





**CITY OF BRYAN  
WILLIAMS COUNTY  
DECEMBER 31, 2024**

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WILLIAMS COUNTY  
DECEMBER 31, 2024**

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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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bryan, Williams County, Ohio as of December 31, 2024, 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.

#### ***Emphasis of Matter***

As discussed in Note 18 to the financial statements, the City restated the beginning net position to properly report capital assets. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension and other post-employment benefit liabilities 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**

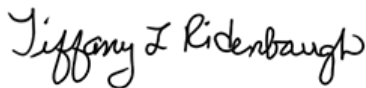
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, 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 October 16, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State



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

October 16, 2025

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# CITY OF BRYAN, OHIO

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

*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, 2024. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2024 are as follows:

- ❑ In total, net position increased \$5,534,998. Net position of governmental activities increased \$1,917,052, which represents a 4% change from 2023. Net position of business-type activities increased \$3,617,946 or approximately 5% from 2023.
- ❑ General revenues accounted for \$14,717,552 in revenue or 36% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$25,923,479, or 64% of total revenues of \$40,641,031.
- ❑ The City had \$13,273,954 in expenses related to governmental activities; only \$2,162,867 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$13,128,139 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$12,510,592 in revenues and \$10,951,177 in expenditures and other financing uses. The general fund's fund balance increased from a balance of \$10,386,927 to \$11,946,342.

### **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, 2024*

*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, 2024**

**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 2024 compared to 2023.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	Restated 2023	2024	Restated 2023
Current and Other Assets	\$26,707,009	\$24,207,356	\$33,836,928	\$32,935,578	\$60,543,937	\$57,142,934
Net OPEB Asset	141,251	0	203,635	0	344,886	0
Capital Assets, Net	32,761,164	32,735,653	56,729,193	54,451,187	89,490,357	87,186,840
Total Assets	<u>59,609,424</u>	<u>56,943,009</u>	<u>90,769,756</u>	<u>87,386,765</u>	<u>150,379,180</u>	<u>144,329,774</u>
Deferred Outflows of Resources	<u>3,800,115</u>	<u>4,206,388</u>	<u>1,953,275</u>	<u>3,216,828</u>	<u>5,753,390</u>	<u>7,423,216</u>
Net Pension Liability	9,588,852	9,443,961	5,694,504	6,844,164	15,283,356	16,288,125
Net OPEB Liability	426,132	460,275	0	151,702	426,132	611,977
Other Long-term Liabilities	1,981,637	1,900,606	5,499,361	4,591,948	7,480,998	6,492,554
Other Liabilities	1,317,949	1,073,439	1,338,159	2,640,968	2,656,108	3,714,407
Total Liabilities	<u>13,314,570</u>	<u>12,878,281</u>	<u>12,532,024</u>	<u>14,228,782</u>	<u>25,846,594</u>	<u>27,107,063</u>
Deferred Inflows of Resources	<u>1,374,048</u>	<u>1,467,247</u>	<u>345,835</u>	<u>147,585</u>	<u>1,719,883</u>	<u>1,614,832</u>
Net Position						
Net Investment in Capital Assets	31,926,164	31,786,653	52,406,824	50,414,895	84,332,988	82,201,548
Restricted	11,318,213	9,818,583	203,635	0	11,521,848	9,818,583
Unrestricted	5,476,544	5,198,633	27,234,713	25,812,331	32,711,257	31,010,964
Total Net Position	<u><u>\$48,720,921</u></u>	<u><u>\$46,803,869</u></u>	<u><u>\$79,845,172</u></u>	<u><u>\$76,227,226</u></u>	<u><u>\$128,566,093</u></u>	<u><u>\$123,031,095</u></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, 2024***

***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, 2024**

**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 2024 compared to 2023:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,002,736	\$1,020,999	\$23,269,524	\$23,434,006	\$24,272,260	\$24,455,005
Operating Grants and Contributions	768,791	1,384,694	0	0	768,791	1,384,694
Capital Grants and Contributions	391,340	1,075,967	491,088	1,234,286	882,428	2,310,253
Total Program revenues:	<u>2,162,867</u>	<u>3,481,660</u>	<u>23,760,612</u>	<u>24,668,292</u>	<u>25,923,479</u>	<u>28,149,952</u>
General revenues:						
Property Taxes	480,382	469,200	0	0	480,382	469,200
Income Taxes	10,181,632	9,455,443	0	0	10,181,632	9,455,443
Other Local Taxes	679,846	626,631	64,696	63,872	744,542	690,503
Intergovernmental Revenues, Unrestricted	425,310	408,522	0	0	425,310	408,522
Investment Earnings	1,065,661	955,060	1,294,411	1,195,171	2,360,072	2,150,231
Miscellaneous	295,308	195,105	230,306	173,442	525,614	368,547
Total General revenues:	<u>13,128,139</u>	<u>12,109,961</u>	<u>1,589,413</u>	<u>1,432,485</u>	<u>14,717,552</u>	<u>13,542,446</u>
Total Revenues	<u>15,291,006</u>	<u>15,591,621</u>	<u>25,350,025</u>	<u>26,100,777</u>	<u>40,641,031</u>	<u>41,692,398</u>
Program Expenses						
Security of Persons and Property	4,660,718	4,452,822	0	0	4,660,718	4,452,822
Leisure Time Activities	1,338,907	1,301,650	0	0	1,338,907	1,301,650
Community Environment	42,784	65,690	0	0	42,784	65,690
Public Health and Welfare	36,098	50,360	0	0	36,098	50,360
Transportation	2,333,833	2,306,998	0	0	2,333,833	2,306,998
General Government	4,848,555	5,081,916	0	0	4,848,555	5,081,916
Interest on Long Term Debt	13,059	14,605	0	0	13,059	14,605
Water	0	0	2,411,389	2,530,867	2,411,389	2,530,867
Sewer	0	0	2,715,790	2,186,977	2,715,790	2,186,977
Refuse Collection	0	0	81,089	0	81,089	0
Electric Operating	0	0	15,743,536	18,106,881	15,743,536	18,106,881
Communication Operations	0	0	880,275	1,122,880	880,275	1,122,880
Total Expenses	<u>13,273,954</u>	<u>13,274,041</u>	<u>21,832,079</u>	<u>23,947,605</u>	<u>35,106,033</u>	<u>37,221,646</u>
Change in Net Position Before Transfers	2,017,052	2,317,580	3,517,946	2,153,172	5,534,998	4,470,752
Transfers	(100,000)	(887,370)	100,000	887,370	0	0
Total Change in Net Position	<u>1,917,052</u>	<u>1,430,210</u>	<u>3,617,946</u>	<u>3,040,542</u>	<u>5,534,998</u>	<u>4,470,752</u>
Beginning Net Position - Restated	46,803,869	45,373,659	76,227,226	73,186,684	123,031,095	118,560,343
Ending Net Position	<u>\$48,720,921</u>	<u>\$46,803,869</u>	<u>\$79,845,172</u>	<u>\$76,227,226</u>	<u>\$128,566,093</u>	<u>\$123,031,095</u>

# CITY OF BRYAN, OHIO

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

Unaudited

### Governmental Activities

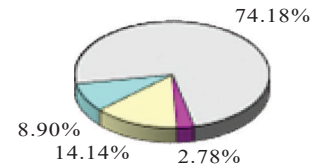
Governmental activities net position increased \$1,917,052, or 4%. Contributions for Safe Routes to School improvements and donations received for the Lincoln Park Inclusive Playground Project in the prior year resulted in a subsequent decrease in operating and capital grants in 2024. An increase in net profit tax payments resulted in an increase in income tax revenues.

Expenses were consistent with the prior year.

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 67% and 3%, respectively, of revenues for governmental activities in 2024. The City's reliance upon tax revenues is demonstrated by the following graph indicating 74% of total revenues from general tax revenues:

Revenue Sources	2024	Percent of Total
General Tax Revenues	\$11,341,860	74.18%
Intergovernmental, Unrestricted	425,310	2.78%
Program Revenues	2,162,867	14.14%
General Other	1,360,969	8.90%
Total Revenue	\$15,291,006	100.00%



### Business-Type Activities

Net position of the business-type activities increased \$3,617,946. This represents an approximately 5% change from 2023. Charges for services were consistent with the prior year. A decrease in expenses can mostly be attributed to a decrease in purchased power in the electric department due to a mild winter.

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## **CITY OF BRYAN, OHIO**

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

**Unaudited**

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$22,722,527, which is an increase from last year's balance of \$19,735,850. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2024 and 2023:

	Fund Balance December 31, 2024	Fund Balance December 31, 2023	Increase (Decrease)
General	\$11,946,342	\$10,386,927	\$1,559,415
Capital Improvement	3,458,568	2,982,412	476,156
Other Governmental	7,317,617	6,366,511	951,106
<b>Total</b>	<b>\$22,722,527</b>	<b>\$19,735,850</b>	<b>\$2,986,677</b>

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:

	2024 Revenues	2023 Revenues	Increase (Decrease)
Taxes	\$9,840,516	\$8,877,586	\$962,930
Intergovernmental Revenues	715,139	614,692	100,447
Charges for Services	337,010	361,243	(24,233)
Licenses and Permits	86,207	93,364	(7,157)
Investment Earnings	741,972	659,773	82,199
Gifts and Donations	224,431	509,305	(284,874)
Fines and Forfeitures	344,147	351,821	(7,674)
All Other Revenue	221,170	138,579	82,591
<b>Total</b>	<b>\$12,510,592</b>	<b>\$11,606,363</b>	<b>\$904,229</b>

General Fund revenues increased \$904,229 or approximately 8% when compared with the prior year. An increase in net profit tax payments resulted in an increase in income tax revenues. Amounts received in the prior year for the Lincoln Park Inclusive Playground Project resulted in a subsequent decrease in gifts and donations in 2024.

	2024 Expenditures	2023 Expenditures	Increase (Decrease)
Security of Persons and Property	\$2,401,087	\$2,370,656	\$30,431
Public Health and Welfare	32,520	43,527	(11,007)
Leisure Time Activities	1,345,701	1,846,127	(500,426)
General Government	4,171,869	3,866,718	305,151
<b>Total</b>	<b>\$7,951,177</b>	<b>\$8,127,028</b>	<b>(\$175,851)</b>

## **CITY OF BRYAN, OHIO**

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

***Unaudited***

General Fund expenditures decreased \$175,851, or 2% when compared with the prior year. Expenditures for the Lincoln Park Inclusive Playground Project in the prior year resulted in a subsequent decrease in leisure time activities in 2024. An increase in general government can be attributed to an overall increase in the cost of goods and services.

*Capital Improvement Fund* – The Capital Improvement Fund balance increased \$476,156, or 16%. Various capital improvements and purchases were mostly funded by transfers from the General Fund.

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 2024, the City amended its General Fund budget several times to reflect changing circumstances.

Original estimated, final estimated and actual budget basis revenues were not significantly different.

The difference between final budgeted appropriations and original budgeted appropriations was insignificant. Final budgeted appropriations exceeded actual expenditures by 14%. This was due to the controlling of expenditures across all general fund departments.

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

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

At the end of 2024 the City had \$89,490,357 net of accumulated depreciation invested in land, buildings and improvements, infrastructure, and machinery and equipment. Of this total, \$32,761,164 was related to governmental activities and \$56,729,193 to the business-type activities. The following tables show 2024 and 2023 balances:

	Governmental Activities		Increase (Decrease)
	2024	Restated 2023*	
Land	\$5,130,301	\$5,131,801	(\$1,500)
Construction In Progress	4,834	632,276	(627,442)
Buildings	23,218,624	22,117,038	1,101,586
Improvements Other than Buildings	3,098,136	3,098,136	0
Infrastructure	25,017,816	23,906,713	1,111,103
Machinery and Equipment	9,515,798	9,388,995	126,803
Less: Accumulated Depreciation	(33,224,345)	(31,539,306)	(1,685,039)
<b>Totals</b>	<b>\$32,761,164</b>	<b>\$32,735,653</b>	<b>\$25,511</b>

\* Beginning of year classification was adjusted to properly reflect asset cost and accumulated depreciation. Net value was unchanged from the prior year.



**CITY OF BRYAN, OHIO**

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

**Unaudited**

	Business-Type Activities		Increase (Decrease)
	2024	Restated 2023	
	Land	\$2,203,205	\$2,353,205
Construction in Progress	6,008,366	5,788,406	219,960
Buildings and Improvements	19,592,736	19,777,662	(184,926)
Improvements Other than Buildings	2,354,802	2,354,802	0
Infrastructure	49,248,779	46,056,614	3,192,165
Leased Equipment	0	43,964	(43,964)
Machinery and Equipment	53,315,134	52,432,343	882,791
Less: Accumulated Depreciation	(75,993,829)	(74,355,809)	(1,638,020)
Totals	\$56,729,193	\$54,451,187	\$2,278,006

Significant governmental capital asset activity included the completion of the Lincoln Park Inclusive Playground and the start of the Lincoln Park Restroom Facilities project. Significant improvements to East Village Street were completed in addition to several smaller infrastructure projects and vehicle/equipment purchases.

Business-type capital activities included the continuation of the Power Plant Substation Phase 2 – Major Equipment project, scheduled for completion in 2025. Replacement of the South Lynn Street waterline was completed, as was the Wastewater Treatment Plant Dewatering project. The Wastewater facility also completed design on a Secondary Treatment Improvement project with construction slated to begin in 2025. Numerous smaller projects and the replacement of several vehicles and major pieces of equipment also took place in 2024.

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

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## **CITY OF BRYAN, OHIO**

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

**Unaudited**

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

The following table summarizes the City's debt and other long term liabilities outstanding as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Governmental Activities:		
General Obligation Bonds	\$835,000	\$949,000
Compensated Absences	<u>1,146,637</u>	<u>951,606</u>
Total Governmental Activities	1,981,637	1,900,606
Business-Type Activities:		
Revenue Bonds	2,020,521	2,221,662
Ohio Water Development Authority Loans	2,301,848	1,222,427
Compensated Absences	<u>1,176,992</u>	<u>1,147,859</u>
Total Business-Type Activities	<u>5,499,361</u>	<u>4,591,948</u>
Totals	<u><u>\$7,480,998</u></u>	<u><u>\$6,492,554</u></u>

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, 2024, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 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 2025 budget:

- Each of the City's General and various utility operating funds maintained healthy and growing balances in 2024. This is due, in part, to years of conservative budget practices, which again drove the preparation of the 2025 budget.
- The local unemployment rate in 2024 averaged 4.4%. This was up from the prior year (3.5%) and was slightly higher than the State of Ohio and comparable national rates of 4.3% and 4.0%, respectively.

## **CITY OF BRYAN, OHIO**

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

***Unaudited***

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- On a cash basis, total income tax revenues in 2024 increased by \$644,662 or 6.8% over 2023. Proceeds from individual filers were down 11.1%, while employee withholding and corporate filings were up 0.5% and 34.7%, respectively. While corporate numbers were strong, the others, in addition to the increased unemployment rate, may reflect a slightly slowing local economy.
- The weighted-average-yield on city-held funds at December 31, 2024 was 4.24%. Posted interest earnings in 2024 totaled approximately \$2.55 million.
- Personnel costs are a significant portion of the annual budget. Negotiated wage increases among the City's various bargaining units and those of non-bargaining employees ranged from 2.5% - 6.0% for 2025. Employee healthcare benefit costs increased 13.0%.

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 W. Lehner, Clerk-Treasurer of the City of Bryan.

**CITY OF BRYAN, OHIO**

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 22,364,982	\$ 27,814,747	\$ 50,179,729
Cash and Cash Equivalents in Segregated Accounts	60,452	0	60,452
Cash and Cash Equivalents with Fiscal Agent	0	1,750	1,750
Receivables:			
Taxes	2,836,842	0	2,836,842
Accounts	74,973	3,203,491	3,278,464
Intergovernmental	695,580	122,940	818,520
Loans	518,330	0	518,330
Leases	0	44,581	44,581
Internal Balance	(57,203)	57,203	0
Inventory of Supplies at Cost	62,429	1,393,692	1,456,121
Prepaid Items	150,624	528,099	678,723
Investment in Joint Venture	0	670,425	670,425
Net OPEB Asset	141,251	203,635	344,886
Non-Depreciable Capital Assets	5,135,135	8,211,571	13,346,706
Depreciable Capital Assets, Net	27,626,029	48,517,622	76,143,651
<b>Total Assets</b>	<b>59,609,424</b>	<b>90,769,756</b>	<b>150,379,180</b>
<b>Deferred Outflows of Resources:</b>			
Pension	3,370,364	1,778,553	5,148,917
OPEB	429,751	174,722	604,473
<b>Total Deferred Outflows of Resources</b>	<b>3,800,115</b>	<b>1,953,275</b>	<b>5,753,390</b>
<b>Liabilities:</b>			
Accounts Payable	450,317	1,101,970	1,552,287
Accrued Wages and Benefits	151,662	113,769	265,431
Intergovernmental Payable	22,141	98,544	120,685
Claims Payable	666,957	0	666,957
Matured Bonds and Interest Payable	0	1,750	1,750
Payroll Withholding	25,905	0	25,905
Accrued Interest Payable	967	22,126	23,093
Noncurrent Liabilities:			
Due Within One Year	648,808	952,216	1,601,024
Due in More Than One Year:			
Net Pension Liability	9,588,852	5,694,504	15,283,356
Net OPEB Liability	426,132	0	426,132
Other Amounts Due in More Than One Year	1,332,829	4,547,145	5,879,974
<b>Total Liabilities</b>	<b>13,314,570</b>	<b>12,532,024</b>	<b>25,846,594</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	494,236	0	494,236
Leases	0	43,762	43,762
Pension	406,741	185,554	592,295
OPEB	473,071	116,519	589,590
<b>Total Deferred Inflows of Resources</b>	<u>1,374,048</u>	<u>345,835</u>	<u>1,719,883</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	31,926,164	52,406,824	84,332,988
Restricted For:			
OPEB	141,251	203,635	344,886
Capital Projects	3,526,520	0	3,526,520
Debt Service	53,312	0	53,312
Other Purposes	7,597,130	0	7,597,130
Unrestricted	5,476,544	27,234,713	32,711,257
<b>Total Net Position</b>	<u>\$ 48,720,921</u>	<u>\$ 79,845,172</u>	<u>\$ 128,566,093</u>

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

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

	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	\$ 4,660,718	\$ 588,904	\$ 90,382	\$ 0
Leisure Time Activities	1,338,907	65,066	20,011	391,340
Community Environment	42,784	0	8,580	0
Public Health and Welfare	36,098	83,769	0	0
Transportation	2,333,833	0	596,985	0
General Government	4,848,555	264,997	52,833	0
Interest on Long Term Debt	13,059	0	0	0
<b>Total Governmental Activities</b>	<b>13,273,954</b>	<b>1,002,736</b>	<b>768,791</b>	<b>391,340</b>
<b>Business-Type Activities:</b>				
Water	2,411,389	2,732,487	0	296,581
Sewer	2,715,790	2,190,045	0	194,507
Refuse Collection	81,089	1,165	0	0
Electric Operating	15,743,536	17,640,479	0	0
Communication Operations	880,275	705,348	0	0
<b>Total Business-Type Activities</b>	<b>21,832,079</b>	<b>23,269,524</b>	<b>0</b>	<b>491,088</b>
<b>Totals</b>	<b>\$ 35,106,033</b>	<b>\$ 24,272,260</b>	<b>\$ 768,791</b>	<b>\$ 882,428</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 as Previously Reported

Capital Asset Correction

Net Position Beginning of Year as Restated

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
\$ (3,981,432)	\$ 0	\$ (3,981,432)
(862,490)	0	(862,490)
(34,204)	0	(34,204)
47,671	0	47,671
(1,736,848)	0	(1,736,848)
(4,530,725)	0	(4,530,725)
(13,059)	0	(13,059)
<u>(11,111,087)</u>	<u>0</u>	<u>(11,111,087)</u>
0	617,679	617,679
0	(331,238)	(331,238)
0	(79,924)	(79,924)
0	1,896,943	1,896,943
0	(174,927)	(174,927)
<u>0</u>	<u>1,928,533</u>	<u>1,928,533</u>
<u>\$ (11,111,087)</u>	<u>\$ 1,928,533</u>	<u>\$ (9,182,554)</u>
480,382	0	480,382
10,181,632	0	10,181,632
679,846	64,696	744,542
425,310	0	425,310
1,065,661	1,294,411	2,360,072
295,308	230,306	525,614
(100,000)	100,000	0
<u>13,028,139</u>	<u>1,689,413</u>	<u>14,717,552</u>
1,917,052	3,617,946	5,534,998
46,803,869	76,525,154	123,329,023
0	(297,928)	(297,928)
<u>46,803,869</u>	<u>76,227,226</u>	<u>123,031,095</u>
<u>\$ 48,720,921</u>	<u>\$ 79,845,172</u>	<u>\$ 128,566,093</u>

**CITY OF BRYAN, OHIO**

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

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 10,842,204	\$ 3,469,406	\$ 6,433,043	\$ 20,744,653
Cash and Cash Equivalents in Segregated Accounts	52,407	0	8,045	60,452
Receivables:				
Taxes	2,455,712	0	381,130	2,836,842
Accounts	18,115	0	56,858	74,973
Intergovernmental	295,641	0	399,939	695,580
Loans	0	0	518,330	518,330
Inventory of Supplies, at Cost	0	0	62,429	62,429
Prepaid Items	92,397	0	58,227	150,624
<b>Total Assets</b>	<b>\$ 13,756,476</b>	<b>\$ 3,469,406</b>	<b>\$ 7,918,001</b>	<b>\$ 25,143,883</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 340,810	\$ 10,838	\$ 98,669	\$ 450,317
Accrued Wages and Benefits Payable	117,610	0	34,052	151,662
Intergovernmental Payable	22,141	0	0	22,141
Payroll Withholding	25,905	0	0	25,905
<b>Total Liabilities</b>	<b>506,466</b>	<b>10,838</b>	<b>132,721</b>	<b>650,025</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	809,432	0	467,663	1,277,095
Property Tax Levy for Next Fiscal Year	494,236	0	0	494,236
<b>Total Deferred Inflows of Resources</b>	<b>1,303,668</b>	<b>0</b>	<b>467,663</b>	<b>1,771,331</b>
<b>Fund Balance:</b>				
Nonspendable	121,503	0	638,986	760,489
Restricted	0	3,458,568	6,678,631	10,137,199
Assigned	2,196,222	0	0	2,196,222
Unassigned	9,628,617	0	0	9,628,617
<b>Total Fund Balance</b>	<b>11,946,342</b>	<b>3,458,568</b>	<b>7,317,617</b>	<b>22,722,527</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 13,756,476</b>	<b>\$ 3,469,406</b>	<b>\$ 7,918,001</b>	<b>\$ 25,143,883</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, 2024***

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**Total Governmental Fund Balances** \$ 22,722,527

***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. 32,761,164

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 1,277,095

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	3,370,364	
Deferred Inflows - Pension	(406,741)	
Net Pension Liability	(9,588,852)	
Deferred Outflows - OPEB	429,751	
Deferred Inflows - OPEB	(473,071)	
Net OPEB Asset	141,251	
Net OPEB Liability	<u>(426,132)</u>	(6,953,430)

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. 896,169

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	(835,000)	
Compensated Absences Payable	(1,146,637)	
Accrued Interest Payable	<u>(967)</u>	<u>(1,982,604)</u>

***Net Position of Governmental Activities*** **\$ 48,720,921**

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, 2024*

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 9,840,516	\$ 0	\$ 1,711,188	\$ 11,551,704
Intergovernmental Revenues	715,139	0	863,485	1,578,624
Charges for Services	337,010	0	99,250	436,260
Licenses and Permits	86,207	0	0	86,207
Investment Earnings	741,972	0	240,802	982,774
Special Assessments	0	1,585	0	1,585
Gifts and Donations	224,431	0	0	224,431
Fines and Forfeitures	344,147	0	123,557	467,704
All Other Revenue	221,170	0	96,582	317,752
<b>Total Revenues</b>	<b>12,510,592</b>	<b>1,585</b>	<b>3,134,864</b>	<b>15,647,041</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,401,087	0	1,446,010	3,847,097
Public Health and Welfare	32,520	0	0	32,520
Leisure Time Activities	1,345,701	0	0	1,345,701
Community Environment	0	0	42,784	42,784
Transportation	0	0	1,219,945	1,219,945
General Government	4,171,869	0	263,139	4,435,008
Capital Outlay	0	1,526,169	1	1,526,170
Debt Service:				
Principal Retirement	0	0	114,000	114,000
Interest & Fiscal Charges	0	0	13,191	13,191
<b>Total Expenditures</b>	<b>7,951,177</b>	<b>1,526,169</b>	<b>3,099,070</b>	<b>12,576,416</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,559,415	(1,524,584)	35,794	3,070,625
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	32,686	32,686
Transfers In	0	2,000,740	1,100,000	3,100,740
Transfers Out	(3,000,000)	0	(200,740)	(3,200,740)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,000,000)</b>	<b>2,000,740</b>	<b>931,946</b>	<b>(67,314)</b>
Net Change in Fund Balance	1,559,415	476,156	967,740	3,003,311
<b>Fund Balance at Beginning of Year</b>	<b>10,386,927</b>	<b>2,982,412</b>	<b>6,366,511</b>	<b>19,735,850</b>
Decrease in Inventory	0	0	(16,634)	(16,634)
<b>Fund Balance End of Year</b>	<b>\$ 11,946,342</b>	<b>\$ 3,458,568</b>	<b>\$ 7,317,617</b>	<b>\$ 22,722,527</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, 2024***

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Net Change in Fund Balances - Total Governmental Funds \$ 3,003,311

*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	2,062,308	
Depreciation Expense	(1,982,574)	79,734

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.		(54,223)
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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.		(438,922)
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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	715,523	
OPEB	8,482	724,005

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	(953,520)	
OPEB	(13,306)	(966,826)

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		114,000
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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. 132

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	(195,031)	
Change in Inventory	(16,634)	(211,665)

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.

(332,494)

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

\$ 1,917,052

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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,012,131	\$ 1,110,330	\$ 1,088,890	\$ (21,440)
Intergovernmental Revenue	561,403	615,872	741,274	125,402
Charges for Services	265,122	290,845	334,233	43,388
Licenses and Permits	53,463	58,650	93,290	34,640
Investment Earnings	455,779	500,000	799,343	299,343
Gifts and Donations	265,053	290,769	224,431	(66,338)
Fines and Forfeitures	319,501	350,500	346,048	(4,452)
All Other Revenues	24,828	27,236	46,442	19,206
Total Revenues	<u>2,957,280</u>	<u>3,244,202</u>	<u>3,673,951</u>	<u>429,749</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,498,939	2,573,380	2,365,353	208,027
Public Health and Welfare	92,640	95,400	33,336	62,064
Leisure Time Activities	1,419,580	1,461,868	1,400,390	61,478
General Government	4,734,426	4,875,459	4,073,167	802,292
Total Expenditures	<u>8,745,585</u>	<u>9,006,107</u>	<u>7,872,246</u>	<u>1,133,861</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,788,305)	(5,761,905)	(4,198,295)	1,563,610
<b>Other Financing Sources (Uses):</b>				
Transfers In	3,900,000	3,900,000	3,900,000	0
Total Other Financing Sources (Uses):	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,900,000</u>	<u>0</u>
Net Change in Fund Balance	(1,888,305)	(1,861,905)	(298,295)	1,563,610
Fund Balance at Beginning of Year	1,891,197	1,891,197	1,891,197	0
Prior Year Encumbrances	353,127	353,127	353,127	0
Fund Balance at End of Year	<u>\$ 356,019</u>	<u>\$ 382,419</u>	<u>\$ 1,946,029</u>	<u>\$ 1,563,610</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, 2024**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Electric Operating
<b>Assets:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 3,759,792	\$ 2,461,454	\$ 19,326,051
Cash and Cash Equivalents with Fiscal Agent	0	1,750	0
Accounts Receivable	383,991	279,948	2,433,458
Intergovernmental Receivable	42,263	17,556	62,907
Leases - Current	0	0	0
Inventory of Supplies at Cost	134,014	17,041	1,242,637
Prepaid Items	40,160	46,990	427,075
Total Current Assets	4,360,220	2,824,739	23,492,128
Noncurrent Assets:			
Investment in Joint Venture	0	0	670,425
Leases Receivable	0	0	0
Net OPEB Asset	47,293	26,514	117,568
Capital Assets, Net	9,771,637	20,127,208	26,272,144
Total Noncurrent Assets	9,818,930	20,153,722	27,060,137
<b>Total Assets</b>	14,179,150	22,978,461	50,552,265
<b>Deferred Outflows of Resources:</b>			
Pension	413,056	231,564	1,026,839
OPEB	40,578	22,748	100,875
<b>Total Deferred Outflows of Resources</b>	453,634	254,312	1,127,714
<b>Liabilities:</b>			
Current Liabilities:			
Accounts Payable	37,285	206,859	808,955
Accrued Wages and Benefits	21,655	15,174	61,728
Intergovernmental Payable	3,363	15,027	80,154
Claims Payable	0	0	0
Matured Bonds and Interest Payable	0	1,750	0
Accrued Interest Payable	11,966	0	10,160
Compensated Absences Payable - Current	84,216	54,578	303,870
Revenue Bond Payable - Current	111,163	0	94,383
OWDA Loans Payable - Current	36,225	220,461	0
Total Current Liabilities	305,873	513,849	1,359,250



**CITY OF BRYAN, OHIO**

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Non Major			Governmental Activities - Internal Service Fund
Other Enterprise Funds	Total		
\$ 2,267,450	\$ 27,814,747	\$	1,620,329
0	1,750		0
106,094	3,203,491		0
214	122,940		0
31,042	31,042		0
0	1,393,692		0
13,874	528,099		0
2,418,674	33,095,761		1,620,329
0	670,425		0
13,539	13,539		0
12,260	203,635		0
558,204	56,729,193		0
584,003	57,616,792		0
3,002,677	90,712,553		1,620,329
107,094	1,778,553		0
10,521	174,722		0
117,615	1,953,275		0
48,871	1,101,970		0
15,212	113,769		0
0	98,544		0
0	0	666,957	
0	1,750		0
0	22,126		0
47,320	489,984		0
0	205,546		0
0	256,686		0
111,403	2,290,375		666,957

(Continued)

**CITY OF BRYAN, OHIO**

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

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Electric Operating
<b>Noncurrent Liabilities:</b>			
Revenue Bonds Payable	981,571	0	833,404
OWDA Loans Payable	135,144	1,910,018	0
Compensated Absences Payable	114,742	65,292	439,696
Net Pension Liability	1,322,510	741,405	3,287,703
Total Noncurrent Liabilities	2,553,967	2,716,715	4,560,803
<b>Total Liabilities</b>	2,859,840	3,230,564	5,920,053
<b>Deferred Inflows of Resources:</b>			
Leases	0	0	0
Pension	43,019	23,924	107,418
OPEB	27,060	15,171	67,272
<b>Total Deferred Inflows of Resources</b>	70,079	39,095	174,690
<b>Net Position:</b>			
Net Investment in Capital Assets	8,507,534	17,996,729	25,344,357
Restricted for OPEB	47,293	26,514	117,568
Unrestricted	3,148,038	1,939,871	20,123,311
<b>Total Net Position</b>	\$ 11,702,865	\$ 19,963,114	\$ 45,585,236

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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Non Major		
Other Enterprise Funds	Total	Governmental Activities - Internal Service Fund
0	1,814,975	0
0	2,045,162	0
67,278	687,008	0
342,886	5,694,504	0
410,164	10,241,649	0
521,567	12,532,024	666,957
43,762	43,762	0
11,193	185,554	0
7,016	116,519	0
61,971	345,835	0
558,204	52,406,824	0
12,260	203,635	0
1,966,290	27,177,510	953,372
\$ 2,536,754	\$ 79,787,969	\$ 953,372
	57,203	
	\$ 79,845,172	

**CITY OF BRYAN, OHIO**

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

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Electric Operating
<b>Operating Revenues:</b>			
Charges for Services	\$ 2,717,646	\$ 1,992,698	\$ 17,050,957
Other Operating Revenues	14,841	197,347	509,726
<b>Total Operating Revenues</b>	<b>2,732,487</b>	<b>2,190,045</b>	<b>17,560,683</b>
<b>Operating Expenses:</b>			
Personal Services	1,511,505	873,672	3,641,220
Contractual Services	407,863	651,267	9,643,414
Materials and Supplies	155,425	324,115	672,749
Health Insurance Claims	0	0	0
Depreciation	299,130	837,082	1,331,327
Other Operating Expenses	6,726	0	88,169
<b>Total Operating Expenses</b>	<b>2,380,649</b>	<b>2,686,136</b>	<b>15,376,879</b>
<b>Operating Income (Loss)</b>	<b>351,838</b>	<b>(496,091)</b>	<b>2,183,804</b>
<b>Non-Operating Revenue (Expenses):</b>			
Interest Income	204,771	110,257	866,898
Interest and Fiscal Charges	(30,740)	(29,654)	(21,330)
Income from Joint Venture	0	0	79,796
Loss on Disposal of Capital Assets	0	0	(26,602)
Other Local Taxes	0	0	64,696
Other Nonoperating Revenue	46,209	1,367	177,670
<b>Total Non-Operating Revenues (Expenses)</b>	<b>220,240</b>	<b>81,970</b>	<b>1,141,128</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>572,078</b>	<b>(414,121)</b>	<b>3,324,932</b>
<b>Transfers and Contributions:</b>			
Transfers In	0	100,000	0
Capital Contributions	296,581	194,507	0
<b>Total Transfers and Contributions</b>	<b>296,581</b>	<b>294,507</b>	<b>0</b>
<b>Change in Net Position</b>	<b>868,659</b>	<b>(119,614)</b>	<b>3,324,932</b>
<b>Net Position as Previously Reported</b>	<b>10,834,206</b>	<b>20,082,728</b>	<b>41,257,470</b>
Capital Asset Correction	0	0	1,002,834
<b>Net Position Beginning of Year as Restated</b>	<b>10,834,206</b>	<b>20,082,728</b>	<b>42,260,304</b>
<b>Net Position End of Year</b>	<b>\$ 11,702,865</b>	<b>\$ 19,963,114</b>	<b>\$ 45,585,236</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
\$ 705,348	\$ 22,466,649	\$ 3,605,207
1,165	723,079	0
<u>706,513</u>	<u>23,189,728</u>	<u>3,605,207</u>
381,947	6,408,344	0
64,847	10,767,391	0
52,962	1,205,251	0
0	0	4,339,313
52,900	2,520,439	0
<u>339,720</u>	<u>434,615</u>	<u>0</u>
892,376	21,336,040	4,339,313
(185,863)	1,853,688	(734,106)
112,485	1,294,411	82,887
0	(81,724)	0
0	79,796	0
(68,988)	(95,590)	0
0	64,696	0
5,060	230,306	0
<u>48,557</u>	<u>1,491,895</u>	<u>82,887</u>
(137,306)	3,345,583	(651,219)
0	100,000	0
0	491,088	0
<u>0</u>	<u>591,088</u>	<u>0</u>
(137,306)	3,936,671	(651,219)
3,974,822	76,149,226	1,604,591
(1,300,762)	(297,928)	0
<u>2,674,060</u>	<u>75,851,298</u>	<u>1,604,591</u>
<u>\$ 2,536,754</u>	<u>\$ 79,787,969</u>	<u>\$ 953,372</u>
	\$ 3,936,671	
	(318,725)	
	<u>\$ 3,617,946</u>	

**CITY OF BRYAN, OHIO**

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

	Business Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Electric Operating
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,790,945	\$2,203,231	\$18,234,787
Cash Payments for Goods and Services	(746,815)	(989,460)	(11,589,117)
Cash Payments to Employees	(1,527,966)	(875,832)	(3,650,455)
Net Cash Provided (Used) by Operating Activities	<u>516,164</u>	<u>337,939</u>	<u>2,995,215</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Other Local Taxes	0	0	64,696
Transfers In from Other Funds	0	100,000	0
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>100,000</u>	<u>64,696</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from the Sale of Assets	7,214	0	150,451
Capital Contributions	0	194,507	79,796
Bond Retirement	(108,781)	0	(92,360)
OWDA Loan Proceeds	0	1,328,463	0
OWDA Loan Retirement	(35,218)	(213,824)	0
Interest and Fiscal Charges	(31,931)	(29,654)	(22,341)
Acquisition and Construction of Assets	(876,138)	(2,151,238)	(2,170,885)
Net Cash Used by Capital and Related Financing Activities	<u>(1,044,854)</u>	<u>(871,746)</u>	<u>(2,055,339)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	222,650	120,237	939,528
Net Cash Provided by Investing Activities	<u>222,650</u>	<u>120,237</u>	<u>939,528</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(306,040)	(313,570)	1,944,100
Cash and Cash Equivalents at Beginning of Year	4,065,832	2,776,774	17,381,951
Cash and Cash Equivalents at End of Year	<u>\$3,759,792</u>	<u>\$2,463,204</u>	<u>\$19,326,051</u>
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$3,759,792	\$2,461,454	\$19,326,051
Cash with Fiscal Agent	0	1,750	0
Cash and Cash Equivalents at End of Year	<u>\$3,759,792</u>	<u>\$2,463,204</u>	<u>\$19,326,051</u>

**CITY OF BRYAN, OHIO**

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Non Major		Governmental-
Other		Activities
Enterprise Funds	Total	Internal Service
		Fund
\$716,830	\$23,945,793	\$3,605,207
(472,740)	(13,798,132)	(3,894,364)
(381,393)	(6,435,646)	0
(137,303)	3,712,015	(289,157)
<hr/>		
0	64,696	0
0	100,000	0
0	164,696	0
<hr/>		
877	158,542	0
0	274,303	0
0	(201,141)	0
0	1,328,463	0
0	(249,042)	0
0	(83,926)	0
(12,528)	(5,210,789)	0
(11,651)	(3,983,590)	0
<hr/>		
120,100	1,402,515	90,554
120,100	1,402,515	90,554
<hr/>		
(28,854)	1,295,636	(198,603)
2,296,304	26,520,861	1,818,932
\$2,267,450	\$27,816,497	\$1,620,329
<hr/>		
\$2,267,450	\$27,814,747	\$1,620,329
0	1,750	0
\$2,267,450	\$27,816,497	\$1,620,329

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**CITY OF BRYAN, OHIO**

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

	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)	\$351,838	(\$496,091)	\$2,183,804
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	299,130	837,082	1,331,327
Non-Operating Revenue	39,258	1,350	133,722
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
(Increase) Decrease in Accounts Receivable	19,882	29,392	(8,843)
Increase in Intergovernmental Receivables	(682)	(17,556)	(62,907)
Decrease in Inventory	10,117	2,900	155,617
Increase in Lease Receivable	0	0	0
Increase in Prepaids	(6,014)	(7,045)	(38,702)
Increase in Net OPEB Asset	(47,293)	(26,514)	(117,568)
Decrease in Deferred Outflows of Resources	282,791	139,118	764,423
Decrease in Accounts Payable	(177,730)	(9,436)	(693,299)
Increase in Accrued Wages and Benefits	5,047	4,271	14,420
Increase in Claims Payable	0	0	0
Increase (Decrease) in Intergovernmental Payable	(3,490)	(497)	2,753
Increase (Decrease) in Compensated Absences	(7,356)	(22,354)	58,020
Decrease in Net Pension Liability	(250,622)	(99,026)	(726,698)
Decrease in Net OPEB Liability	(34,868)	(18,628)	(88,979)
Increase in Deferred Inflows of Resources	36,156	20,973	88,125
Total Adjustments	<u>164,326</u>	<u>834,030</u>	<u>811,411</u>
Net Cash Provided (Used) by Operating Activities	<u>\$516,164</u>	<u>\$337,939</u>	<u>\$2,995,215</u>

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
(\$185,863)	\$1,853,688	(\$734,106)
52,900	2,520,439	0
5,103	179,433	0
20,968	61,399	0
(214)	(81,359)	0
0	168,634	0
(42,516)	(42,516)	0
(1,700)	(53,461)	0
(12,260)	(203,635)	0
77,221	1,263,553	0
(26,550)	(907,015)	0
4,330	28,068	0
0	0	444,949
0	(1,234)	0
823	29,133	0
(73,314)	(1,149,660)	0
(9,227)	(151,702)	0
52,996	198,250	0
48,560	1,858,327	444,949
(\$137,303)	\$3,712,015	(\$289,157)

**CITY OF BRYAN, OHIO**

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

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	<u>Custodial Fund</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 49,242
<b>Total Assets</b>	<u>49,242</u>
<b>Liabilities:</b>	
Due to Others	<u>49,242</u>
<b>Total Liabilities</b>	<u>49,242</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, 2024***

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	<u>Custodial Fund</u>
<b>Additions:</b>	
Fines and Forfeiture Collections for other Governments	\$ 992,714
Total Additions	<u>992,714</u>
<b>Deductions:</b>	
Distribution of Fines and Forfeitures to other Governments	992,714
Total Deductions	<u>992,714</u>
Change in Net Position	0
Net Position at Beginning of Year	0
Net Position End of Year	<u><u>\$ 0</u></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, 2024***

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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, 2024 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, 2024***

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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, 2024*

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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, 2024***

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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, 2024***

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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, 2024*

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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, 2024 but which are not intended to finance 2024 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. 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, 2024*

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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 2024.

##### **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, 2024*

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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, 2024**

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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)	\$1,559,415
Increase (Decrease):	
Accrued Revenues at December 31, 2024 received during 2025	(1,518,207)
Accrued Revenues at December 31, 2023 received during 2024	1,277,609
Accrued Expenditures at December 31, 2024 paid during 2025	506,466
Accrued Expenditures at December 31, 2023 paid during 2024	(390,520)
2023 Prepays for 2024	77,837
2024 Prepays for 2025	(92,397)
Outstanding Encumbrances	(434,172)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	(1,284,326)
Budget Basis	(\$298,295)

**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, 2024***

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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 \$151,922 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 2024, 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, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**CITY OF BRYAN, OHIO**

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

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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, 2024***

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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
Net Pension/OPEB Liabilities	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

**L. Compensated Absences**

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

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

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, 2024***

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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, 2024.

*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.



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## *CITY OF BRYAN, OHIO*

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

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

##### **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 2024.

## **CITY OF BRYAN, OHIO**

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

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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 2024, distributions of \$22,444 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, 2024**

**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	\$518,330	\$518,330
Prepaid Items	92,397	0	58,227	150,624
Supplies Inventory	0	0	62,429	62,429
Unclaimed Funds	29,106	0	0	29,106
<b>Total Nonspendable</b>	<b>121,503</b>	<b>0</b>	<b>638,986</b>	<b>760,489</b>
Restricted:				
Street Improvements	0	0	1,788,090	1,788,090
Court Computer Improvements	0	0	141,786	141,786
Community Development and Improvement	0	0	567,079	567,079
Pollution Remediation	0	0	55,000	55,000
Drug and Alcohol Treatment and Education	0	0	504,221	504,221
Court Special Projects	0	0	467,868	467,868
Adult Probation Program	0	0	135,165	135,165
Law Enforcement	0	0	41,904	41,904
Railroad Crossing Improvement	0	0	1,000	1,000
Fire Department Operations	0	0	2,069,911	2,069,911
Fire Vehicle Purchase	0	0	785,343	785,343
Debt Service Payments	0	0	53,312	53,312
Capital Acquisition and Construction	0	3,458,568	67,952	3,526,520
<b>Total Restricted</b>	<b>0</b>	<b>3,458,568</b>	<b>6,678,631</b>	<b>10,137,199</b>
Assigned:				
Budget Resource	1,771,928	0	0	1,771,928
Supplies and Services	424,294	0	0	424,294
<b>Total Assigned</b>	<b>2,196,222</b>	<b>0</b>	<b>0</b>	<b>2,196,222</b>
Unassigned:				
	9,628,617	0	0	9,628,617
<b>Total Fund Balances</b>	<b>\$11,946,342</b>	<b>\$3,458,568</b>	<b>\$7,317,617</b>	<b>\$22,722,527</b>

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

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

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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, 2024**

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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 \$26,787,767 and the bank balance was \$27,114,701. Federal depository insurance covered \$598,592 of the bank balance and \$26,516,109 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, 2024 are summarized below:

	<u>Fair Value</u> <sup>2</sup>	<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	\$23,500,136	AAAm <sup>1</sup>	\$23,500,136	\$0	\$0
Total Investments	<u>\$23,500,136</u>		<u>\$23,500,136</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, 2024**

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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:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$50,291,173	\$0
Less: Petty Cash	(3,270)	
Investments:		
STAR Ohio	<u>(23,500,136)</u>	<u>23,500,136</u>
Per GASB Statement No. 3	<u>\$26,787,767</u>	<u>\$23,500,136</u>

## *CITY OF BRYAN, OHIO*

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

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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 2024 were levied after October 1, 2023 on assessed values as of January 1, 2023, 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 2024. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 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, 2024 was \$2.80 per \$1,000 of assessed value. The assessed value upon which the 2024 levy was based was \$230,294,290. This amount constitutes \$228,298,790 in real property assessed value and \$1,995,500 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, 2024***

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**NOTE 5 – TRANSFERS**

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

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds		
General Fund	\$0	\$3,000,000
Capital Improvement Fund	2,000,740	0
Other Governmental Funds	1,100,000	200,740
Total Governmental Funds	<u>3,100,740</u>	<u>3,200,740</u>
Proprietary Funds		
Sewer Fund	100,000	0
Total Proprietary Funds	<u>100,000</u>	<u>0</u>
Totals	<u><u>\$3,200,740</u></u>	<u><u>\$3,200,740</u></u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; 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, 2024 consisted of taxes, accounts, loans, leases, and intergovernmental receivables arising from shared revenues.

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**CITY OF BRYAN, OHIO**

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

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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, 2024.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated For the year 2024</u>
<i>Community Reinvestment Area (CRA)</i>	
Manufacturing/Retail	<u>\$8,116</u>
	<u><u>\$8,116</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. The length 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 at least \$200,000 is 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 2024.

**CITY OF BRYAN, OHIO**

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

**NOTE 8 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

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

<i>Historical Cost:</i>	Restated			December 31,
Class	December 31, 2023*	Additions	Deletions	2024
<i>Capital assets not being depreciated:</i>				
Land	\$5,131,801	\$0	(\$1,500)	\$5,130,301
Construction in Progress	632,276	4,834	(632,276)	4,834
Subtotal	5,764,077	4,834	(633,776)	5,135,135
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	22,117,038	1,101,586	0	23,218,624
Improvements Other than Buildings	3,098,136	0	0	3,098,136
Infrastructure	23,906,713	1,287,546	(176,443)	25,017,816
Machinery and Equipment	9,388,995	300,618	(173,815)	9,515,798
Total Cost	\$64,274,959	\$2,694,584	(\$984,034)	\$65,985,509
<i>Accumulated Depreciation:</i>				
Class	December 31, 2023*	Additions	Deletions	December 31, 2024
Buildings and Improvements	(\$10,655,845)	(\$580,244)	\$0	(\$11,236,089)
Improvements Other than Buildings	(1,932,050)	(112,254)	0	(2,044,304)
Infrastructure	(12,616,974)	(978,011)	167,637	(13,427,348)
Machinery and Equipment	(6,334,437)	(312,065)	129,898	(6,516,604)
Total Accumulated Depreciation	(\$31,539,306)	(\$1,982,574) **	\$297,535	(\$33,224,345)
<i>Net Value:</i>	\$32,735,653			\$32,761,164

\* Beginning of year classification was adjusted to properly reflect asset cost and accumulated depreciation. Net value was unchanged from the prior year.

\*\* Depreciation was charged to governmental functions as follows:

Security of Persons and Property	\$398,003
Public Health and Welfare	4,075
Leisure Time Activities	196,932
Transportation	1,035,208
General Government	348,356
Total Depreciation Expense	\$1,982,574

**CITY OF BRYAN, OHIO**

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

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

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

Summary by Category at December 31, 2024:

***Historical Cost:***

Class	Restated December 31, 2023	Additions	Deletions	December 31, 2024
<b><i>Capital assets not being depreciated:</i></b>				
Land	\$2,353,205	\$0	(\$150,000)	\$2,203,205
Construction in Progress	5,788,406	3,018,480	(2,798,520)	6,008,366
Subtotal	8,141,611	3,018,480	(2,948,520)	8,211,571
<b><i>Capital assets being depreciated:</i></b>				
Buildings and Improvements	19,777,662	101,530	(286,456)	19,592,736
Improvements Other than Buildings	2,354,802	0	0	2,354,802
Infrastructure	46,056,614	3,192,165	0	49,248,779
Leased Infrastructure	43,964	0	(43,964)	0
Machinery and Equipment	52,432,343	1,531,708	(648,917)	53,315,134
Total Cost	<u>\$128,806,996</u>	<u>\$7,843,883</u>	<u>(\$3,927,857)</u>	<u>\$132,723,022</u>

***Accumulated Depreciation:***

Class	December 31, 2023	Additions	Deletions	December 31, 2024
Buildings and Improvements	(\$11,256,197)	(\$504,164)	\$282,262	(\$11,478,099)
Improvements Other than Buildings	(\$1,355,805)	(\$94,749)	\$0	(1,450,554)
Infrastructure	(19,285,842)	(1,182,718)	0	(20,468,560)
Leased Infrastructure	(43,964)	0	43,964	0
Machinery and Equipment	(42,414,001)	(738,808)	556,193	(42,596,616)
Total Accumulated Depreciation	<u>(\$74,355,809)</u>	<u>(\$2,520,439)</u>	<u>\$882,419</u>	<u>(\$75,993,829)</u>
<b><i>Net Value:</i></b>	<u>\$54,451,187</u>			<u>\$56,729,193</u>

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

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

**CITY OF BRYAN, OHIO**

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

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**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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member’s original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**CITY OF BRYAN, OHIO**

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

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

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

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

	State and Local
<b>2024 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2024 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 \$907,942 for 2024.

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

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

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

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

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

**CITY OF BRYAN, OHIO**

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

**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>2024 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
<b>2024 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	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 \$343,661 for 2024.

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

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

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	\$9,644,601	\$5,638,755	\$15,283,356
Proportion of the Net Pension Liability-2024	0.036839%	0.058364%	
Proportion of the Net Pension Liability-2023	0.039046%	0.050046%	
Percentage Change	(0.002207%)	0.008318%	
Pension Expense	\$883,441	\$591,826	\$1,475,267



**CITY OF BRYAN, OHIO**

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

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

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

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$0	\$356,362	\$356,362
Differences between expected and actual experience	157,639	181,021	338,660
Net difference between projected and actual earnings on pension plan investments	1,946,695	638,989	2,585,684
Change in proportionate share	0	616,608	616,608
City contributions subsequent to the measurement date	907,942	343,661	1,251,603
Total Deferred Outflows of Resources	<u>\$3,012,276</u>	<u>\$2,136,641</u>	<u>\$5,148,917</u>
<b>Deferred Inflows of Resources</b>			
Changes in assumptions	\$0	\$85,631	\$85,631
Differences between expected and actual experience	0	63,060	63,060
Change in proportionate share	314,004	129,600	443,604
Total Deferred Inflows of Resources	<u>\$314,004</u>	<u>\$278,291</u>	<u>\$592,295</u>

\$1,251,603 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2025	\$256,693	\$325,143	\$581,836
2026	568,560	402,098	970,658
2027	1,242,268	569,559	1,811,827
2028	(277,191)	84,751	(192,440)
2029	0	129,262	129,262
2030	0	3,876	3,876
Total	<u>\$1,790,330</u>	<u>\$1,514,689</u>	<u>\$3,305,019</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, 2024**

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

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

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

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

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

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

**CITY OF BRYAN, OHIO**

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

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

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

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

**Discount Rate** The discount rate used to measure the total pension liability was 6.9 percent. 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:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
City's proportionate share of the net pension liability	\$15,183,194	\$9,644,601	\$5,038,102

**CITY OF BRYAN, OHIO**

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

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

***Actuarial Assumptions – OPF***

OPF’s total pension liability as of December 31, 2023 is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

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

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

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

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

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

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

## *CITY OF BRYAN, OHIO*

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

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

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

Note: Assumptions are geometric.

\* levered 2.0x

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

**CITY OF BRYAN, OHIO**

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

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$7,468,955	\$5,638,755	\$4,116,771

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## **CITY OF BRYAN, OHIO**

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

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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, 2024***

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

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

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

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

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

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

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

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

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

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

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

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

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



**CITY OF BRYAN, OHIO**

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

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

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

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

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

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

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

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

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

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

## *CITY OF BRYAN, OHIO*

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

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

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

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

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

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

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

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

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

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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, 2024***

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

The City's contractually required contribution to OP&F was \$8,482 for 2024.

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

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

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability (Asset)	(\$344,886)	\$426,132	
Proportion of the Net OPEB Liability (Asset) -2024	0.038214%	0.058364%	
Proportion of the Net OPEB Liability (Asset) -2023	0.040547%	0.050046%	
Percentage Change	(0.002333%)	0.008318%	
OPEB Expense	(\$25,989)	\$25,179	(\$810)

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**CITY OF BRYAN, OHIO**

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

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

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Changes in assumptions	\$88,792	\$146,634	\$235,426
Differences between expected and actual experience	0	20,491	20,491
Net difference between projected and actual earnings on OPEB plan investments	207,128	31,467	238,595
Change in proportionate share	0	101,479	101,479
City contributions subsequent to the measurement date	0	8,482	8,482
Total Deferred Outflows of Resources	<u>\$295,920</u>	<u>\$308,553</u>	<u>\$604,473</u>
<b>Deferred Inflows of Resources</b>			
Changes in assumptions	\$148,256	\$274,416	\$422,672
Differences between expected and actual experience	49,088	78,313	127,401
Change in proportionate share	0	39,517	39,517
Total Deferred Inflows of Resources	<u>\$197,344</u>	<u>\$392,246</u>	<u>\$589,590</u>

\$8,482 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2025	(\$8,752)	(\$3,045)	(\$11,797)
2026	16,035	(10,851)	5,184
2027	161,230	(1,044)	160,186
2028	(69,937)	(26,329)	(96,266)
2029	0	(28,589)	(28,589)
2030	0	(33,584)	(33,584)
2031	0	7,963	7,963
2032	0	3,304	3,304
Total	<u>\$98,576</u>	<u>(\$92,175)</u>	<u>\$6,401</u>

**CITY OF BRYAN, OHIO**

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

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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, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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

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

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

**CITY OF BRYAN, OHIO**

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

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

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

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

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

**Discount Rate** A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent (Fidelity Index's "20-Year Municipal GO AA Index").

**CITY OF BRYAN, OHIO**

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

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**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 the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
City's proportionate share of the net OPEB liability (asset)	\$189,541	(\$344,886)	(\$787,591)

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$359,212)	(\$344,886)	(\$328,640)



**CITY OF BRYAN, OHIO**

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

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

**Actuarial Assumptions – OP&F**

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

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

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

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

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

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

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

**CITY OF BRYAN, OHIO**

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

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

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

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

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

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

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

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

Note: Assumptions are geometric.

\* levered 2.0x

**CITY OF BRYAN, OHIO**

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

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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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

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

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

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$524,877	\$426,132	\$342,970

**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, 2024**

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

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

Interest Rate	Purpose	Maturity Date	Balance December 31, 2023	Additions	Deductions	Balance December 31, 2024	Amount Due Within One Year
<b>Governmental Activities:</b>							
General Obligation Bonds:							
1.39%	Police and Fire Building Refunding	2031	\$949,000	\$0	(\$114,000)	\$835,000	\$115,000
Compensated Absences			951,606	195,031	0	1,146,637	533,808
Total Governmental Activities			1,900,606	195,031	(114,000)	1,981,637	648,808
<b>Business-Type Activities:</b>							
Revenue Bonds:							
2.19%	Electric Metering Infrastructure	2033	1,020,147	0	(92,360)	927,787	94,383
2.19%	Water Metering Infrastructure	2033	1,201,515	0	(108,781)	1,092,734	111,163
Total Revenue Bonds			2,221,662	0	(201,141)	2,020,521	205,546
Ohio Water Development Authority Loans							
3.08%	Wastewater Treatment Improvements	2028	1,015,840	0	(213,824)	802,016	220,461
0.00%	Wastewater Treatment Improvements	2032	0	1,328,463	0	1,328,463	0
2.84%	Townline Road Water Main	2029	206,587	0	(35,218)	171,369	36,225
Total OWDA Loans			1,222,427	1,328,463	(249,042)	2,301,848	256,686
Compensated Absences			1,147,859	29,133	0	1,176,992	489,984
Total Business-Type Activities			4,591,948	1,357,596	(450,183)	5,499,361	952,216
Total Other Long-Term Obligations			\$6,492,554	\$1,552,627	(\$564,183)	\$7,480,998	\$1,601,024

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**

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

**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.

In 2024 the City authorized an Ohio Water Development Authority loan in the amount of \$1,433,980 for wastewater treatment plant improvements. The total amount is subject to change and has not been finalized. The interest rate on the loan is 0%, per annum. This loan is payable from wastewater collection and treatment charges and is received by the City in increments as the project is completed. As of December 31, 2024, the City had received \$1,328,463 from OWDA. Subsequent amounts will be received in future years. As of December 31, 2024, the loan has not been finalized and there is no amortization schedule for the loan.

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, 2024 were as follows:

Years	General Obligation Bonds		OWDA Loans		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
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	120,000	5,102	20,132	286	224,151	25,643
2030-2033	247,000	5,144	0	0	946,782	52,398
<b>Totals</b>	<b>\$835,000</b>	<b>\$47,039</b>	<b>\$973,385</b>	<b>\$62,550</b>	<b>\$2,020,521</b>	<b>\$227,634</b>

**CITY OF BRYAN, OHIO**

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

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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; and employee health and dental claims.

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 health plan is administered by a third-party administrator, Medical Mutual of Ohio, which monitors all claim payments. 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 dental care program is administered by The Guardian Life Insurance Company.

The City does not use an internal service fund for its other potential risks of loss. Department budgets account for and finance these other risks, providing coverage for up to \$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.

Department budgets also account for and finance injured workers' compensation coverage and a fully-insured employee vision benefit. In addition, the City pays unemployment claims to the State of Ohio as incurred.

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.

The claims liability of \$666,957 reported in the fund at December 31, 2024 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount in 2023 and 2024 were:

Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Year End
2023	\$216,494	3,691,947	(3,686,433)	\$222,008
2024	222,008	4,339,313	(3,894,364)	666,957

## **CITY OF BRYAN, OHIO**

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

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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 \$604,990 at December 31, 2024. 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, 2024, 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, 2024***

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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, 2024. 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, 2024*

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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 2024. 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 2024, the City paid administrative fees of \$17,660 to MVPO.

#### **NOTE 14 – PURCHASED POWER**

The City's electric distribution system during 2024 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, 2024***

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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 \$16,826, and interest on the credit balance credited to the City has been \$93,261. In May 2024 the City requested that the net credit balance be applied to the balance of stranded costs, which resulted in net stranded costs of \$94. The City has current PHFU costs of (\$159) resulting in a net total credit of \$65, 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, 2024***

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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 City leases fiber optic cable as lessor. In 2024, \$19,265 was received in lease payments. The total lease receivable balance at December 31, 2024 was \$44,581.

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. 17, 2023, \$25,000 was budgeted for and paid in 2024. As of December 31, 2024 the balance due was \$276,853. Near the end of 2024, Bryan Municipal Utilities determined to cease offering internet services to the general public and began the process of liquidating the Communications Fund. It is anticipated that the remaining balance on the lease will be paid off in 2025.

**NOTE 17 – SIGNIFICANT COMMITMENTS**

At December 31, 2024 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$434,172
Capital Improvement Fund	1,161,020
Other Governmental Funds	250,286
Total Governmental Funds	<u>\$1,845,478</u>

**CITY OF BRYAN, OHIO**

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

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

The City had the following contractual commitments at December 31, 2024:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Ice Rink Repair	\$8,200	2025
Street Upgrades	76,700	2025
JA Building Improvements	74,900	2025
S. Myers Sanitary Sewer Replacement	820,415	2025
Secondary Treatment Improvement - Design Engineering	176,974	2025
PP Substation - Phase II, Major Equipment/Construction	106,293	2025
Well 2 Rehabilitation and Conversion	45,000	2025
	<u>\$1,308,482</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, 2024***

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**NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

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

GASB Statement No. 100 addresses accounting and financial reporting requirements for accounting changes and error corrections. The implementation of this Statement had no effect on beginning net position/fund balance.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences. The implementation of this Statement had no effect on beginning net position/fund balance.

In addition, certain adjustments were necessary to beginning of year net position to account for the correction of errors in accounting for capital assets.

The correction of capital asset balances had the following effect on net position as reported December 31, 2023:

	Business-Type Activities	Total Enterprise Funds	Electric Fund	Other Enterprise Funds
Net Position at December 31, 2023, as Reported	\$76,525,154	\$76,149,226	\$41,257,470	\$3,974,822
Adjustments:				
Capital Asset Correction	(297,928)	(297,928)	1,002,834	(1,300,762)
Net Position at December 31, 2023, as Restated	<u>\$76,227,226</u>	<u>\$75,851,298</u>	<u>\$42,260,304</u>	<u>\$2,674,060</u>

In addition, amounts were reclassified between various capital asset categories for cost and accumulated depreciation for the Governmental Activities, Water Fund, and Sewer Fund. However, the net value of capital assets did not change from amounts reported in the prior year.

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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	2015	2016	2017	2018
City's proportion of the net pension liability (asset)	0.040664%	0.040152%	0.039387%	0.040010%
City's proportionate share of the net pension liability (asset)	\$4,904,534	\$6,954,856	\$8,944,187	\$6,276,848
City's covered payroll	\$4,985,875	\$4,997,317	\$5,091,600	\$5,287,400
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	98.37%	139.17%	175.67%	118.71%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	81.08%	77.25%	84.66%

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

**Ohio Police and Fire Pension Fund**

Year	2015	2016	2017	2018
City's proportion of the net pension liability (asset)	0.059753%	0.062309%	0.056819%	0.060995%
City's proportionate share of the net pension liability (asset)	\$3,095,439	\$4,008,355	\$3,598,886	\$3,743,520
City's covered payroll	\$1,259,691	\$1,333,857	\$1,285,543	\$1,407,026
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	245.73%	300.51%	279.95%	266.06%
Plan fiduciary net position as a percentage of the total pension liability	72.20%	66.77%	68.36%	70.91%

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

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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2019	2020	2021	2022	2023	2024
0.039822%	0.040805%	0.039546%	0.040603%	0.039046%	0.036839%
\$10,906,435	\$8,065,383	\$5,855,901	\$3,532,624	\$11,534,205	\$9,644,601
\$5,462,614	\$5,741,150	\$5,561,943	\$5,892,643	\$6,048,936	\$6,067,393
199.66%	140.48%	105.29%	59.95%	190.68%	158.96%
74.70%	82.17%	86.88%	92.62%	75.74%	79.01%

2019	2020	2021	2022	2023	2024
0.057041%	0.051905%	0.047588%	0.049796%	0.050046%	0.058364%
\$4,656,051	\$3,496,576	\$3,244,108	\$3,110,932	\$4,753,920	\$5,638,755
\$1,351,926	\$1,286,459	\$1,189,324	\$1,323,985	\$1,411,544	\$1,744,545
344.40%	271.80%	272.77%	234.97%	336.79%	323.22%
63.07%	69.89%	70.65%	75.03%	62.90%	63.63%

**CITY OF BRYAN, OHIO**

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

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**Ohio Public Employees Retirement System**

Year	2016	2017	2018	2019
Contractually required contribution	\$610,992	\$687,362	\$764,766	\$803,761
Contributions in relation to the contractually required contribution	<u>610,992</u>	<u>687,362</u>	<u>764,766</u>	<u>803,761</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$5,091,600	\$5,287,400	\$5,462,614	\$5,741,150
Contributions as a percentage of covered payroll	12.00%	13.00%	14.00%	14.00%

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

**Ohio Police and Fire Pension Fund**

Year	2016	2017	2018	2019
Contractually required contribution	\$258,267	\$281,631	\$272,702	\$260,503
Contributions in relation to the contractually required contribution	<u>258,267</u>	<u>281,631</u>	<u>272,702</u>	<u>260,503</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$1,285,543	\$1,407,026	\$1,351,926	\$1,286,459
Contributions as a percentage of covered payroll	20.09%	20.02%	20.17%	20.25%

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

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>	<u>2024</u>
\$778,672	\$824,970	\$846,851	\$849,435	\$907,942
<u>778,672</u>	<u>824,970</u>	<u>846,851</u>	<u>849,435</u>	<u>907,942</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,561,943	\$5,892,643	\$6,048,936	\$6,067,393	\$6,485,300
14.00%	14.00%	14.00%	14.00%	14.00%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$243,100	\$269,053	\$287,744	\$353,556	\$343,661
<u>243,100</u>	<u>269,053</u>	<u>287,744</u>	<u>353,556</u>	<u>343,661</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,189,324	\$1,323,985	\$1,411,544	\$1,744,545	\$1,696,439
20.44%	20.32%	20.39%	20.27%	20.26%

**CITY OF BRYAN, OHIO**

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

**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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2020	2021	2022	2023	2024
0.043060%	0.041841%	0.042628%	0.040547%	0.038214%
\$5,947,703	(\$745,433)	(\$1,335,170)	\$255,661	(\$344,886)
\$5,741,150	\$5,561,943	\$5,892,643	\$6,048,936	\$6,067,393
103.60%	(13.40%)	(22.66%)	4.23%	(5.68%)
47.80%	115.57%	128.23%	94.79%	107.76%

2020	2021	2022	2023	2024
0.051905%	0.047588%	0.049796%	0.050046%	0.058364%
\$512,702	\$504,202	\$545,802	\$356,316	\$426,132
\$1,286,459	\$1,189,324	\$1,323,985	\$1,411,544	\$1,744,545
39.85%	42.39%	41.22%	25.24%	24.43%
47.08%	45.42%	46.86%	52.59%	51.89%

**CITY OF BRYAN, OHIO**

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

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**Ohio Public Employees Retirement System**

Year	2015	2016	2017	2018
Contractually required contribution	\$99,946	\$101,832	\$52,874	\$0
Contributions in relation to the contractually required contribution	99,946	101,832	52,874	0
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$4,997,317	\$5,091,600	\$5,287,400	\$5,462,614
Contributions as a percentage of covered payroll	2.00%	2.00%	1.00%	0.00%

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

**Ohio Police and Fire Pension Fund**

Year	2015	2016	2017	2018
Contractually required contribution	\$6,669	\$6,428	\$7,035	\$6,760
Contributions in relation to the contractually required contribution	6,669	6,428	7,035	6,760
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$1,333,857	\$1,285,543	\$1,407,026	\$1,351,926
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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2019	2020	2021	2022	2023	2024
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0
\$5,741,150	\$5,561,943	\$5,892,643	\$6,048,936	\$6,067,393	\$6,485,300
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2019	2020	2021	2022	2023	2024
\$6,432	\$5,947	\$6,620	\$7,058	\$8,723	\$8,482
6,432	5,947	6,620	7,058	8,723	8,482
\$0	\$0	\$0	\$0	\$0	\$0
\$1,286,459	\$1,189,324	\$1,323,985	\$1,411,544	\$1,744,545	\$1,696,439
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, 2024***

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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 2015-2024.

*Changes in assumptions:*

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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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 2015-2024.

*Changes in assumptions:*

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

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

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

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

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

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

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

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

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

## **CITY OF BRYAN, OHIO**

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

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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 2023-2024.

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

*Changes in assumptions:*

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

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

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

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

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

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

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

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

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

## **CITY OF BRYAN, OHIO**

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

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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%.

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

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

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

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

2018: There were no changes in benefit terms.

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF BRYAN, OHIO**

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

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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

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

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

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CITY OF BRYAN  
WILLIAMS COUNTY

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

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-240-HIR	\$ 109,701
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>451,136</u>
<b>Total U.S. Department of Treasury</b>			<u><b>560,837</b></u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed Through Williams County</i>			
Community Development Block Grants/State's Program	14.228	B-X-22-1DA-1	<u>255,000</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u><b>255,000</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><u><b>\$ 815,837</b></u></u>

*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, 2024**

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – 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, 2024 is \$573,675.

# 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 the auditing standards generally accepted in the United States of America and the standards applicable to the 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 16, 2025, wherein we noted the City restated beginning net position to properly report capital assets.

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

***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*.

***City's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and corrective action plan. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of This Report***

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

KEITH FABER  
Ohio Auditor of State



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

October 16, 2025



# 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, 2024. 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, 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, 2024.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KEITH FABER  
Ohio Auditor of State



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

October 16, 2025

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**CITY OF BRYAN  
WILLIAMS COUNTY**

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

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<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>	Yes
<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**

**FINDING NUMBER 2024-001**

**Material Weakness**

**Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and contractual provisions.

For the year ended December 31, 2024, the following errors were identified:

- Community Development Block Grant (CDBG) on-behalf-of transactions for the South Lynn Street waterline replacement project were not recorded resulting in an understatement of capital assets and capital contributions in the Water Fund in the amount of \$255,000.
- A portion of income tax receipts related to 2024 received in January and February 2025 were improperly reported as deferred inflows of resources, unavailable amounts instead of tax revenues in the General Fund in the amount of \$185,442.
- Expenses incurred and paid in January and February 2025 were improperly accrued and reported as accounts payable and operating expenses in the Water and Electric Funds in the amounts of \$194,015 and \$539,840, respectively.

The errors were not identified or corrected prior to the City preparing its financial statements and notes to the financial statements due to deficiencies in the City's internal controls over financial statement monitoring. Failure to complete accurate financial statements and notes to the financial statements could lead to the Council making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct these and other errors. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$76 to \$308,540 that we have brought to the City's attention.

The City Council should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and members of the City Council to help identify and correct errors and omissions.

**Officials' Response:**

See Corrective Action Plan.

**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

## CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) DECEMBER 31, 2024

**Finding Number:**

2024-001

**Planned Corrective Action:**

Management is aware and understands the importance of the information presented on the financial statements and will ensure the financial statements are properly presented.

**Anticipated Completion Date:**

December 31, 2025

**Responsible Contact Person:**

John Lehner, Clerk-Treasurer

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# 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 11/6/2025**

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

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