, credit enhancement, trustee or other costs, related to the issuance of those Authority Bonds or the periodic payment of principal of and interest and redemption premiums on those Authority Bonds.

During 2019, the total amount of pledged revenues paid to the Authority was $7,190,566 or 18.16% of total income tax receipts, and debt service on bonds and notes were $2,066,050.

C. New Albany - Plain Local School District

The income tax revenue pledged to the New Albany-Plain Local School District is used to pay the cost associated with construction of administrative facilities and for the mutual use of the City and the New Albany-Plain Local School District for the purchase and improvement of land that is mutually beneficial to the City and the New Albany-Plain Local School District and for any other purposes that are mutually beneficial to the City and the New Albany-Plain Local School District.

The New Albany-Plain Local School District agreements are to stay in effect until the real property tax exemptions granted for individual projects expire or until terminated by mutual agreement of the parties. During 2019, the total amount of pledged revenues paid to the New Albany-Plain Local School District was $3,464,541, or 8.75% of total income tax receipts.

D. Licking Heights Local School District

The income tax revenue pledged to the Licking Heights Local School District from a parcel of land in the Oak Grove EOZ is used to pay the cost associated with construction of administrative facilities and for the mutual use of the City and the Licking Heights Local School District for the purchase and improvement of land that is mutually beneficial to the City and the Licking Heights Local School District, and for any other purposes that are mutually beneficial to the City and the Licking Heights Local School District.

Licking Heights Local School District agreements are to stay in effect until the real property tax exemptions granted for individual projects expire or until terminated by mutual agreement of the parties. During 2019, the total amount of pledged revenues paid to the Licking Heights Local School District was $925,684, or 2.34% of total income tax receipts.

NOTE 20 - PLEDGED REVENUES - (Continued)

E. Johnstown-Monroe Local School District

The income tax revenue pledged to the Johnstown-Monroe Local School District from a parcel of land in the Oak Grove EOZ II is used to pay the cost associated with construction of administrative facilities and for the mutual use of the City and the Johnstown-Monroe Local School District for the purchase and improvement of land that is mutually beneficial to the City and the Johnstown-Monroe Local School District, and for any other purposes that are mutually beneficial to the City and the Johnstown-Monroe Local School District.

Johnstown-Monroe Local School District agreements are to stay in effect until the real property tax exemptions granted for individual projects expire or until terminated by mutual agreement of the parties. During 2019, the total amount of pledged revenues paid to the Johnstown-Monroe Local School District was $878,213, or 2.22% of total income tax receipts.

F. City of Columbus

The income tax revenue pledged to the City of Columbus from a parcel of land in the Oak Grove EOZ II is used as an income tax sharing agreement to promote economic development in Central Ohio.

During 2019, the total amount of pledged revenues paid to the City of Columbus was $665,262, or 1.68% of total income tax receipts.

NOTE 21 - TAX INCREMENT FINANCING DISTRICTS

The City, pursuant to the Ohio Revised Code and City ordinances, has established 18 Tax Increment Financing Districts (TIFs). A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as a "payment in lieu of taxes" or PILOTS, as though the TIF had not been established. These PILOTS are then dedicated to the payment for various public improvements within or adjacent to the TIF area. Property values existing before the commencement date of a TIF continue to be subjected to property taxes.

Payment in lieu of taxes revenue was $7,514,460 on the modified accrual basis of accounting in 2019 and is accounted for in sixteen special revenue funds. Corresponding capital assets are accounted for in the City's infrastructure.

TIFs have a longevity of the shorter period of 30 years or until the public improvements are paid for. The property tax exemption then ceases; payment in lieu of taxes cease, and property taxes then apply to the increased property values.

NOTE 22 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. In the opinion of management, however, any such disallowed claims would 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, 2019.

B. Litigation

The City is currently not involved in litigation for which the City's legal counsel anticipates a loss.

NOTE 23 - CONTRACTUAL COMMITMENTS

At December 31, 2019, the City had the following outstanding contractual commitments:

Vendor	Contract Amount	Amount Paid at 12/31/19	Amount Outstanding
Messer Construction	$ 1,570,000	$ 976,397	$ 593,603
N M Savko & Sons	2,057,004	1,805,964	251,040
Rudzik Excavating	315,000	167,788	147,212
Setterlin Builders	1,665,000	1,549,653	115,347
Abercrombie & Fitch	1,646,376	1,213,849	432,527
Total Contractual Commitments	**$ 7,253,380**	**$ 5,713,651**	**$ 1,539,729**

NOTE 24 - TAX ABATEMENTS

A. Property Tax Abatements Within Franklin County

As of December 31, 2019, the City provides property tax abatements on properties within the City and Franklin County through an Economic Development Program. Under the authority of Ohio Revised Code (ORC) Section 3735.67 and City resolutions, the program is an economic tool administered by the City that provides real property tax exemptions for companies who meet withholding benchmarks and job creation benchmarks. The amount of the abatement is deducted from the individual or entity's property tax bill. The tax payer can receive up to 100% of the improvement value to be abated in exchange for job creation.

The City has entered into agreements to abate property taxes through this program. During 2019, the City's property tax revenues were reduced as a result of these agreements by approximately $159,603.

B. Property Tax Abatements Within Licking County

As of December 31, 2019, the City provides property tax abatements on properties within the City and Licking County through a Community Reinvestment Area (CRA) program. Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill. The tax payer can receive up to 100% of the improvement value to be abated in exchange for job creation.

The City has entered into agreements to abate property taxes through this program. During 2019, the City's property tax revenues were reduced as a result of these agreements by approximately $186,785.

C. Income Tax Abatements

As of December 31, 2019, the City provided income tax abatements to various companies within the City through Economic Development Agreements as authorized by Article VIII, Section 13 of the Ohio Constitution. Under the agreements, recipient companies are eligible to receive incentive payments for a fixed amount of years equal to a portion of the payroll income taxes that were paid to the City during year the once certain job creation and minimum required withholding benchmarks are met.

For the year ended December 31, 2019, the City abated income taxes and provided incentive payments totaling approximately $1,922,414 under this program.

NOTE 25 - NEW ALBANY COMMUNITY IMPROVEMENT CORPORATION

The New Albany Community Improvement Corporation (the "CIC") was formed pursuant to Ordinance O-15-2006 passed April 4, 2006 and incorporated as a not-for-profit corporation under Title XVII, Chapters 1702 and 1724 of the Ohio Revised Code for the purpose to advance, encourage, and promote industrial, economic, commercial and civic development of the City of New Albany (the "City"). The CIC has been designated as the City's agent for industrial and commercial distributions and research development.

The Board of Trustees is to be comprised of nine members. The following four elected or appointed officials of the City of New Albany ("City representatives") constitute four of the members of the Board of Trustees: Mayor (or appointed permanent designee), Council President Pro Tempore (or permanent designee), City Manager and the Director of Development. The City representatives hold office for as long as they hold their position at the City. In addition to the four City representatives, there are five members appointed by a majority vote of City Council ("Trustees at Large"). Three of the Trustees at Large will serve a term of three years. The two remaining Trustees at Large will serve a term of two years.

Summary of Significant Accounting Policies

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

A. Basis of Accounting

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

B. Federal Income Tax

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

C. Cash and Cash Equivalents

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

D. Capital Assets and Depreciation

The CIC's capital assets consist of equipment which is recorded at cost. The CIC maintains a capitalization threshold of $5,000. Improvements are capitalized; however, the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

NOTE 25 - NEW ALBANY COMMUNITY IMPROVEMENT CORPORATION - (Continued)

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

E. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in the statement of net position. These items are reported as assets on the statement of net position using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expense is reported in the year in which services are consumed.

F. Accrued Liabilities

The CIC has recognized certain expenses due, but unpaid as of December 31, 2019. These expenses are reported as accrued liabilities in the accompanying financial statements.

G. Net Position

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

H. Estimates

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

I. Deposits

At December 31, 2019, the carrying amount of the CIC's deposits was $45,925. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2019, the entire bank balance of $45,400 was covered by the Federal Deposit Insurance Corporation. There are no significant statutory restrictions regarding the deposits and investments of funds held by the not-for-profit corporation.

CITY OF NEW ALBANY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 25 - NEW ALBANY COMMUNITY IMPROVEMENT CORPORATION - (Continued)

J. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance 12/31/18	Additions	Deductions	Balance 12/31/19
Capital assets, being depreciated:				
Equipment	$ 1,316,860	$ -	$ -	$ 1,316,860
Total capital assets, being depreciated	**$ 1,316,860**	**$ -**	**$ -**	**$ 1,316,860**
Less: accumulated depreciation:				
Equipment	$ (1,316,860)	$ -	$ -	$ (1,316,860)
Total accumulated depreciation	**$ (1,316,860)**	**$ -**	**$ -**	**$ (1,316,860)**
Total capital assets, net	**$ -**	**$ -**	**$ -**	**$ -**

K. Litigation

The CIC is involved in no material litigation as either plaintiff or defendant.

L. Contributions from City of New Albany

The CIC received $125,001 in contributions from the City during the year.

M. Risk Management

The CIC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. For 2019, the CIC had property and casualty insurance through Westfield Insurance.

Settled claims have not exceeded commercial coverage in the past three years. There was no significant reduction in coverage from the prior year.

N. Accounts Receivable

The CIC is the lessee of a building located at 8000 Walton Parkway, New Albany which includes Phase I and Phase II space. As the lessee, the CIC entered into an operating lease and makes monthly payments of $7,680. The lease is in effect for 2019. The CIC subleases office space in the building to start-up businesses in the City. As a lessor, the CIC charges rent and internet subscription fees to tenants. The CIC also receives a monthly revenue sharing amount with WOW Business Partner Alliance. There was $4,204 in accounts receivable as of December 31, 2019.

NOTE 26 - SIGNIFICANT SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City’s investment portfolio and the investments of the pension and other employee benefit plan in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

On June 4, 2020, the City entered into an agreement with OWDA for a loan amount $15,000,000 for the Blacklick Creek Trunk Sewer. The loan carries an interest rate of 2.50%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEW ALBANY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS

	2019	2018	2017	2016
Traditional Plan:				
City's proportion of the net pension liability	0.027805%	0.027449%	0.026392%	0.025104%
City's proportionate share of the net pension liability	$ 7,615,227	$ 4,306,216	$ 5,993,174	$ 4,348,329
City's covered payroll	$ 3,769,393	$ 3,465,400	$ 3,450,900	$ 3,230,508
City's proportionate share of the net pension liability as a percentage of its covered payroll	202.03%	124.26%	173.67%	134.60%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	84.66%	77.25%	81.08%
Combined Plan:				
City's proportion of the net pension asset	0.107841%	0.109949%	0.104832%	0.102370%
City's proportionate share of the net pension asset	$ 120,590	$ 149,676	$ 58,346	$ 49,815
City's covered payroll	$ 461,229	$ 450,292	$ 408,067	$ 372,533
City's proportionate share of the net pension asset as a percentage of its covered payroll	26.15%	33.24%	14.30%	13.37%
Plan fiduciary net position as a percentage of the total pension asset	126.64%	137.28%	116.55%	116.90%
Member Directed Plan:				
City's proportion of the net pension asset	0.026692%	0.013612%	0.012661%	0.018810%
City's proportionate share of the net pension asset	$ 608	$ 475	$ 53	$ 72
City's covered payroll	$ 152,590	$ 74,600	$ 65,725	$ 104,758
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.40%	0.64%	0.08%	0.07%
Plan fiduciary net position as a percentage of the total pension asset	113.42%	124.46%	103.40%	103.91%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014
0.024684%	0.024684%
$ 2,977,166	$ 2,909,922
$ 2,849,483	$ 2,834,400
104.48%	102.66%
86.45%	86.36%
0.097459%	0.097459%
$ 37,524	$ 10,226
$ 342,017	$ 260,838
10.97%	3.92%
114.83%	104.56%
n/a	n/a
n/a	n/a
n/a	n/a
n/a	n/a
n/a	n/a

CITY OF NEW ALBANY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS

	2019	**2018**	**2017**	**2016**
City's proportion of the net pension liability	0.08157900%	0.07908200%	0.07075200%	0.07181500%
City's proportionate share of the net pension liability	$ 6,659,002	$ 4,853,646	$ 4,481,350	$ 4,619,940
City's covered payroll	$ 2,086,295	$ 1,827,916	$ 1,709,158	$ 1,639,826
City's proportionate share of the net pension liability as a percentage of its covered payroll	319.18%	265.53%	262.20%	281.73%
Plan fiduciary net position as a percentage of the total pension liability	63.07%	70.91%	68.36%	66.77%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014
0.06516800%	0.06516800%
$ 3,375,974	$ 3,173,886
$ 1,323,437	$ 1,334,134
255.09%	237.90%
72.20%	73.00%

CITY OF NEW ALBANY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2019	2018	2017	2016
Traditional Plan:				
Contractually required contribution	$ 579,431	$ 527,715	$ 450,502	$ 414,108
Contributions in relation to the contractually required contribution	(579,431)	(527,715)	(450,502)	(414,108)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 4,138,793	$ 3,769,393	$ 3,465,400	$ 3,450,900
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
Combined Plan:				
Contractually required contribution	$ 68,128	$ 64,572	$ 58,538	$ 48,968
Contributions in relation to the contractually required contribution	(68,128)	(64,572)	(58,538)	(48,968)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 486,629	$ 461,229	$ 450,292	$ 408,067
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	12.00%
Member Directed Plan:				
Contractually required contribution	$ 24,482	$ 15,259	$ 7,460	$ 7,887
Contributions in relation to the contractually required contribution	(24,482)	(15,259)	(7,460)	(7,887)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 244,820	$ 152,590	$ 74,600	$ 65,725
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	12.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014	2013	2012	2011	2010
$ 387,661	$ 341,938	$ 368,472	$ 273,863	$ 261,045	$ 226,713
(387,661)	(341,938)	(368,472)	(273,863)	(261,045)	(226,713)
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 3,230,508	$ 2,849,483	$ 2,834,400	$ 2,738,630	$ 2,610,450	$ 2,541,626
12.00%	12.00%	13.00%	10.00%	10.00%	8.92%
$ 44,704	$ 41,042	$ 33,909	$ 22,349	$ 25,275	$ 29,894
(44,704)	(41,042)	(33,909)	(22,349)	(25,275)	(29,894)
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 372,533	$ 342,017	$ 260,838	$ 281,119	$ 317,925	$ 308,504
12.00%	12.00%	13.00%	7.95%	7.95%	9.69%
$ 12,571					
(12,571)					
$ -					
$ 104,758					
12.00%					

CITY OF NEW ALBANY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2019	2018	2017	2016
Police:				
Contractually required contribution	$ 430,556	$ 396,396	$ 347,304	$ 324,740
Contributions in relation to the contractually required contribution	(430,556)	(396,396)	(347,304)	(324,740)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 2,266,084	$ 2,086,295	$ 1,827,916	$ 1,709,158
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014	2013	2012	2011	2010
$ 311,567	$ 251,453	$ 211,905	$ 163,067	$ 156,631	$ 156,966
(311,567)	(251,453)	(211,905)	(163,067)	(156,631)	(156,966)
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 1,639,826	$ 1,323,437	$ 1,334,134	$ 1,278,957	$ 1,228,478	$ 1,231,106
19.00%	19.00%	15.88%	12.75%	12.75%	12.75%

CITY OF NEW ALBANY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE YEARS

	2019	2018	2017
City's proportion of the net OPEB liability	0.030124%	0.029320%	0.02801586%
City's proportionate share of the net OPEB liability	$ 3,927,458	$ 3,183,936	$ 2,829,697
City's covered payroll	$ 4,383,212	$ 3,990,292	$ 3,924,692
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	89.60%	79.79%	72.10%
Plan fiduciary net position as a percentage of the total OPEB liability	46.33%	54.14%	54.05%

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

Amounts presented for each 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 NEW ALBANY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE YEARS

	2019	2018	2017
City's proportion of the net OPEB liability	0.08157900%	0.07908200%	0.07075200%
City's proportionate share of the net OPEB liability	$ 743,902	$ 4,480,704	$ 3,358,438
City's covered payroll	$ 2,086,295	$ 1,827,916	$ 1,709,158
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	35.66%	245.13%	196.50%
Plan fiduciary net position as a percentage of the total OPEB liability	46.57%	14.13%	15.96%

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

Amounts presented for each 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 NEW ALBANY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2019	2018	2017	2016
Contractually required contribution	$ 9,793	$ 6,103	$ 42,141	$ 78,494
Contributions in relation to the contractually required contribution	(9,793)	(6,103)	(42,141)	(78,494)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 4,870,242	$ 4,383,212	$ 3,990,292	$ 3,924,692
Contributions as a percentage of covered payroll	0.20%	0.14%	1.06%	2.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014	2013	2012	2011	2010
$ 72,061	$ 67,376	$ 30,939	$ 126,552	$ 123,652	$ 142,560
(72,061)	(67,376)	(30,939)	(126,552)	(123,652)	(142,560)
$ -	$ -	$ -	$ -	$ -	$ -
$ 3,707,799	$ 3,191,500	$ 3,095,238	$ 3,019,749	$ 2,928,375	$ 2,850,130
1.94%	2.11%	1.00%	4.19%	4.22%	5.00%

CITY OF NEW ALBANY, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2019	2018	2017	2016
Police:				
Contractually required contribution	$ 11,330	$ 10,431	$ 9,140	$ 8,777
Contributions in relation to the contractually required contribution	(11,330)	(10,431)	(9,140)	(8,777)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
City's covered payroll	$ 2,266,084	$ 2,086,295	$ 1,827,916	$ 1,709,158
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014	2013	2012	2011	2010
$ 8,421	$ 7,158	$ 49,735	$ 86,330	$ 82,922	$ 83,100
(8,421)	(7,158)	(49,735)	(86,330)	(82,922)	(83,100)
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,639,826	$ 1,323,437	$ 1,334,134	$ 1,278,957	$ 1,228,478	$ 1,231,106
0.50%	3.62%	6.75%	6.75%	6.75%	6.75%

CITY OF NEW ALBANY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2019.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019 the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2019.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% 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.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2019.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25%, ultimate in 2029.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

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

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.