





**CITY OF BRYAN  
WILLIAMS COUNTY  
DECEMBER 31, 2023**

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WILLIAMS COUNTY  
DECEMBER 31, 2023**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

City of Bryan  
Williams County  
1399 East High Street  
P.O. Box 190  
Bryan, Ohio 43506-0190

To the City Council:

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bryan, Williams County, Ohio (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bryan, Williams County, Ohio as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 19, 2024

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## **CITY OF BRYAN, OHIO**

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### ***Management's Discussion and Analysis For the Year Ended December 31, 2023***

***Unaudited***

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This discussion and analysis of the City of Bryan's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2023 are as follows:

- ❑ In total, net position increased \$4,470,752. Net position of governmental activities increased \$1,430,210, which represents a 3% change from 2022. Net position of business-type activities increased \$3,040,542 or approximately 4% from 2022.
- ❑ General revenues accounted for \$13,542,446 in revenue or 32% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28,149,952, or 68% of total revenues of \$41,692,398.
- ❑ The City had \$13,274,041 in expenses related to governmental activities; only \$3,481,660 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$12,109,961 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$11,606,363 in revenues and \$11,077,028 in expenditures and other financing uses. The general fund's fund balance increased from a balance of \$9,857,592 to \$10,386,927.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of two parts – *management's discussion and analysis* and the *basic financial statements*. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

# CITY OF BRYAN, OHIO

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*Management's Discussion and Analysis  
For the Year Ended December 31, 2023*

*Unaudited*

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## **Government-wide Statements**

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

The two government-wide statements report the City's net position and how it has changed. Net position is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

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

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

## **Fund Financial Statements**

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

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

## CITY OF BRYAN, OHIO

**Management’s Discussion and Analysis  
For the Year Ended December 31, 2023**

**Unaudited**

*Proprietary Funds* – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The proprietary fund financial statements provide separate information for the Water, Sewer, and Electric Operating funds, all of which are considered major funds.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City’s own programs. All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City’s net position for 2023 compared to 2022.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$24,207,356	\$23,814,940	\$32,935,578	\$31,037,142	\$57,142,934	\$54,852,082
Net OPEB Asset	0	511,100	0	824,070	0	1,335,170
Capital Assets, Net	32,735,653	31,601,911	54,749,115	52,467,153	87,484,768	84,069,064
Total Assets	<u>56,943,009</u>	<u>55,927,951</u>	<u>87,684,693</u>	<u>84,328,365</u>	<u>144,627,702</u>	<u>140,256,316</u>
Deferred Outflows of Resources	4,206,388	2,172,173	3,216,828	951,421	7,423,216	3,123,594
Net Pension Liability	9,443,961	4,463,215	6,844,164	2,180,341	16,288,125	6,643,556
Net OPEB Liability	460,275	545,802	151,702	0	611,977	545,802
Other Long-term Liabilities	1,900,606	1,975,004	4,591,948	4,822,549	6,492,554	6,797,553
Other Liabilities	1,073,439	1,343,033	2,640,968	1,213,402	3,714,407	2,556,435
Total Liabilities	<u>12,878,281</u>	<u>8,327,054</u>	<u>14,228,782</u>	<u>8,216,292</u>	<u>27,107,063</u>	<u>16,543,346</u>
Deferred Inflows of Resources	1,467,247	4,399,411	147,585	3,578,882	1,614,832	7,978,293
Net Position						
Net Investment in Capital Assets	31,786,653	30,541,911	50,712,823	48,676,696	82,499,476	79,218,607
Restricted	9,818,583	9,748,094	0	0	9,818,583	9,748,094
Unrestricted	5,198,633	5,083,654	25,812,331	24,807,916	31,010,964	29,891,570
Total Net Position	<u>\$46,803,869</u>	<u>\$45,373,659</u>	<u>\$76,525,154</u>	<u>\$73,484,612</u>	<u>\$123,329,023</u>	<u>\$118,858,271</u>

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

## **CITY OF BRYAN, OHIO**

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2023***

***Unaudited***

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

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.

## CITY OF BRYAN, OHIO

### Management's Discussion and Analysis For the Year Ended December 31, 2023

*Unaudited*

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

Change in Net Position – The following table shows the change in net position for 2023 compared to 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,020,999	\$1,039,588	\$23,434,006	\$27,062,047	\$24,455,005	\$28,101,635
Operating Grants and Contributions	1,384,694	735,828	0	266,073	1,384,694	1,001,901
Capital Grants and Contributions	1,075,967	633,914	1,234,286	1,781,978	2,310,253	2,415,892
Total Program revenues:	<u>3,481,660</u>	<u>2,409,330</u>	<u>24,668,292</u>	<u>29,110,098</u>	<u>28,149,952</u>	<u>31,519,428</u>
General revenues:						
Property Taxes	469,200	468,948	0	0	469,200	468,948
Income Taxes	9,455,443	9,270,179	0	0	9,455,443	9,270,179
Other Local Taxes	626,631	648,303	63,872	66,385	690,503	714,688
Intergovernmental Revenues, Unrestricted	408,522	428,620	0	0	408,522	428,620
Investment Earnings	955,060	293,088	1,195,171	349,296	2,150,231	642,384
Miscellaneous	195,105	275,716	173,442	0	368,547	275,716
Total General revenues:	<u>12,109,961</u>	<u>11,384,854</u>	<u>1,432,485</u>	<u>415,681</u>	<u>13,542,446</u>	<u>11,800,535</u>
Total Revenues	<u>15,591,621</u>	<u>13,794,184</u>	<u>26,100,777</u>	<u>29,525,779</u>	<u>41,692,398</u>	<u>43,319,963</u>
Program Expenses						
Security of Persons and Property	4,452,822	3,260,273	0	0	4,452,822	3,260,273
Leisure Time Activities	1,301,650	1,016,408	0	0	1,301,650	1,016,408
Community Environment	65,690	113,980	0	0	65,690	113,980
Public Health and Welfare	50,360	32,889	0	0	50,360	32,889
Transportation	2,306,998	1,928,286	0	0	2,306,998	1,928,286
General Government	5,081,916	4,531,055	0	0	5,081,916	4,531,055
Interest and Fiscal Charges	14,605	16,123	0	0	14,605	16,123
Water	0	0	2,530,867	2,188,187	2,530,867	2,188,187
Sewer	0	0	2,186,977	1,798,142	2,186,977	1,798,142
Refuse Collection	0	0	0	411,115	0	411,115
Electric Operating	0	0	18,106,881	17,067,903	18,106,881	17,067,903
Communication Operations	0	0	1,122,880	1,757,479	1,122,880	1,757,479
Total Expenses	<u>13,274,041</u>	<u>10,899,014</u>	<u>23,947,605</u>	<u>23,222,826</u>	<u>37,221,646</u>	<u>34,121,840</u>
Change in Net Position Before Transfers	2,317,580	2,895,170	2,153,172	6,302,953	4,470,752	9,198,123
Transfers	(887,370)	(366,648)	887,370	366,648	0	0
Total Change in Net Position	1,430,210	2,528,522	3,040,542	6,669,601	4,470,752	9,198,123
Beginning Net Position	45,373,659	42,845,137	73,484,612	66,815,011	118,858,271	109,660,148
Ending Net Position	<u>\$46,803,869</u>	<u>\$45,373,659</u>	<u>\$76,525,154</u>	<u>\$73,484,612</u>	<u>\$123,329,023</u>	<u>\$118,858,271</u>

## CITY OF BRYAN, OHIO

**Management's Discussion and Analysis  
For the Year Ended December 31, 2023**

**Unaudited**

**Governmental Activities**

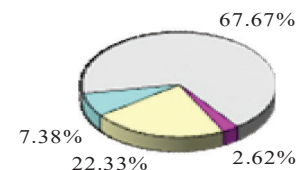
Governmental activities net position increased \$1,430,210, or 3%. An increase in operating grants can mostly be attributed to an increase in municipal court probation grants. Capital grants and contributions included Safe Routes to School funding as well as donations received for the Lincoln Park Inclusive Playground Project. An increase in investment earnings can be attributed to an increase in interest rates.

An overall increase in expenses can be attributed to changes in the net pension and net OPEB liabilities.

The City receives an income tax, which is based on 1.8% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the City.

Income taxes and property taxes made up 61% and 3%, respectively, of revenues for governmental activities in 2023. The City's reliance upon tax revenues is demonstrated by the following graph indicating 68% of total revenues from general tax revenues:

Revenue Sources	2023	Percent of Total
General Tax Revenues	\$10,551,274	67.67%
Intergovernmental, Unrestricted	408,522	2.62%
Program Revenues	3,481,660	22.33%
General Other	1,150,165	7.38%
Total Revenue	<u>\$15,591,621</u>	<u>100.00%</u>



**Business-Type Activities**

Net position of the business-type activities increased \$3,040,542. This represents an approximately 4% change from 2023.

In 2022, refuse collection service was moved from the City to a third party company, which resulted in a substantial decrease in revenues and expenses in refuse. Also contributing to a decrease in charges for services was a decrease in electric charges to users, which was the result of mild weather.

An overall increase in expenses can be attributed to changes in the net pension and net OPEB liabilities.

## **CITY OF BRYAN, OHIO**

***Management's Discussion and Analysis  
For the Year Ended December 31, 2023***

***Unaudited***

### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$19,735,850, which is an increase from last year's balance of \$19,363,568. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2023 and 2022:

	Fund Balance December 31, 2023	Fund Balance December 31, 2022	Increase (Decrease)
General	\$10,386,927	\$9,857,592	\$529,335
Capital Improvement	2,982,412	3,146,446	(164,034)
Other Governmental	6,366,511	6,359,530	6,981
Total	\$19,735,850	\$19,363,568	\$372,282

General Fund – The City's General Fund balance change is due to several factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	2023 Revenues	2022 Revenues	Increase (Decrease)
Taxes	\$8,877,586	\$8,163,371	\$714,215
Intergovernmental Revenues	614,692	532,182	82,510
Charges for Services	361,243	308,882	52,361
Licenses and Permits	93,364	146,250	(52,886)
Investment Earnings	659,773	202,500	457,273
Gifts and Donations	509,305	115,165	394,140
Fines and Forfeitures	351,821	368,796	(16,975)
All Other Revenue	138,579	105,742	32,837
Total	\$11,606,363	\$9,942,888	\$1,663,475

General Fund revenues increased \$1,663,475 or approximately 17% when compared with the prior year. An increase in taxes was the result of an increase in income taxes, which can mostly be attributed to improving economic conditions. An increase in intergovernmental revenues can be attributed to first responder retention incentive grants. An increase in investment earnings can be attributed to an increase in interest rates. Gifts and donations included amounts received for the Lincoln Park Inclusive Playground Project.



## **CITY OF BRYAN, OHIO**

***Management's Discussion and Analysis  
For the Year Ended December 31, 2023***

	2023	2022	<i>Unaudited</i>
	Expenditures	Expenditures	Increase (Decrease)
Security of Persons and Property	\$2,370,656	\$1,847,985	\$522,671
Public Health and Welfare	43,527	46,348	(2,821)
Leisure Time Activities	1,846,127	1,273,203	572,924
General Government	3,866,718	3,897,454	(30,736)
Total	\$8,127,028	\$7,064,990	\$1,062,038

General Fund expenditures increased \$1,062,038, or 15% when compared with the prior year. An increase in security of persons and property can be attributed to pay increases, signing bonuses, and retention bonuses. An increase in leisure time activities can mostly be attributed to the Lincoln Park Inclusive Playground Project.

*Capital Improvement Fund* – The Capital Improvement Fund balance decreased \$164,034, or 5%. Revenues were consistent with the prior year. Various street improvement projects resulted in an increase in expenditures.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During 2023, the City amended its General Fund budget several times to reflect changing circumstances.

Original and final estimated revenues were not significantly different. Actual budget basis revenues were 10% higher than final estimates due mostly to an increase in investment earnings.

The difference between final budgeted appropriations and original budgeted appropriations was insignificant. Final budgeted appropriations exceeded actual expenditures by 12%. This was due to the controlling of expenditures across all general fund departments.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### ***Capital Assets***

At the end of 2023 the City had \$87,484,768 net of accumulated depreciation invested in land, buildings and improvements, infrastructure, and machinery and equipment. Of this total, \$32,735,653 was related to governmental activities and \$54,749,115 to the business-type activities. The following tables show 2023 and 2022 balances:



## CITY OF BRYAN, OHIO

### *Management's Discussion and Analysis For the Year Ended December 31, 2023*

	Governmental Activities		<i>Unaudited</i> Increase (Decrease)
	2023	2022	
	Land	\$5,131,801	\$5,133,301
Construction In Progress	632,276	271,838	360,438
Buildings	19,774,911	19,296,051	478,860
Improvements Other than Buildings	5,318,008	5,120,445	197,563
Infrastructure	23,873,293	22,616,209	1,257,084
Machinery and Equipment	8,402,387	8,014,133	388,254
Less: Accumulated Depreciation	(30,397,023)	(28,850,066)	(1,546,957)
Totals	\$32,735,653	\$31,601,911	\$1,133,742

	Business-Type Activities		Increase (Decrease)
	2023	2022	
	Land	\$2,353,205	\$2,353,205
Construction in Progress	5,788,406	4,553,645	1,234,761
Buildings and Improvements	22,425,268	22,401,568	23,700
Infrastructure	46,093,613	43,336,708	2,756,905
Machinery and Equipment	52,539,803	52,538,807	996
Leased Equipment	43,964	43,964	0
Less: Accumulated Depreciation	(74,495,144)	(72,760,744)	(1,734,400)
Totals	\$54,749,115	\$52,467,153	\$2,281,962

Significant governmental capital asset activity included the completion of the Horton Heights Sewer project, the Portland Street extension, and a “Safe Routes to Schools” sidewalk project. In addition, the burn building project for the Fire Department training center was completed, as well as several Parks projects, including new sidewalks and restrooms near the Fountain City Amphitheater, and a new press box at Baseball Field #5. Development/construction of the Lincoln Park Inclusive Playground began in 2023. There were several other infrastructure projects which were a part of the 2023 governmental capital asset activities.

Business-type capital activities included the completion of the Power Plant Substation Phase 1 – Major Equipment project, and the start of Phase II. Implementation of the City-wide Automated Metering Infrastructure program for both the Electric and Water Departments continued with anticipated completion in 2024. Also of note is the Dewatering Project which began in 2022 at the Wastewater facility, with planned completion extended into 2024. The Wastewater facility also started design on a Secondary Treatment Improvement project slated to continue into 2025.

Additional information on the City’s capital assets can be found in Note 8.

## **CITY OF BRYAN, OHIO**

### ***Management's Discussion and Analysis For the Year Ended December 31, 2023***

***Unaudited***

#### ***Debt and Other Long Term Liabilities***

The following table summarizes the City's debt and other long term liabilities outstanding as of December 31, 2023 and 2022:

	2023	2022
Governmental Activities:		
General Obligation Bonds	\$949,000	\$1,060,000
Compensated Absences	951,606	915,004
Total Governmental Activities	1,900,606	1,975,004
Business-Type Activities:		
Revenue Bonds	2,221,662	2,221,662
Ohio Water Development Authority Loans	1,222,427	1,491,248
Leases Payable	0	9,328
Compensated Absences	1,147,859	1,100,311
Total Business-Type Activities	4,591,948	4,822,549
Totals	\$6,492,554	\$6,797,553

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2023, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

#### **ECONOMIC FACTORS**

Bryan is a commercial and industrial hub for Northwest Ohio. It is conveniently located within a one-hour drive of both Toledo and Fort Wayne, Indiana. Cleveland, Cincinnati, Detroit, and Chicago are within an easy drive of the City. State routes 2, 6, 15, and 34 are major roadways serving Bryan, and access to the Ohio Turnpike is only 8 miles north of the City. Bryan continues to attract industrial interest through a variety of income and property tax incentives, revolving loans, and working in conjunction with the Bryan Economic Development Office, the Williams County Economic Development Corporation, and the State of Ohio. There are numerous sites available in the City for commercial and industrial development.

The following economic factors currently affect the City of Bryan, and were considered in developing the City's 2024 budget:

- Each of the City's General and various utility operating funds maintained healthy and growing balances in 2023. This is due, in part, to years of conservative budget practices, which again drove the preparation of the 2024 budget.
- The local unemployment rate in 2023 averaged 3.2%. This was down from the prior year (3.4%) and was lower than the State of Ohio and comparable national rates of 3.5% and 3.6%, respectively.

## ***CITY OF BRYAN, OHIO***

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2023***

***Unaudited***

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- On a cash basis, total income tax revenues in 2023 increased by \$843,045 or 9.7% over 2022. Proceeds from individual filers were down 2.8%, but employee withholding and corporate filings were up 6.7% and 28.8%, respectively, indicating a local economy that continued to strengthen on the heels of the COVID-19 pandemic.
- The weighted-average-yield on city-held funds at December 31, 2023 was 4.96%. Posted interest earnings in 2023 totaled approximately \$2.09 million.
- Personnel costs are a significant portion of the annual budget. Negotiated wage increases among the City's various bargaining units and non-bargaining employees ranged from 2.0% - 5.0% for 2024. Employee healthcare benefit costs increased 6.1%.

The City's 1.8% income tax rate is secure for the foreseeable future. 1.3% has been established as permanent, supporting fire and general operations of the City; and in November, 2022, the 1/2% tax was renewed through 2032 for purposes including street and sewer infrastructure maintenance.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. John Lehner, Clerk-Treasurer of the City of Bryan.

**CITY OF BRYAN, OHIO**

**Statement of Net Position**  
**December 31, 2023**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 19,889,182	\$ 26,519,111	\$ 46,408,293
Cash and Cash Equivalents in Segregated Accounts	38,101	0	38,101
Receivables:			
Taxes	2,742,962	0	2,742,962
Accounts	23,529	3,244,327	3,267,856
Intergovernmental	942,974	0	942,974
Interest	85,986	110,169	196,155
Loans	651,727	0	651,727
Internal Balance	(375,928)	375,928	0
Inventory of Supplies at Cost	79,063	1,562,326	1,641,389
Prepaid Items	129,760	474,638	604,398
Investment in Joint Venture	0	647,329	647,329
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	0	1,750	1,750
Non-Depreciable Capital Assets	5,764,077	8,141,611	13,905,688
Depreciable Capital Assets, Net	26,971,576	46,607,504	73,579,080
<b>Total Assets</b>	<b>56,943,009</b>	<b>87,684,693</b>	<b>144,627,702</b>
<b>Deferred Outflows of Resources:</b>			
Pension	3,596,714	2,767,373	6,364,087
OPEB	609,674	449,455	1,059,129
<b>Total Deferred Outflows of Resources</b>	<b>4,206,388</b>	<b>3,216,828</b>	<b>7,423,216</b>
<b>Liabilities:</b>			
Accounts Payable	510,616	2,429,411	2,940,027
Accrued Wages and Benefits	115,619	85,701	201,320
Intergovernmental Payable	29,590	99,778	129,368
Claims Payable	222,008	0	222,008
Matured Bonds and Interest Payable	0	1,750	1,750
Unearned Revenue	194,507	0	194,507
Accrued Interest Payable	1,099	24,328	25,427
Noncurrent Liabilities:			
Due Within One Year	437,578	746,194	1,183,772
Due in More Than One Year:			
Net Pension Liability	9,443,961	6,844,164	16,288,125
Net OPEB Liability	460,275	151,702	611,977
Other Amounts Due in More Than One Year	1,463,028	3,845,754	5,308,782
<b>Total Liabilities</b>	<b>12,878,281</b>	<b>14,228,782</b>	<b>27,107,063</b>

(Continued)

**CITY OF BRYAN, OHIO**

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	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	454,486	0	454,486
Pension	539,985	97,554	637,539
OPEB	472,776	50,031	522,807
<b>Total Deferred Inflows of Resources</b>	<u>1,467,247</u>	<u>147,585</u>	<u>1,614,832</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	31,786,653	50,712,823	82,499,476
Restricted For:			
Capital Projects	3,018,419	0	3,018,419
Debt Service	70,503	0	70,503
Other Purposes	6,729,661	0	6,729,661
Unrestricted (Deficit)	5,198,633	25,812,331	31,010,964
<b>Total Net Position</b>	<u>\$ 46,803,869</u>	<u>\$ 76,525,154</u>	<u>\$ 123,329,023</u>

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

**Statement of Activities**  
**For the Year Ended December 31, 2023**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 4,452,822	\$ 105,074	\$ 208,142	\$ 119,474
Leisure Time Activities	1,301,650	65,704	138,479	386,425
Community Environment	65,690	15,160	0	0
Public Health and Welfare	50,360	26,133	5,962	0
Transportation	2,306,998	0	610,947	570,068
General Government	5,081,916	808,928	421,164	0
Interest and Fiscal Charges	14,605	0	0	0
<b>Total Governmental Activities</b>	<b>13,274,041</b>	<b>1,020,999</b>	<b>1,384,694</b>	<b>1,075,967</b>
<b>Business-Type Activities:</b>				
Water	2,530,867	2,772,867	0	0
Sewer	2,186,977	2,213,198	0	1,234,286
Refuse Collection	0	4,930	0	0
Electric Operating	18,106,881	17,626,283	0	0
Communication Operations	1,122,880	816,728	0	0
<b>Total Business-Type Activities</b>	<b>23,947,605</b>	<b>23,434,006</b>	<b>0</b>	<b>1,234,286</b>
<b>Totals</b>	<b>\$ 37,221,646</b>	<b>\$ 24,455,005</b>	<b>\$ 1,384,694</b>	<b>\$ 2,310,253</b>

**General Revenues and Transfers**

Property Taxes Levied for:

General Purposes

Income Tax

Other Local Taxes

Intergovernmental Revenues, Unrestricted

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

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Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (4,020,132)	\$ 0	\$ (4,020,132)
(711,042)	0	(711,042)
(50,530)	0	(50,530)
(18,265)	0	(18,265)
(1,125,983)	0	(1,125,983)
(3,851,824)	0	(3,851,824)
(14,605)	0	(14,605)
<u>(9,792,381)</u>	<u>0</u>	<u>(9,792,381)</u>
0	242,000	242,000
0	1,260,507	1,260,507
0	4,930	4,930
0	(480,598)	(480,598)
0	(306,152)	(306,152)
<u>0</u>	<u>720,687</u>	<u>720,687</u>
<u>\$ (9,792,381)</u>	<u>\$ 720,687</u>	<u>\$ (9,071,694)</u>
469,200	0	469,200
9,455,443	0	9,455,443
626,631	63,872	690,503
408,522	0	408,522
955,060	1,195,171	2,150,231
195,105	173,442	368,547
(887,370)	887,370	0
<u>11,222,591</u>	<u>2,319,855</u>	<u>13,542,446</u>
1,430,210	3,040,542	4,470,752
45,373,659	73,484,612	118,858,271
<u>\$ 46,803,869</u>	<u>\$ 76,525,154</u>	<u>\$ 123,329,023</u>

**CITY OF BRYAN, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2023**

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 9,422,001	\$ 2,767,943	\$ 5,880,306	\$ 18,070,250
Cash and Cash Equivalents in Segregated Accounts	28,897	0	9,204	38,101
Receivables:				
Taxes	2,369,850	0	373,112	2,742,962
Accounts	23,303	0	226	23,529
Intergovernmental	325,549	0	617,425	942,974
Interest	58,532	0	19,787	78,319
Loans	0	0	651,727	651,727
Interfund Loans Receivable	0	343,907	0	343,907
Inventory of Supplies, at Cost	0	0	79,063	79,063
Prepaid Items	77,837	0	51,923	129,760
<b>Total Assets</b>	<b>\$ 12,305,969</b>	<b>\$ 3,111,850</b>	<b>\$ 7,682,773</b>	<b>\$ 23,100,592</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 273,344	\$ 129,438	\$ 107,834	\$ 510,616
Accrued Wages and Benefits Payable	90,074	0	25,545	115,619
Intergovernmental Payable	27,102	0	2,488	29,590
Interfund Loans Payable	0	0	343,907	343,907
Unearned Revenue	0	0	194,507	194,507
<b>Total Liabilities</b>	<b>390,520</b>	<b>129,438</b>	<b>674,281</b>	<b>1,194,239</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	1,074,036	0	641,981	1,716,017
Property Tax Levy for Next Fiscal Year	454,486	0	0	454,486
<b>Total Deferred Inflows of Resources</b>	<b>1,528,522</b>	<b>0</b>	<b>641,981</b>	<b>2,170,503</b>
<b>Fund Balance:</b>				
Nonspendable	101,775	0	782,713	884,488
Restricted	0	2,982,412	5,583,798	8,566,210
Assigned	3,348,902	0	0	3,348,902
Unassigned	6,936,250	0	0	6,936,250
<b>Total Fund Balance</b>	<b>10,386,927</b>	<b>2,982,412</b>	<b>6,366,511</b>	<b>19,735,850</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 12,305,969</b>	<b>\$ 3,111,850</b>	<b>\$ 7,682,773</b>	<b>\$ 23,100,592</b>

See accompanying notes to the basic financial statements



**CITY OF BRYAN, OHIO**

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***Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
December 31, 2023***

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**Total Governmental Fund Balances** \$ 19,735,850

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

Capital Assets used in governmental activities are not  
resources and therefore are not reported in the funds. 32,735,653

Other long-term assets are not available to pay for current-  
period expenditures and therefore are deferred in the funds. 1,716,017

The net pension/OPEB liability is not due and payable in the current period;  
therefore, the liability and related deferred inflows/outflows are not  
reported in governmental funds:

Deferred Outflows - Pension	3,596,714	
Deferred Inflows - Pension	(539,985)	
Net Pension Liability	(9,443,961)	
Deferred Outflows - OPEB	609,674	
Deferred Inflows - OPEB	(472,776)	
Net OPEB Liability	<u>(460,275)</u>	(6,710,609)

Internal service funds are used by management to charge  
the costs of insurance to individual funds. The assets  
and liabilities of the internal service funds are included in  
governmental activities in the statement of net position. 1,228,663

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	(949,000)	
Compensated Absences Payable	(951,606)	
Accrued Interest Payable	<u>(1,099)</u>	<u>(1,901,705)</u>

***Net Position of Governmental Activities*** **\$ 46,803,869**

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2023**

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 8,877,586	\$ 0	\$ 1,554,918	\$ 10,432,504
Intergovernmental Revenues	614,692	232,825	1,275,735	2,123,252
Charges for Services	361,243	0	93,898	455,141
Licenses and Permits	93,364	0	0	93,364
Investment Earnings	659,773	0	209,237	869,010
Special Assessments	0	1,666	0	1,666
Gifts and Donations	509,305	0	1,200	510,505
Fines and Forfeitures	351,821	0	119,007	470,828
All Other Revenue	138,579	0	56,526	195,105
<b>Total Revenues</b>	<b>11,606,363</b>	<b>234,491</b>	<b>3,310,521</b>	<b>15,151,375</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,370,656	0	1,942,126	4,312,782
Public Health and Welfare	43,527	0	0	43,527
Leisure Time Activities	1,846,127	0	0	1,846,127
Community Environment	0	0	65,690	65,690
Transportation	0	0	1,374,190	1,374,190
General Government	3,866,718	0	372,898	4,239,616
Capital Outlay	0	2,388,923	374,714	2,763,637
Debt Service:				
Principal Retirement	0	0	111,000	111,000
Interest & Fiscal Charges	0	0	14,734	14,734
<b>Total Expenditures</b>	<b>8,127,028</b>	<b>2,388,923</b>	<b>4,255,352</b>	<b>14,771,303</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,479,335	(2,154,432)	(944,831)	380,072
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	14,108	14,108
Transfers In	0	2,028,610	1,068,212	3,096,822
Transfers Out	(2,950,000)	(38,212)	(130,000)	(3,118,212)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,950,000)</b>	<b>1,990,398</b>	<b>952,320</b>	<b>(7,282)</b>
Net Change in Fund Balance	529,335	(164,034)	7,489	372,790
<b>Fund Balance at Beginning of Year</b>	<b>9,857,592</b>	<b>3,146,446</b>	<b>6,359,530</b>	<b>19,363,568</b>
Decrease in Inventory	0	0	(508)	(508)
<b>Fund Balance End of Year</b>	<b>\$ 10,386,927</b>	<b>\$ 2,982,412</b>	<b>\$ 6,366,511</b>	<b>\$ 19,735,850</b>

See accompanying notes to the basic financial statements

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**CITY OF BRYAN, OHIO**

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***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, 2023***

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Net Change in Fund Balances - Total Governmental Funds \$ 372,790

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

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

Capital Outlay	3,128,669	
Depreciation Expense	(1,940,236)	1,188,433

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net position.

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.		(54,691)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		354,196
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:

Pension	698,954	
OPEB	8,723	707,677

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

Pension	(1,318,854)	
OPEB	173,351	(1,145,503)

The issuance of long-term debt (e.g. notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

General Obligation Bond Principal Payment		111,000
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(Continued)

**CITY OF BRYAN, OHIO**

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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 129

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(51,972)	
Change in Inventory	(508)	(52,480)

Internal Service Funds used by management to charge the costs of services to individual funds are not reported in the statement of activities. Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.

(51,341)

***Change in Net Position of Governmental Activities***

\$ 1,430,210

See accompanying notes to the basic financial statements

**CITY OF BRYAN, 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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,067,694	\$ 1,115,220	\$ 1,095,691	\$ (19,529)
Intergovernmental Revenue	664,301	693,871	621,420	(72,451)
Charges for Services	277,953	290,325	323,439	33,114
Licenses and Permits	53,278	55,650	89,555	33,905
Investment Earnings	287,215	300,000	642,784	342,784
Gifts and Donations	481,061	502,474	509,305	6,831
Fines and Forfeitures	349,924	365,500	349,156	(16,344)
All Other Revenues	16,944	17,699	36,086	18,387
Total Revenues	<u>3,198,370</u>	<u>3,340,739</u>	<u>3,667,436</u>	<u>326,697</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,262,109	2,413,042	2,377,312	35,730
Public Health and Welfare	74,996	80,000	43,752	36,248
Leisure Time Activities	1,824,595	1,946,336	1,893,609	52,727
General Government	4,238,686	4,521,501	3,573,058	948,443
Total Expenditures	<u>8,400,386</u>	<u>8,960,879</u>	<u>7,887,731</u>	<u>1,073,148</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,202,016)	(5,620,140)	(4,220,295)	1,399,845
<b>Other Financing Sources (Uses):</b>				
Transfers In	3,000,000	3,500,000	3,500,000	0
Total Other Financing Sources (Uses):	<u>3,000,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>0</u>
Net Change in Fund Balance	(2,202,016)	(2,120,140)	(720,295)	1,399,845
Fund Balance at Beginning of Year	2,158,115	2,158,115	2,158,115	0
Prior Year Encumbrances	453,377	453,377	453,377	0
Fund Balance at End of Year	<u>\$ 409,476</u>	<u>\$ 491,352</u>	<u>\$ 1,891,197</u>	<u>\$ 1,399,845</u>

See accompanying notes to the basic financial statements

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**CITY OF BRYAN, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2023**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Electric Operating
<b>Assets:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 4,065,832	\$ 2,775,024	\$ 17,381,951
Accounts Receivable	404,136	309,323	2,403,763
Interest Receivable	17,879	9,980	72,630
Inventory of Supplies at Cost	144,131	19,941	1,398,254
Prepaid Items	34,146	39,945	388,373
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	0	1,750	0
<b>Total Current Assets</b>	<b>4,666,124</b>	<b>3,155,963</b>	<b>21,644,971</b>
Noncurrent Assets:			
Investment in Joint Venture	0	0	647,329
Capital Assets, Net	8,803,836	19,068,539	24,906,823
<b>Total Noncurrent Assets</b>	<b>8,803,836</b>	<b>19,068,539</b>	<b>25,554,152</b>
<b>Total Assets</b>	<b>13,469,960</b>	<b>22,224,502</b>	<b>47,199,123</b>
<b>Deferred Outflows of Resources:</b>			
Pension	633,118	338,239	1,628,512
OPEB	103,307	55,191	263,625
<b>Total Deferred Outflows of Resources</b>	<b>736,425</b>	<b>393,430</b>	<b>1,892,137</b>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts Payable	79,222	471,782	1,802,272
Accrued Wages and Benefits	16,608	10,903	47,308
Intergovernmental Payable	6,853	15,524	77,401
Claims Payable	0	0	0
Matured Bonds and Interest Payable	0	1,750	0
Accrued Interest Payable	13,157	0	11,171
Compensated Absences Payable - Current	50,165	36,813	173,932
Revenue Bond Payable - Current	108,781	0	92,360
OWDA Loans Payable - Current	35,218	213,824	0
<b>Total Current Liabilities</b>	<b>310,004</b>	<b>750,596</b>	<b>2,204,444</b>



**CITY OF BRYAN, OHIO**

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Non Major		
Other Enterprise Funds	Total	Governmental Activities - Internal Service Fund
\$ 2,296,304	\$ 26,519,111	\$ 1,818,932
127,105	3,244,327	0
9,680	110,169	7,667
0	1,562,326	0
12,174	474,638	0
0	1,750	0
2,445,263	31,912,321	1,826,599
0	647,329	0
1,969,917	54,749,115	0
1,969,917	55,396,444	0
4,415,180	87,308,765	1,826,599
167,504	2,767,373	0
27,332	449,455	0
194,836	3,216,828	0
76,135	2,429,411	0
10,882	85,701	0
0	99,778	0
0	0	222,008
0	1,750	0
0	24,328	0
35,101	296,011	0
0	201,141	0
0	249,042	0
122,118	3,387,162	222,008

(Continued)

**CITY OF BRYAN, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2023**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Electric Operating
Noncurrent Liabilities:			
Revenue Bonds Payable	1,092,734	0	927,787
OWDA Loans Payable	171,369	802,016	0
Compensated Absences Payable	156,149	105,411	511,614
Net Pension Liability	1,573,132	840,431	4,014,401
Net OPEB Liability	34,868	18,628	88,979
Total Noncurrent Liabilities	3,028,252	1,766,486	5,542,781
<b>Total Liabilities</b>	<b>3,338,256</b>	<b>2,517,082</b>	<b>7,747,225</b>
<b>Deferred Inflows of Resources:</b>			
Pension	22,424	11,978	57,219
OPEB	11,499	6,144	29,346
<b>Total Deferred Inflows of Resources</b>	<b>33,923</b>	<b>18,122</b>	<b>86,565</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	7,404,544	17,645,255	23,693,107
Unrestricted	3,429,662	2,437,473	17,564,363
<b>Total Net Position</b>	<b>\$ 10,834,206</b>	<b>\$ 20,082,728</b>	<b>\$ 41,257,470</b>

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds

Net Position of Business-type Activities

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

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<u>Non Major</u>		
Other Enterprise Funds	Total	Governmental Activities - Internal Service Fund
0	2,020,521	0
0	973,385	0
78,674	851,848	0
416,200	6,844,164	0
9,227	151,702	0
<u>504,101</u>	<u>10,841,620</u>	<u>0</u>
<u>626,219</u>	<u>14,228,782</u>	<u>222,008</u>
5,933	97,554	0
3,042	50,031	0
<u>8,975</u>	<u>147,585</u>	<u>0</u>
1,969,917	50,712,823	0
2,004,905	25,436,403	1,604,591
<u>\$ 3,974,822</u>	<u>\$ 76,149,226</u>	<u>\$ 1,604,591</u>
	375,928	
	<u>\$ 76,525,154</u>	

**CITY OF BRYAN, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2023**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Electric Operating
<b>Operating Revenues:</b>			
Charges for Services	\$ 2,752,917	\$ 2,019,037	\$ 16,997,313
Other Operating Revenues	11,201	193,300	357,635
<b>Total Operating Revenues</b>	<b>2,764,118</b>	<b>2,212,337</b>	<b>17,354,948</b>
<b>Operating Expenses:</b>			
Personal Services	1,590,292	881,071	3,791,684
Contractual Services	393,323	327,571	12,556,801
Materials and Supplies	212,341	134,327	351,350
Health Insurance Claims	0	0	0
Depreciation	308,201	792,439	1,140,460
Other Operating Expenses	3,269	0	118,910
<b>Total Operating Expenses</b>	<b>2,507,426</b>	<b>2,135,408</b>	<b>17,959,205</b>
<b>Operating Income (Loss)</b>	<b>256,692</b>	<b>76,929</b>	<b>(604,257)</b>
<b>Non-Operating Revenue (Expenses):</b>			
Interest Income	183,580	106,215	800,592
Interest and Fiscal Charges	(33,304)	(36,091)	(22,341)
Income from Joint Venture	0	0	54,857
Gain (Loss) on Disposal of Capital Assets	9,863	(15,478)	(17,398)
Other Local Taxes	0	0	63,872
Other Nonoperating Revenue	8,749	861	216,478
<b>Total Non-Operating Revenues (Expenses)</b>	<b>168,888</b>	<b>55,507</b>	<b>1,096,060</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>425,580</b>	<b>132,436</b>	<b>491,803</b>
<b>Transfers and Contributions:</b>			
Transfers In	0	50,000	0
Transfers Out	0	(28,610)	0
Capital Contributions	0	2,100,266	0
<b>Total Transfers and Contributions</b>	<b>0</b>	<b>2,121,656</b>	<b>0</b>
<b>Change in Net Position</b>	<b>425,580</b>	<b>2,254,092</b>	<b>491,803</b>
<b>Net Position Beginning of Year</b>	<b>10,408,626</b>	<b>17,828,636</b>	<b>40,765,667</b>
<b>Net Position End of Year</b>	<b>\$ 10,834,206</b>	<b>\$ 20,082,728</b>	<b>\$ 41,257,470</b>

Change in Net Position - Total Enterprise Funds

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds

Change in Net Position - Business-type Activities

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

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Non Major		
Other Enterprise Funds	Total	Governmental Activities - Internal Service Fund
\$ 758,818	\$ 22,528,085	\$ 3,446,619
1,900	564,036	0
<u>760,718</u>	<u>23,092,121</u>	<u>3,446,619</u>
100,006	6,363,053	0
378,159	13,655,854	0
38,688	736,706	0
0	0	3,691,947
334,018	2,575,118	0
482	122,661	0
<u>851,353</u>	<u>23,453,392</u>	<u>3,691,947</u>
(90,635)	(361,271)	(245,328)
104,784	1,195,171	86,050
0	(91,736)	0
0	54,857	0
(98,085)	(121,098)	0
0	63,872	0
60,940	287,028	0
<u>67,639</u>	<u>1,388,094</u>	<u>86,050</u>
(22,996)	1,026,823	(159,278)
0	50,000	0
0	(28,610)	0
0	2,100,266	0
<u>0</u>	<u>2,121,656</u>	<u>0</u>
(22,996)	3,148,479	(159,278)
3,997,818	73,000,747	1,763,869
<u>\$ 3,974,822</u>	<u>\$ 76,149,226</u>	<u>\$ 1,604,591</u>
	\$ 3,148,479	
	(107,937)	
	<u>\$ 3,040,542</u>	

**CITY OF BRYAN, OHIO**

**Statement of Cash Flows  
Proprietary Funds**

**For the Year Ended December 31, 2023**

	Business Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Electric Operating
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Customers	\$2,770,349	\$2,209,285	\$18,901,810
Cash Payments for Goods and Services	(557,713)	(397,654)	(12,965,467)
Cash Payments to Employees	(1,456,835)	(809,680)	(3,683,320)
Net Cash Provided (Used) by Operating Activities	<u>755,801</u>	<u>1,001,951</u>	<u>2,253,023</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Other Local Taxes	0	0	63,872
Transfers In from Other Funds	0	50,000	0
Transfers Out to Other Funds	0	(28,610)	0
Advances Out to Other Funds	0	(839,294)	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>(817,904)</u>	<u>63,872</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Proceeds from the Sale of Assets	10,450	0	0
Capital Contributions	0	1,510,330	56,700
OWDA Loan Retirement	(61,432)	(207,389)	0
Lease Retirement	0	0	0
Interest and Fiscal Charges	(33,304)	(36,091)	(22,341)
Acquisition and Construction of Assets	(346,141)	(2,131,163)	(1,221,738)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(430,427)</u>	<u>(864,313)</u>	<u>(1,187,379)</u>
<b><u>Cash Flows from Investing Activities:</u></b>			
Receipts of Interest	177,506	103,137	776,345
Net Cash Provided by Investing Activities	<u>177,506</u>	<u>103,137</u>	<u>776,345</u>
Net Increase (Decrease) in Cash and Cash Equivalents	502,880	(577,129)	1,905,861
Cash and Cash Equivalents at Beginning of Year	3,562,952	3,353,903	15,476,090
Cash and Cash Equivalents at End of Year	<u>\$4,065,832</u>	<u>\$2,776,774</u>	<u>\$17,381,951</u>
<b><u>Reconciliation of Cash and</u></b>			
<b><u>Cash Equivalents per the Statement of Net Position:</u></b>			
Cash and Cash Equivalents	\$4,065,832	\$2,775,024	\$17,381,951
Cash with Fiscal Agent	0	1,750	0
Cash and Cash Equivalents at End of Year	<u>\$4,065,832</u>	<u>\$2,776,774</u>	<u>\$17,381,951</u>

**CITY OF BRYAN, OHIO**

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Non Major Other Enterprise Funds	Total	Governmental- Activities Internal Service Fund
\$769,000	\$24,650,444	\$3,446,619
(356,814)	(14,277,648)	(3,686,433)
(372,880)	(6,322,715)	0
39,306	4,050,081	(239,814)
0	63,872	0
0	50,000	0
0	(28,610)	0
0	(839,294)	0
0	(754,032)	0
122,202	132,652	0
0	1,567,030	0
0	(268,821)	0
(9,328)	(9,328)	0
0	(91,736)	0
(99,715)	(3,798,757)	0
13,159	(2,468,960)	0
101,867	1,158,855	84,616
101,867	1,158,855	84,616
154,332	1,985,944	(155,198)
2,141,972	24,534,917	1,974,130
<u>\$2,296,304</u>	<u>\$26,520,861</u>	<u>\$1,818,932</u>
\$2,296,304	\$26,519,111	\$1,818,932
0	1,750	0
<u>\$2,296,304</u>	<u>\$26,520,861</u>	<u>\$1,818,932</u>

(Continued)

**CITY OF BRYAN, OHIO**

**Statement of Cash Flows  
Proprietary Funds**

**For the Year Ended December 31, 2023**

	Business Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Electric Operating
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$256,692	\$76,929	(\$604,257)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	308,201	792,439	1,140,460
Non-Operating Revenue	6,576	867	718,192
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
(Increase) Decrease in Accounts Receivable	(345)	(3,919)	202,039
Increase in Inventory	(307)	(740)	(74,867)
(Increase) Decrease in Prepaids	(2,580)	(5,152)	(69,783)
Decrease in Net OPEB Asset	170,123	90,013	458,712
Increase in Deferred Outflows of Resources	(549,290)	(294,412)	(1,342,618)
Increase in Accounts Payable	52,096	55,623	818,609
Increase in Accrued Wages and Benefits	4,976	1,688	5,425
Increase in Claims Payable	0	0	0
Increase (Decrease) in Intergovernmental Payable	3,983	15,106	19,259
Increase (Decrease) in Compensated Absences	47,335	22,508	(17,146)
Increase in Net Pension Liability	1,123,020	602,272	2,800,734
Increase in Net OPEB Liability	34,868	18,628	88,979
Decrease in Deferred Inflows of Resources	(699,547)	(369,899)	(1,890,715)
Total Adjustments	499,109	925,022	2,857,280
Net Cash Provided (Used) by Operating Activities	<u>\$755,801</u>	<u>\$1,001,951</u>	<u>\$2,253,023</u>

Schedule of Noncash Investing, Capital, and Financing Activities:

During 2023 the Sewer Fund received capital contributions from Governmental Funds in the amount of \$865,980.

See accompanying notes to the basic financial statements



**CITY OF BRYAN, OHIO**

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Non Major		Governmental- Activities
Other Enterprise Funds	Total	Internal Service Fund
(\$90,635)	(\$361,271)	(\$245,328)
334,018	2,575,118	0
4,366	730,001	0
3,916	201,691	0
0	(75,914)	0
6,092	(71,423)	0
105,222	824,070	0
(79,087)	(2,265,407)	0
60,260	986,588	0
1,145	13,234	0
0	0	5,514
(35)	38,313	0
(5,149)	47,548	0
137,797	4,663,823	0
9,227	151,702	0
(447,831)	(3,407,992)	0
129,941	4,411,352	5,514
\$39,306	\$4,050,081	(\$239,814)

**CITY OF BRYAN, OHIO**

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***Statement of Net Position***  
***Fiduciary Fund***  
***December 31, 2023***

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	<u>Custodial Fund</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 55,573
<b>Total Assets</b>	<u>55,573</u>
<b>Liabilities:</b>	
Due to Others	<u>55,573</u>
<b>Total Liabilities</b>	<u>55,573</u>
<b>Net Position:</b>	
<b>Total Net Position</b>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

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***Statement of Changes in Net Position  
Fiduciary Fund  
For the Year Ended December 31, 2023***

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	<u>Custodial Fund</u>
<b>Additions:</b>	
Fines and Forfeiture Collections for other Governments	\$ 1,107,438
Total Additions	<u>1,107,438</u>
<b>Deductions:</b>	
Distribution of Fines and Forfeitures to other Governments	<u>1,107,438</u>
Total Deductions	<u>1,107,438</u>
Change in Net Position	0
Net Position at Beginning of Year	0
Net Position End of Year	<u>\$ 0</u>

See accompanying notes to the basic financial statements

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Bryan, Ohio (the "City") is a body corporate and politic established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio and its charter. Bryan was first incorporated as a city on March 21, 1852 and achieved city status on April 28, 1965. The City currently operates under and is governed by its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted in 1964.

The financial statements are presented as of December 31, 2023 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

#### **A. Reporting Entity**

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

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

#### **1. Joint Ventures with Equity Interest:**

*Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV-5)* - OMEGA JV-5 was organized by 42 subdivisions of the State of Ohio (the participants) on April 20, 1993 pursuant to a joint venture agreement under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. Its purpose is to undertake the Belleville Hydroelectric Project. The participants are members of American Municipal Power, Inc.

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **A. Reporting Entity (Continued)**

###### **1. Joint Ventures with Equity Interest: (Continued)**

*Ohio Municipal Electric Generation Agency Joint Venture 4 (OMEGA JV-4)* - OMEGA JV-4 was organized by the City of Bryan, the Villages of Edgerton, Montpelier, and Pioneer (the participants) on December 1, 1995 pursuant to a joint venture agreement under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. Its purpose is to link the electric systems of the participants and to provide electric transmission service to the Village of Holiday City.

###### **2. Joint Venture without Equity Interest:**

*Multi-Area Narcotics Task Force* - The City of Bryan is a member of a drug task force which is a joint venture between Defiance, Paulding, and Putnam Counties and the Cities of Defiance and Bryan. The purpose of the drug task force is to act as a joint task force in the fight against narcotics.

###### **3. Jointly Governed Organizations:**

*Maumee Valley Planning Organization* - The City is a member of the Maumee Valley Planning Organization (MVPO), which is a jointly governed organization between Defiance, Fulton, Henry, Paulding, and Williams Counties and the respective townships and municipalities in each of those counties. The purpose of the MVPO is to act as a joint regional planning commission to write and administer Community Development Block Grants (CDBG) and help with housing rehabilitation in the area.

*American Municipal Power, Inc (AMP)* – AMP is an Ohio not for profit corporation organized to provide electric capacity and energy and to furnish other services to its members. AMP is a membership organization comprised of 135 members throughout nine states. AMP purchases and generates electric capacity and energy for sale to its members.

The City's participation in these joint ventures and jointly governed organizations is further disclosed in Note 13 to the basic financial statements.

##### **B. Basis of Presentation - Fund Accounting**

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

## *CITY OF BRYAN, OHIO*

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### *Notes to the Basic Financial Statements For the Year Ended December 31, 2023*

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **B. Basis of Presentation - Fund Accounting** (Continued)

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

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

The following are the City's major governmental funds:

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

Capital Improvement Fund – This fund is used to account for financial resources used for capital purchases and capital projects undertaken by the City.

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## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **B. Basis of Presentation - Fund Accounting** (Continued)

###### ***Proprietary Funds***

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

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

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

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

Electric Operating Fund – This fund is used to account for the City's electric distribution services.

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City's internal service fund accounts for the activities of the self insurance program for employee health care benefits.

***Fiduciary Funds*** - These funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's only fiduciary fund is a custodial fund. This fund is used to account for the collection and distribution of municipal court fines and forfeitures.

##### **C. Basis of Presentation – Financial Statements**

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

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **C. Basis of Presentation – Financial Statements** (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

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

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



## *CITY OF BRYAN, OHIO*

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### *Notes to the Basic Financial Statements For the Year Ended December 31, 2023*

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **D. Basis of Accounting**

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

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the modified accrual basis when the exchange takes place and the resources are available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenue considered susceptible to accrual at year end includes income taxes, interest on investments, state levied locally shared taxes (including motor vehicle license fees and local government assistance). Licenses, permits, charges for service and other miscellaneous revenues are recorded as revenue when received in cash because generally this revenue is not measurable until received.

Property taxes measurable as of December 31, 2023 but which are not intended to finance 2023 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 4.

The accrual basis of accounting is utilized for reporting purposes by the Government-wide financial statements, proprietary funds and custodial funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

## *CITY OF BRYAN, OHIO*

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### *Notes to the Basic Financial Statements For the Year Ended December 31, 2023*

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **E. Budgetary Process**

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

All funds other than custodial funds are legally required to be budgeted and appropriated; however, only the General and Major Special Revenue funds are required to be reported. The legal level of budgetary control is at the fund, department and object level. Budgetary modifications may only be made by ordinance of the City Council.

##### **1. Estimated Resources**

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2023.

##### **2. Appropriations**

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level for all funds and may be modified during the year by Ordinance of City Council.

## *CITY OF BRYAN, OHIO*

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### *Notes to the Basic Financial Statements For the Year Ended December 31, 2023*

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **E. Budgetary Process** (Continued)

##### 2. Appropriations (Continued)

Total fund appropriations may not exceed the current estimated resources certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the fund, department, and object level. Administrative control is maintained through the establishment of more detailed line-item budgets. Appropriations may be moved from one line-item account to another within the legal level of control without approval of City Council; however, the Mayor and Council President must approve the change. The City Clerk/Treasurer maintains an accounting of the line-item expenditures to insure that the total expenditures within a department by object do not exceed approved appropriations. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual for the General Fund" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

##### 3. Lapsing of Appropriations

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

##### 4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities.

##### 5. Budgetary Basis of Accounting

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

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**5. Budgetary Basis of Accounting (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	\$529,335
Increase (Decrease):	
Accrued Revenues at December 31, 2023 received during 2024	(1,277,609)
Accrued Revenues at December 31, 2022 received during 2023	1,386,594
Accrued Expenditures at December 31, 2023 paid during 2024	390,520
Accrued Expenditures at December 31, 2022 paid during 2023	(213,679)
2022 Prepays for 2023	73,760
2023 Prepays for 2024	(77,837)
Outstanding Encumbrances	(353,127)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	(1,178,252)
Budget Basis	(\$720,295)

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). The amounts in STAR Ohio are considered cash equivalents because they are highly liquid investments with original maturity dates of three months or less.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each maintains its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' share of equity in STAR Ohio is considered to be cash equivalents. See Note 3, "Cash, Cash Equivalents and Investments."

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 3, "Cash, Cash Equivalents and Investments." Investment earnings of \$197,044 earned by other funds were credited to the general fund as required by local statute.

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their 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 a NAV per share that approximates fair value. For fiscal year 2023, 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

##### **H. Inventory**

On the government-wide financial statements and in the proprietary funds, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

##### **I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000.

**1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at acquisition value at the date received. Capital assets include land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

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

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at acquisition value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

**3. Depreciation**

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Buildings	20 - 40
Improvements other than Buildings	50
Infrastructure	15-75
Machinery and Equipment	5 - 20

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Long-Term Obligations**

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Police and Fire Building Debt Retirement Fund
Revenue Bonds	Water Fund, Electric Operating Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund, Fire Department Fund, Refuse Collection Fund, Water Fund, Sewer Fund, Electric Fund, Communication Operations Fund
Ohio Water Development Authority Loans Payable	Water Fund, Sewer Fund
Leases	Communication Operations Fund

**L. Compensated Absences**

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net position, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

Compensated absences are expensed in the water, sewer, refuse, electric, and communication operations enterprise funds when earned, and the related liability is reported within the fund.



## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **M. Net Position**

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

##### **N. Fund Balances**

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

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

*Restricted* – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts. The City has no fund balances reported as committed at December 31, 2023.

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

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

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



## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **O. Pension/OPEB**

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

##### **P. Interfund Activity**

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

##### **Q. Restricted Assets**

Certain proceeds of enterprise fund bonds, as well as certain resources set aside for their repayment, are classified as restricted assets in the financial statements because their use is limited for debt service payments.

##### **R. Operating Revenues and Expenses**

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

##### **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 and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items to report during 2023.

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **T. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. For the City, deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 9 and 10.

##### **U. Settlement Monies**

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of \$11,064 are reflected as miscellaneous revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

**NOTE 2 – FUND BALANCE CLASSIFICATION**

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

Fund Balances	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Loans Receivable	\$0	\$0	\$651,727	\$651,727
Prepaid Items	77,837	0	51,923	129,760
Supplies Inventory	0	0	79,063	79,063
Unclaimed Funds	23,938	0	0	23,938
<b>Total Nonspendable</b>	<b>101,775</b>	<b>0</b>	<b>782,713</b>	<b>884,488</b>
Restricted:				
Street Improvements	0	0	1,432,711	1,432,711
Court Computer Improvements	0	0	160,926	160,926
Community Development and Improvement	0	0	434,785	434,785
Pollution Remediation	0	0	55,000	55,000
Drug and Alcohol Treatment and Education	0	0	443,929	443,929
Court Special Projects	0	0	421,209	421,209
Adult Probation Program	0	0	104,708	104,708
Law Enforcement	0	0	22,363	22,363
Railroad Crossing Improvement	0	0	1,000	1,000
Fire Department Operations	0	0	1,738,969	1,738,969
Fire Vehicle Purchase	0	0	661,688	661,688
Debt Service Payments	0	0	70,503	70,503
Capital Acquisition and Construction	0	2,982,412	36,007	3,018,419
<b>Total Restricted</b>	<b>0</b>	<b>2,982,412</b>	<b>5,583,798</b>	<b>8,566,210</b>
Assigned:				
Budget Resource	3,024,888	0	0	3,024,888
Supplies and Services	324,014	0	0	324,014
<b>Total Assigned</b>	<b>3,348,902</b>	<b>0</b>	<b>0</b>	<b>3,348,902</b>
Unassigned:				
	6,936,250	0	0	6,936,250
<b>Total Fund Balances</b>	<b>\$10,386,927</b>	<b>\$2,982,412</b>	<b>\$6,366,511</b>	<b>\$19,735,850</b>

## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, and government national mortgage association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

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**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**A. Deposits**

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

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year end the carrying amount of the City’s deposits was \$24,317,910 and the bank balance was \$25,777,553. Federal depository insurance covered \$613,357 of the bank balance and \$25,164,196 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the City’s name and securities held in the Ohio Pooled Collateral System.

At year end the City had \$3,270 in undeposited cash on hand which is included as part of “equity in pooled cash and cash equivalents.”

**B. Investments**

The City's investments at December 31, 2023 are summarized below:

	<u>Fair Value<sup>2</sup></u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>		
			<u>less than 1</u>	<u>1-3</u>	<u>3-5</u>
STAR Ohio	\$22,182,537	AAAm <sup>1</sup>	\$22,182,537	\$0	\$0
Total Investments	<u>\$22,182,537</u>		<u>\$22,182,537</u>	<u>\$0</u>	<u>\$0</u>

<sup>1</sup> Standard & Poor’s

<sup>2</sup> Reported at amortized cost

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

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**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**B. Investments** (Continued)

*Interest Rate Risk* – The City’s investment policy limits security purchases to those that mature within two years from the date of purchase.

*Custodial Credit Risk* - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with custodial credit risk beyond the requirements of State statute which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee and ORC 135.14(E) which requires that securities subject to repurchase be delivered to the government or the government’s agent.

*Concentration of Credit Risk* – With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City’s total investment portfolio may be invested in a single security type or with a single financial institution.

**C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. STAR Ohio is treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the financial statements and the classifications per items A and B of this note are as follows:

	Cash and Cash Equivalents	Investments
Per Financial Statements	\$46,503,717	\$0
Less: Petty Cash	(3,270)	
Investments:		
STAR Ohio	(22,182,537)	22,182,537
Per GASB Statement No. 3	\$24,317,910	\$22,182,537

## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 4 - TAXES**

##### **A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2023 were levied after October 1, 2022 on assessed values as of January 1, 2022, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2018. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Bryan. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2023 was \$2.80 per \$1,000 of assessed value. The assessed value upon which the 2023 levy was based was \$189,417,200. This amount constitutes \$187,547,450 in real property assessed value and \$1,869,750 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .280% (2.80 mills) of assessed value.

##### **B. Income Tax**

The City levies a tax of 1.8% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

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

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

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**NOTE 5 – INTERFUND ACTIVITY**

**A. Interfund Loans**

Individual interfund balances at December 31, 2023 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
Capital Improvement Fund	\$343,907	\$0
Other Governmental Funds	0	343,907
Totals	\$343,907	\$343,907

**B. Transfers**

Following is a summary of transfers in and out for all funds for 2023:

Fund	Transfer In	Transfer Out
<b>Governmental Funds</b>		
General Fund	\$0	\$2,950,000
Capital Improvement Fund	2,028,610	38,212
Other Governmental Funds	1,068,212	130,000
Total Governmental Funds	3,096,822	3,118,212
<b>Proprietary Funds</b>		
Sewer Fund	50,000	28,610
Total Proprietary Funds	50,000	28,610
Totals	\$3,146,822	\$3,146,822

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; to return money to the fund from which it was originally provided once a project is completed; and to transfer capital assets.

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2023 consisted of taxes, accounts, loans, interest, and intergovernmental receivables arising from shared revenues.



**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023***

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**NOTE 7 – TAX ABATEMENTS**

The City provides tax incentives under two (2) programs. The Community Reinvestment Area (CRA) and the Economic Development Job Creation and Retention Program.

***Real Estate Tax Abatement***

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment Area. The City authorizes incentives through passage of public ordinances, based upon each businesses investment criteria and through a contractual application process with each business. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient’s property tax bill. The establishment of the Community Reinvestment Area gave the City the ability to maintain and expand business located within the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements in specified areas.

The City has offered the CRA abatements to encourage economic stability, maintain property values, and generate new employment opportunities and population growth.

Below is the information relevant to the disclosure of this program for the year ending December 31, 2023.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated For the year 2023</u>
<i>Community Reinvestment Area (CRA)</i>	
Manufacturing/Retail	<u>\$7,579</u>
	<u><u>\$7,579</u></u>

***Income Tax Abatement Program***

The City created the Bryan Municipal Job Creation Income Tax Incentive Program in 2007. The purpose of the program is to maintain the City’s competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Ohio Revised Code 718 and the applicable City ordinance, the City provides an incentive to the company based upon the company’s gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained by the business. The abatement is administered as a refund based upon the company’s payroll taxes. Also, the time period of the incentive in years, is determined by how many new jobs are created by the company. The tax abatement incentive to a new business or expanding business with new payroll of a minimum of \$200,000 is at a percentage up to 50% of income tax paid on new payroll for a period of 3 to 10 years. There is one business with an active tax abatement agreement in place; however, no taxes were abated in 2023.

**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

**NOTE 8 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2023:

**Historical Cost:**

Class	December 31, 2022	Additions	Deletions	December 31, 2023
<b>Capital assets not being depreciated:</b>				
Land	\$5,133,301	\$0	(\$1,500)	\$5,131,801
Construction in Progress	271,838	632,276	(271,838)	632,276
Subtotal	5,405,139	632,276	(273,338)	5,764,077
<b>Capital assets being depreciated:</b>				
Buildings	19,296,051	478,860	0	19,774,911
Improvements Other than Buildings	5,120,445	197,563	0	5,318,008
Infrastructure	22,616,209	1,425,413	(168,329)	23,873,293
Machinery and Equipment	8,014,133	666,395	(278,141)	8,402,387
Total Cost	<u>\$60,451,977</u>	<u>\$3,400,507</u>	<u>(\$719,808)</u>	<u>\$63,132,676</u>

**Accumulated Depreciation:**

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Buildings	(\$8,515,578)	(\$459,680)	\$0	(\$8,975,258)
Improvements Other than Buildings	(3,050,291)	(193,988)	0	(3,244,279)
Infrastructure	(11,833,885)	(926,974)	165,607	(12,595,252)
Machinery and Equipment	(5,450,312)	(359,594)	227,672	(5,582,234)
Total Accumulated Depreciation	<u>(\$28,850,066)</u>	<u>(\$1,940,236) *</u>	<u>\$393,279</u>	<u>(\$30,397,023)</u>

**Net Value:**

<u>\$31,601,911</u>	<u>\$32,735,653</u>
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\* Depreciation was charged to governmental functions as follows:

Security of Persons and Property	\$392,623
Public Health and Welfare	4,560
Leisure Time Activities	212,345
Transportation	1,050,921
General Government	279,787
Total Depreciation Expense	<u>\$1,940,236</u>

**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

**NOTE 8 - CAPITAL ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by Category at December 31, 2023:

***Historical Cost:***

Class	December 31, 2022	Additions	Deletions	December 31, 2023
<b><i>Capital assets not being depreciated:</i></b>				
Land	\$2,353,205	\$0	\$0	\$2,353,205
Construction in Progress	4,553,645	2,867,995	(1,633,234)	5,788,406
Subtotal	<u>6,906,850</u>	<u>2,867,995</u>	<u>(1,633,234)</u>	<u>8,141,611</u>
<b><i>Capital assets being depreciated:</i></b>				
Buildings and Improvements	22,401,568	23,700	0	22,425,268
Infrastructure	43,336,708	3,333,519	(576,614)	46,093,613
Leased Infrastructure	43,964	0	0	43,964
Machinery and Equipment	52,538,807	518,850	(517,854)	52,539,803
Total Cost	<u>\$125,227,897</u>	<u>\$6,744,064</u>	<u>(\$2,727,702)</u>	<u>\$129,244,259</u>

***Accumulated Depreciation:***

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Buildings and Improvements	(\$12,067,581)	(\$628,600)	\$0	(\$12,696,181)
Infrastructure	(18,740,009)	(1,138,075)	569,763	(19,308,321)
Leased Infrastructure	(34,636)	(9,328)	0	(43,964)
Machinery and Equipment	(41,918,518)	(799,115)	270,955	(42,446,678)
Total Accumulated Depreciation	<u>(\$72,760,744)</u>	<u>(\$2,575,118)</u>	<u>\$840,718</u>	<u>(\$74,495,144)</u>

***Net Value:***

\$52,467,153

\$54,749,115

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023***

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS 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. Effective January 1, 2022, the Combined Plan is no longer available for member selection. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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.

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

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**NOTE 9 – 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 1.0% 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.

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. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
<b>2023 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2023 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$849,435 for 2023.

## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF 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 participating in the DROP program have separate eligibility requirements related to COLA.

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.

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



**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

	Police	Firefighters
<b>2023 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
<b>2023 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$353,556 for 2023.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	\$11,534,205	\$4,753,920	\$16,288,125
Proportion of the Net Pension Liability-2023	0.039046%	0.050046%	
Proportion of the Net Pension Liability-2022	0.040603%	0.049796%	
Percentage Change	(0.001557%)	0.000250%	
Pension Expense	\$1,572,073	\$517,634	\$2,089,707



**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$121,854	\$428,784	\$550,638
Differences between expected and actual experience	383,120	71,307	454,427
Net difference between projected and actual earnings on pension plan investments	3,287,612	692,114	3,979,726
Change in proportionate share	27,253	149,052	176,305
City contributions subsequent to the measurement date	<u>849,435</u>	<u>353,556</u>	<u>1,202,991</u>
Total Deferred Outflows of Resources	<u>\$4,669,274</u>	<u>\$1,694,813</u>	<u>\$6,364,087</u>
<b>Deferred Inflows of Resources</b>			
Changes in assumptions	\$0	\$92,700	\$92,700
Differences between expected and actual experience	0	108,305	108,305
Change in proportionate share	<u>164,406</u>	<u>272,128</u>	<u>436,534</u>
Total Deferred Inflows of Resources	<u>\$164,406</u>	<u>\$473,133</u>	<u>\$637,539</u>

\$1,202,991 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2024	\$362,287	\$18,987	\$381,274
2025	714,931	188,870	903,801
2026	967,703	262,102	1,229,805
2027	1,610,512	408,145	2,018,657
2028	<u>0</u>	<u>(9,980)</u>	<u>(9,980)</u>
Total	<u>\$3,655,433</u>	<u>\$868,124</u>	<u>\$4,523,557</u>

**Actuarial Assumptions - OPERS**

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

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

The total pension liability in the December 31, 2022 and December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2022
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2023. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2021
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2022. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

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

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

During 2022, 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 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the 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 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 estate 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. Best estimates of geometric rates of return were provided by the Board's investment consultant.

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2023**

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other Investments	5.00	3.27
Total	<u>100.00 %</u>	

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$17,277,855	\$11,534,205	\$6,756,520

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Actuarial Assumptions – OPF**

OPF’s total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2022, compared with January 1, 2021, are presented below.

	January 1, 2022	January 1, 2021
Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

\* levered 2.5x

Note: Assumptions are geometric

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’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 1.25 times due to the application of leverage in certain fixed income asset classes.

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023***

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2021 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$6,271,342	\$4,753,920	\$3,492,493

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## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 10 - DEFINED BENEFIT OPEB PLANS**

##### ***Net OPEB Liability (Asset)***

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

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

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

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

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

##### ***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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



## *CITY OF BRYAN, OHIO*

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### *Notes to the Basic Financial Statements For the Year Ended December 31, 2023*

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#### **NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

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.

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.



## *CITY OF BRYAN, OHIO*

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### *Notes to the Basic Financial Statements For the Year Ended December 31, 2023*

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#### **NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. 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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. See OPERS' Annual Comprehensive Financial Report 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. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2023. 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 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2023.

## *CITY OF BRYAN, OHIO*

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### *Notes to the Basic Financial Statements For the Year Ended December 31, 2023*

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#### **NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75. OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

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

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023***

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

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 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded 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.

The City's contractually required contribution to OP&F was \$8,723 for 2023.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$255,661	\$356,316	\$611,977
Proportion of the Net OPEB Liability-2023	0.040547%	0.050046%	
Proportion of the Net OPEB Liability-2022	0.042628%	0.049796%	
Percentage Change	<u>(0.002081%)</u>	<u>0.000250%</u>	
OPEB Expense	(\$501,710)	\$27,739	(\$473,971)

**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2023**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$249,705	\$177,565	\$427,270
Differences between expected and actual experience	0	21,264	21,264
Net difference between projected and actual earnings on OPEB plan investments	507,744	30,561	538,305
Change in proportionate share	0	63,567	63,567
City contributions subsequent to the measurement date	0	8,723	8,723
Total Deferred Outflows of Resources	\$757,449	\$301,680	\$1,059,129
<b>Deferred Inflows of Resources</b>			
Changes in assumptions	\$20,546	\$291,435	\$311,981
Differences between expected and actual experience	63,769	70,259	134,028
Change in proportionate share	0	76,798	76,798
Total Deferred Inflows of Resources	\$84,315	\$438,492	\$522,807

\$8,723 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 2024. 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:			
2024	\$83,834	(\$9,399)	\$74,435
2025	185,686	(10,707)	174,979
2026	158,331	(16,545)	141,786
2027	245,283	(7,891)	237,392
2028	0	(29,572)	(29,572)
2029	0	(32,823)	(32,823)
2030	0	(37,112)	(37,112)
2031	0	(1,486)	(1,486)
Total	\$673,134	(\$145,535)	\$527,599

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023***

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.22 percent
Prior measurement date	6.00 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	4.05 percent
Prior measurement date	1.84 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2036
Prior measurement date	5.5 percent initial, 3.5 percent ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

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

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

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

During 2022, 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, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

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 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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00 %</u>	

**Discount Rate** A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. 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 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index").

**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate** The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.22 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability (asset)	\$870,139	\$255,661	(\$251,391)

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

Retiree health care valuations use a health care cost-trend assumption 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 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is 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 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	\$239,633	\$255,661	\$273,692



## *CITY OF BRYAN, OHIO*

### *Notes to the Basic Financial Statements For the Year Ended December 31, 2023*

#### **NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

##### *Actuarial Assumptions – OP&F*

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate	4.27 percent	2.84 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.



**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2022 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

\* levered 2.5x

Note: Assumptions are geometric

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)**

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

**Discount Rate** For 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. 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 of 7.50 percent for 2022, and 7.50 percent for 2021. 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 3.65 percent at December 31, 2022 and 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 4.27 percent for 2022 and 2.84 percent for 2021. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2035. The long-term expected rate of return on health care investments was applied to projected costs through 2035, 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 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 4.27 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	\$438,770	\$356,316	\$286,704

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

**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

**NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2023 follows:

Interest Rate	Purpose	Maturity Date	Balance December 31, 2022	Additions	Deductions	Balance December 31, 2023	Amount Due Within One Year
<b>Governmental Activities:</b>							
General Obligation Bonds:							
1.39%	Police and Fire Building Refunding	2031	\$1,060,000	\$0	(\$111,000)	\$949,000	\$114,000
Compensated Absences			915,004	362,731	(326,129)	951,606	323,578
Total Governmental Activities			1,975,004	362,731	(437,129)	1,900,606	437,578
<b>Business-Type Activities:</b>							
Revenue Bonds:							
2.19%	Electric Metering Infrastructure	2033	1,020,147	0	0	1,020,147	92,360
2.19%	Water Metering Infrastructure	2033	1,201,515	0	0	1,201,515	108,781
Total Revenue Bonds			2,221,662	0	0	2,221,662	201,141
Ohio Water Development Authority Loans							
3.08%	Wastewater Treatment Improvements	2028	1,223,229	0	(207,389)	1,015,840	213,824
2.89%	S. Walnut and E. South St. Waterline	2023	27,192	0	(27,192)	0	0
2.84%	Townline Road Water Main	2029	240,827	0	(34,240)	206,587	35,218
Total OWDA Loans			1,491,248	0	(268,821)	1,222,427	249,042
Leases Payable			9,328	0	(9,328)	0	0
Compensated Absences			1,100,311	381,429	(333,881)	1,147,859	296,011
Total Business-Type Activities			4,822,549	381,429	(612,030)	4,591,948	746,194
Total Other Long-Term Obligations			\$6,797,553	\$744,160	(\$1,049,159)	\$6,492,554	\$1,183,772

The City issued \$1,179,000 of general obligation bonds in September 2021 to refund bonds previously issued in 2011 to construct and furnish and equip a public safety building for the City police and fire departments. The bonds were issued under the authority of Ohio Revised Code Chapter 133. The bonds were issued for a ten year period, with final maturity during fiscal year 2031.

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023**

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**NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

The 2021 refunding bonds are term bonds maturing on December 1, 2031, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the authorizing legislation, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date, on December 1 in the year and respective principal amounts as follows:

Year	Amount
2031	\$1,179,000

In June 2021 the City issued Electric Revenue Bonds and Water Revenue Bonds in the amount of \$1,020,147 and \$1,201,515, respectively. The bonds were issued to finance a portion of the costs of acquiring, equipping, and installation of an Advanced Metering Infrastructure system. The bonds carry an interest rate of 2.19% and mature in 2033.

The City has authorized an Ohio Water Development Authority loan in the amount of \$255,148 for a waterline replacement at South Walnut Street and East South Street. The loan has an interest rate of 2.89% and matured in 2023. The loan is being repaid from the Water Fund.

The City has authorized an Ohio Water Development Authority loan in the amount of \$2,081,880 for wastewater treatment plant improvements. The interest rate on the loan is 3.08% per annum and matures in 2028. The loan is being repaid from the Sewer Fund.

The City has authorized an Ohio Water Development Authority loan in the amount of \$353,337 for a waterline replacement at Townline Road. The loan has an interest rate of 2.84% and matures in 2029. The loan is being repaid from the Water Fund.

**A. Long-Term Funding Requirements**

Principal and interest requirements to retire debt outstanding at December 31, 2023 were as follows:

Years	General Obligation Bonds		OWDA Loans		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$114,000	\$13,191	\$249,042	\$35,272	\$201,141	\$48,654
2025	115,000	11,605	256,686	27,628	205,546	44,250
2026	116,000	10,008	264,564	19,750	210,047	39,748
2027	116,000	8,396	272,686	11,628	214,647	35,148
2028	121,000	6,784	159,317	3,258	219,348	30,447
2029-2033	367,000	10,246	20,132	286	1,170,933	78,041
Totals	\$949,000	\$60,230	\$1,222,427	\$97,822	\$2,221,662	\$276,288

## *CITY OF BRYAN, OHIO*

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### *Notes to the Basic Financial Statements For the Year Ended December 31, 2023*

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#### **NOTE 12 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; health and dental.

The City established a Self-Insurance Fund (internal service fund) to account for and finance its health and dental uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$50,000 for health insurance claims per individual and \$1,000 for dental claims per individual. The plan is administered by a third party administrator, Medical Mutual of Ohio, which monitors all claim payments. The dental care program and vision care program (VSP) is administered by The Guardian. The City purchases insurance for claims in excess of health insurance coverage provided by the Self-Insurance Fund. All departments of the City participate in the program and make payments to the Self-Insurance Fund based on participation of employees and their dependents.

The City does not use an internal service fund for other potential risks of loss. The departments account for and finance other risks of loss. The funds provide coverage for up to a maximum of \$1,000,000 for each general liability claim and \$1,000,000 for property damage. Cyber security insurance is included as a separate policy. The City purchases commercial insurance for claims in excess of coverage provided by the departments for all risks of loss.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from the above noted risks have not exceeded commercial insurance coverages during the past three years.

In addition, the City pays unemployment claims to the State of Ohio as incurred.

The claims liability of \$222,008 reported in the fund at December 31, 2023 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount in 2022 and 2023 were:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Year End</u>
2022	\$111,257	3,584,861	(3,479,624)	\$216,494
2023	216,494	3,691,947	(3,686,433)	222,008

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 13 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION**

##### **A. Joint Ventures with an Equity Interest**

***Ohio Municipal Electric Generation Agency Joint Venture 4 (Omega JV-4)*** - The City is a participant with three subdivisions within the State of Ohio in a joint venture to link the electric systems of the participants and to provide electric transmission service to the city of Holiday City. The Omega JV-4 was created for that purpose. On dissolution of the joint venture, the net position of Omega JV-4 will be shared by the participants on a percentage basis. The Omega JV-4 is managed by AMP which acts as the joint venture's agent. The participants are obligated by the agreement to remit monthly costs incurred from using electricity generated by the joint venture. The City's net investment and its share of the operating results of Omega JV-4 are reported in the City's electric fund (an enterprise fund). The City's equity interest in Omega JV-4 was \$581,894 at December 31, 2023. Complete financial statements for OMEGA JV4 may be obtained from AMP or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).

***Ohio Municipal Electric Generation Agency Joint Venture 5 (Omega JV-5)*** - The City is a Financing Participant with an ownership percentage of 2.19%, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 participants.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net position will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2023, the City has met their debt coverage obligation.

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 13 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION (Continued)**

##### **A. Joint Ventures with an Equity Interest (Continued)**

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

The City's net investment and its share of operating results of OMEGA JV5 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV5 was \$65,435 at December 31, 2023. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at [www.ohioauditor.gov](http://www.ohioauditor.gov).



## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 13 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION (Continued)**

##### **B. Joint Venture without Equity Interest**

***Multi-Area Narcotics Task Force (the Task Force)*** - The City is a member of a drug task force which is a joint venture between Defiance, Paulding, and Putnam Counties and the Cities of Defiance and Bryan. The purpose of the Task Force is to act as a joint task force in the fight against narcotics. The Task Force is jointly controlled by the chief law enforcement officer of each respective entity.

The main source of revenue for the Task Force is from federal grants and local matching shares by the entities. The City has an ongoing financial responsibility to the Task Force. The City has indirect access to the net resources of the Task Force since the City is able to influence the Task Force to use its surplus resources to undertake projects of interest to the City's residents. This access to the net resources of the Task Force has not been explicitly defined, nor is it currently measurable. The City contributed \$25,000 to the Task Force in 2023. Complete financial statements for the Task Force can be obtained through the Defiance County Sheriff's Office located at 113 Biede Street, Defiance, Ohio 43512.

##### **C. Jointly Governed Organization**

***Maumee Valley Planning Organization*** - The City is a member of the Maumee Valley Planning Organization (MVPO) which is a jointly governed organization between Defiance, Fulton, Henry, Paulding, and Williams Counties and the respective townships and municipalities in each of those counties. The purpose of the MVPO is to act as a joint regional planning commission to write and administer Community Development Block Grants (CDBG) and help with housing rehabilitation in the area.

MVPO is governed by a Board consisting of fifteen members. The Board is made up of one County Commissioner from each member county as well as one township representative and one municipal representative for each of the five member counties. The main source of revenue is fees charged by MVPO to administer CDBG grants and a per capita amount from each county. In 2023, the City paid administrative fees of \$15,652 to MVPO.

#### **NOTE 14 – PURCHASED POWER**

The City's electric distribution system during 2023 purchased wholesale electric power from American Municipal Power (AMP). AMP provides this power through a mixture of long term take or pay purchase contracts with the City. Included in these contracts with AMP are; the Prairie State Energy Campus Project (7.5 megawatts), generation started during 2012, Fremont Natural Gas Energy Center (5.285 megawatts), generation started in 2012, and the Ohio River Hydroelectric Project (4.109 megawatts), generation that started during Spring 2016. AMP provides the remaining power requirements with market based purchases from various sources including New York Power Authority, Blue Creek Wind Farm, and other pooled market sources.



## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 15 – CONTINGENCIES**

##### **A. American Municipal Power Generating Station (AMPGS)**

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share was 7,500 kilowatts of a total 771,281 kilowatts, giving the City a 0.97 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel.

As a result of a March 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share of the impaired costs at March 31, 2014 was \$1,284,827. The City received a credit of \$567,937 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$339,186 related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU). Additionally, the City made payments of \$727,097, leaving an estimated net credit balance of impaired costs of \$349,393. The City has opted to leave the credit balance with AMP to offset any additional AMPGS Project costs in the future. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact, either positively or negatively, the City's credit balance. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

Since March 31, 2014, the City's allocation of additional costs incurred by the project is \$16,253, and interest on the credit balance credited to the City has been \$82,017, resulting in a net credit balance at December 31, 2023 of \$415,157. The City does have a potential PHFU Liability of \$416,065 resulting in a net total potential liability of \$908, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023***

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**NOTE 15 – CONTINGENCIES (Continued)**

**B. Litigation**

The City is defendant in two lawsuits. Although management cannot presently determine the outcome of the suit, they believe the resolution of the matter will not materially adversely affect the City's financial condition.

**NOTE 16 – LEASES**

The Electric Fund leases the fiber-coax plant to the Communication Operations Fund, which uses part of this infrastructure to deliver its services. The Communication Operations Fund initially paid the Electric Fund \$9 per month for each internet customer and \$3 per month for each cable customer. Per Resolution No. 59, 2009, the Communications Department had a maximum term of 10 years for payment on the remainder of the lease.

Following an annual review, it was determined that the fiber-coax plant lease payment would be reduced in an effort to accelerate the payoff on the Communications loan from the Electric Department. Per Resolution No. 41, 2022, \$25,000 was budgeted for and paid in 2023. As of December 31, 2023 the balance due was \$219,037. The lease payment will be reviewed annually until the Electric Department is determined to be made whole at which time the lease will be terminated.

**NOTE 17 – SIGNIFICANT COMMITMENTS**

At December 31, 2023 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$353,127
Capital Improvement Fund	310,271
Other Governmental Funds	<u>708,224</u>
Total Governmental Funds	<u>\$1,371,622</u>

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2023***

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**NOTE 17 – SIGNIFICANT COMMITMENTS (Continued)**

The City had the following contractual commitments at December 31, 2023:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Field #5 Press box - Parks	\$13,801	February 2024
Street Upgrades	107,993	June 2024
Dewatering Improvement - Construction	1,173,932	September 2024
Secondary Treatment Improvement - Design Engineering	1,128,973	December 2024
PP Substation - Phase I, Major Equipment	12,013	December 2024
PP Substation - Phase II, Engineering	32,444	December 2024
PP Substation - Phase II, Major Equipment/Construction	874,806	December 2024
AMI Meters - Electric	44,677	December 2024
Headend Building	50,826	June 2024
AMI Meters - Water	8,810	December 2024
	<u>\$3,448,275</u>	

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## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2023***

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#### **NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2023 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements,” and Statement No. 96, “Subscription-Based Information Technology Arrangements.”

GASB Statement No. 94 clarifies accounting and financial reporting requirements for public-private and public-public partnership arrangements and availability payment arrangements.

GASB Statement No. 96 provides guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users.

The implementation of these Statements had no effect on beginning net position/fund balance.

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*REQUIRED SUPPLEMENTARY INFORMATION*

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**CITY OF BRYAN, OHIO**

***Schedule of City's Proportionate Share of the Net Pension Liability  
Last Ten Years***

**Ohio Public Employees Retirement System**

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.040664%	0.040664%	0.040152%	0.039387%
City's proportionate share of the net pension liability (asset)	\$4,793,756	\$4,904,534	\$6,954,856	\$8,944,187
City's covered payroll	\$5,359,108	\$4,985,875	\$4,997,317	\$5,091,600
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	89.45%	98.37%	139.17%	175.67%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.059753%	0.059753%	0.062309%	0.056819%
City's proportionate share of the net pension liability (asset)	\$2,910,144	\$3,095,439	\$4,008,355	\$3,598,886
City's covered payroll	\$1,242,620	\$1,259,691	\$1,333,857	\$1,285,543
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	234.19%	245.73%	300.51%	279.95%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%	68.36%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See accompanying notes to the required supplementary information

**CITY OF BRYAN, OHIO**

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<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.040010%	0.039822%	0.040805%	0.039546%	0.040603%	0.039046%
\$6,276,848	\$10,906,435	\$8,065,383	\$5,855,901	\$3,532,624	\$11,534,205
\$5,287,400	\$5,462,614	\$5,741,150	\$5,561,943	\$5,892,643	\$6,048,936
118.71%	199.66%	140.48%	105.29%	59.95%	190.68%
84.66%	74.70%	82.17%	86.88%	92.62%	75.74%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.060995%	0.057041%	0.051905%	0.047588%	0.049796%	0.050046%
\$3,743,520	\$4,656,051	\$3,496,576	\$3,244,108	\$3,110,932	\$4,753,920
\$1,407,026	\$1,351,926	\$1,286,459	\$1,189,324	\$1,323,985	\$1,411,544
266.06%	344.40%	271.80%	272.77%	234.97%	336.79%
70.91%	63.07%	69.89%	70.65%	75.03%	62.90%

**CITY OF BRYAN, OHIO**

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

**Ohio Public Employees Retirement System**

Year	2014	2015	2016	2017
Contractually required contribution	\$598,305	\$599,678	\$610,992	\$687,362
Contributions in relation to the contractually required contribution	<u>598,305</u>	<u>599,678</u>	<u>610,992</u>	<u>687,362</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$4,985,875	\$4,997,317	\$5,091,600	\$5,287,400
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	13.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	2014	2015	2016	2017
Contractually required contribution	\$249,681	\$267,305	\$258,267	\$281,631
Contributions in relation to the contractually required contribution	<u>249,681</u>	<u>267,305</u>	<u>258,267</u>	<u>281,631</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$1,259,691	\$1,333,857	\$1,285,543	\$1,407,026
Contributions as a percentage of covered payroll	19.82%	20.04%	20.09%	20.02%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

See accompanying notes to the required supplementary information



**CITY OF BRYAN, OHIO**

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<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$764,766	\$803,761	\$778,672	\$824,970	\$846,851	\$849,435
<u>764,766</u>	<u>803,761</u>	<u>778,672</u>	<u>824,970</u>	<u>846,851</u>	<u>849,435</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,462,614	\$5,741,150	\$5,561,943	\$5,892,643	\$6,048,936	\$6,067,393
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$272,702	\$260,503	\$243,100	\$269,053	\$287,744	\$353,556
<u>272,702</u>	<u>260,503</u>	<u>243,100</u>	<u>269,053</u>	<u>287,744</u>	<u>353,556</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,351,926	\$1,286,459	\$1,189,324	\$1,323,985	\$1,411,544	\$1,744,545
20.17%	20.25%	20.44%	20.32%	20.39%	20.27%

**CITY OF BRYAN, OHIO**

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

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**Ohio Public Employees Retirement System**

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.040872%	0.042221%	0.042205%
City's proportionate share of the net OPEB liability (asset)	\$4,128,206	\$4,584,879	\$5,502,535
City's covered payroll	\$5,091,600	\$5,287,400	\$5,462,614
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	81.08%	86.71%	100.73%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.056819%	0.060995%	0.057041%
City's proportionate share of the net OPEB liability (asset)	\$2,697,091	\$3,455,875	\$519,447
City's covered payroll	\$1,285,543	\$1,407,026	\$1,351,926
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	209.80%	245.62%	38.42%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability.

See accompanying notes to the required supplementary information

**CITY OF BRYAN, OHIO**

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<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.043060%	0.041841%	0.042628%	0.040547%
\$5,947,703	(\$745,433)	(\$1,335,170)	\$255,661
\$5,741,150	\$5,561,943	\$5,892,643	\$6,048,936
103.60%	(13.40%)	(22.66%)	4.23%
47.80%	115.57%	128.23%	94.79%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.051905%	0.047588%	0.049796%	0.050046%
\$512,702	\$504,202	\$545,802	\$356,316
\$1,286,459	\$1,189,324	\$1,323,985	\$1,411,544
39.85%	42.39%	41.22%	25.24%
47.08%	45.42%	46.86%	52.59%

**CITY OF BRYAN, OHIO**

***Schedule of City's Other Postemployment Benefit (OPEB) Contributions  
Last Ten Years***

**Ohio Public Employees Retirement System**

Year	2014	2015	2016	2017
Contractually required contribution	\$99,718	\$99,946	\$101,832	\$52,874
Contributions in relation to the contractually required contribution	<u>99,718</u>	<u>99,946</u>	<u>101,832</u>	<u>52,874</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$4,985,875	\$4,997,317	\$5,091,600	\$5,287,400
Contributions as a percentage of covered payroll	2.00%	2.00%	2.00%	1.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	2014	2015	2016	2017
Contractually required contribution	\$6,298	\$6,669	\$6,428	\$7,035
Contributions in relation to the contractually required contribution	<u>6,298</u>	<u>6,669</u>	<u>6,428</u>	<u>7,035</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$1,259,691	\$1,333,857	\$1,285,543	\$1,407,026
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

See accompanying notes to the required supplementary information

**CITY OF BRYAN, OHIO**

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2018	2019	2020	2021	2022	2023
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,462,614	\$5,741,150	\$5,561,943	\$5,892,643	\$6,048,936	\$6,067,393
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2018	2019	2020	2021	2022	2023
\$6,760	\$6,432	\$5,947	\$6,620	\$7,058	\$8,723
<u>6,760</u>	<u>6,432</u>	<u>5,947</u>	<u>6,620</u>	<u>7,058</u>	<u>8,723</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,351,926	\$1,286,459	\$1,189,324	\$1,323,985	\$1,411,544	\$1,744,545
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Required Supplementary Information For the Year Ended December 31, 2023***

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#### **NET PENSION LIABILITY**

##### **OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2023.

*Changes in assumptions:*

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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

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

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

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

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

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

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

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

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

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

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

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

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Required Supplementary Information For the Year Ended December 31, 2023***

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#### **NET PENSION LIABILITY** (Continued)

#### **OHIO POLICE AND FIRE (OP&F) PENSION FUND**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2023.

*Changes in assumptions:*

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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

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

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

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

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

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

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

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Required Supplementary Information For the Year Ended December 31, 2023***

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#### **NET OPEB LIABILITY (ASSET)**

##### **OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

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

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

*Changes in assumptions:*

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

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

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

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

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

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

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

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

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



## **CITY OF BRYAN, OHIO**

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### ***Notes to the Required Supplementary Information For the Year Ended December 31, 2023***

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#### **NET OPEB LIABILITY (ASSET)** (Continued)

##### **OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)** (Continued)

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

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

##### **OHIO POLICE AND FIRE (OP&F) PENSION FUND**

###### *Changes in benefit terms:*

2018: There were no changes in benefit terms.

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

2020 - 2023: There were no changes in benefit terms.

###### *Changes in assumptions:*

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

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

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

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

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

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

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

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

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

**CITY OF BRYAN, OHIO**

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***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2023***

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**NET OPEB LIABILITY (ASSET)** (Continued)

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

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

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

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CITY OF BRYAN  
WILLIAMS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through Ohio Emergency Management Agency</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	AFRR-240F-RET	\$ 25,960
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	AFRR-240P-RET	67,395
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	AFRR-240-HIR	35,417
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		414,407
<i>Passed through Ohio Department of Development</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	DEV-2021-180198	839,294
<b>Total U.S. Department of Treasury</b>			<b><u>1,382,473</u></b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed through Ohio Department of Transportation</i>			
Highway Planning and Construction	20.205	113489	337,243
<b>Total U.S. Department of Transportation</b>			<b><u>337,243</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 1,719,716</u></b>

*The accompanying notes are an integral part of this schedule.*

**CITY OF BRYAN  
WILLIAMS COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Bryan, Williams County, Ohio (the City) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

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

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE**

The current cash balance on the City's local program income account as of December 31, 2023 is \$432,960.

# OHIO AUDITOR OF STATE KEITH FABER



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

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

City of Bryan  
Williams County  
1399 East High Street  
P.O. Box 190  
Bryan, Ohio 43506-0190

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bryan, Williams County, Ohio, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 19, 2024.

### ***Report on Internal Control Over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

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

***Purpose of this Report***

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 19, 2024

# OHIO AUDITOR OF STATE KEITH FABER



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

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

City of Bryan  
Williams County  
1399 East High Street  
P.O. Box 190  
Bryan, Ohio 43506-0190

To the City Council:

### Report on Compliance for the Major Federal Program

#### ***Opinion on the Major Federal Program***

We have audited the City of Bryan, Williams County, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City of Bryan's major federal program for the year ended December 31, 2023. The City of Bryan's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Bryan complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

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

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

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

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

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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



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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

September 19, 2024

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**CITY OF BRYAN  
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2023**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Coronavirus State and Local Fiscal Recovery Funds – AL #21.027
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.



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# CITY OF BRYAN, OHIO

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CLERK-TREASURER'S OFFICE

1399 East High Street    P.O. Box 190    Zip 43506-0190

Phone 419 633-6020  
FAX 419 633-6025

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR 200.511(b) DECEMBER 31, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Material weakness due to financial statement reporting errors.	Corrective action taken and finding is fully corrected.	

# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF BRYAN**

**WILLIAMS COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/26/2024**

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

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