



OHIO AUDITOR OF STATE
KEITH FABER



**CITY OF BRYAN
WILLIAMS COUNTY
DECEMBER 31, 2020**

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WILLIAMS COUNTY
DECEMBER 31, 2020**

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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 Financial Statements

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Efficient • Effective • Transparent

Opinion

In our opinion, the 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis 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 and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 14, 2021

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CITY OF BRYAN, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2020

Unaudited

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, 2020. 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 2020 are as follows:

- ❑ In total, net position increased \$1,627,018. Net position of governmental activities increased \$1,195,636, which represents a 3% change from 2019. Net position of business-type activities increased \$431,382 or approximately 1% from 2019.
- ❑ General revenues accounted for \$9,996,304 in revenue or 26% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28,912,615, or 74% of total revenues of \$38,908,919.
- ❑ The City had \$10,760,602 in expenses related to governmental activities; only \$2,708,796 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$9,783,171 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$8,896,089 in revenues and other financing sources and \$7,268,752 in expenditures and other financing uses. The general fund's fund balance increased from a balance of \$8,399,926 to \$10,027,263.

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

*Management's Discussion and Analysis
For the Year Ended December 31, 2020*

Unaudited

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, 2020**

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, Refuse Collection, Electric Operating, and Communications Operations 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 2020 compared to 2019.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$22,667,425	\$21,458,174	\$27,816,667	\$30,969,752	\$50,484,092	\$52,427,926
Capital Assets, Net	31,572,667	31,405,697	48,428,843	44,260,259	80,001,510	75,665,956
Total Assets	<u>54,240,092</u>	<u>52,863,871</u>	<u>76,245,510</u>	<u>75,230,011</u>	<u>130,485,602</u>	<u>128,093,882</u>
Deferred Outflows of Resources	1,962,792	3,267,673	1,521,715	2,405,329	3,484,507	5,673,002
Net Pension Liability	6,337,906	8,560,951	5,224,053	7,001,535	11,561,959	15,562,486
Net OPEB Liability	2,608,001	2,489,555	3,852,404	3,532,427	6,460,405	6,021,982
Other Long-term Liabilities	4,184,167	4,381,122	3,359,326	3,592,934	7,543,493	7,974,056
Other Liabilities	414,391	576,588	1,533,299	1,696,779	1,947,690	2,273,367
Total Liabilities	<u>13,544,465</u>	<u>16,008,216</u>	<u>13,969,082</u>	<u>15,823,675</u>	<u>27,513,547</u>	<u>31,831,891</u>
Deferred Inflows of Resources	2,611,726	1,272,271	1,656,618	101,522	4,268,344	1,373,793
Net Position						
Net Investment in Capital Assets	28,391,714	27,988,748	46,247,282	41,728,316	74,638,996	69,717,064
Restricted	10,097,836	10,314,474	0	0	10,097,836	10,314,474
Unrestricted	1,557,143	547,835	15,894,243	19,981,827	17,451,386	20,529,662
Total Net Position	<u>\$40,046,693</u>	<u>\$38,851,057</u>	<u>\$62,141,525</u>	<u>\$61,710,143</u>	<u>\$102,188,218</u>	<u>\$100,561,200</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

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

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, 2020

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 2020 compared to 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for Services and Sales	\$900,778	\$1,087,077	\$25,934,590	\$26,895,568	\$26,835,368	\$27,982,645
Operating Grants and Contributions	1,433,284	1,106,760	0	0	1,433,284	1,106,760
Capital Grants and Contributions	374,734	1,870,086	269,229	0	643,963	1,870,086
Total Program revenues:	<u>2,708,796</u>	<u>4,063,923</u>	<u>26,203,819</u>	<u>26,895,568</u>	<u>28,912,615</u>	<u>30,959,491</u>
General revenues:						
Property Taxes	422,524	408,728	0	0	422,524	408,728
Income Taxes	7,176,468	7,401,751	0	0	7,176,468	7,401,751
Other Local Taxes	575,014	678,409	66,548	68,359	641,562	746,768
Intergovernmental Revenues, Unrestricted	929,940	370,505	0	0	929,940	370,505
Investment Earnings	117,948	339,073	146,585	451,809	264,533	790,882
Miscellaneous	561,277	257,316	0	0	561,277	257,316
Total General revenues:	<u>9,783,171</u>	<u>9,455,782</u>	<u>213,133</u>	<u>520,168</u>	<u>9,996,304</u>	<u>9,975,950</u>
Total Revenues	<u>12,491,967</u>	<u>13,519,705</u>	<u>26,416,952</u>	<u>27,415,736</u>	<u>38,908,919</u>	<u>40,935,441</u>
Program Expenses						
Security of Persons and Property	3,463,537	985,749	0	0	3,463,537	985,749
Leisure Time Activities	860,519	1,035,623	0	0	860,519	1,035,623
Community Environment	160,273	110,769	0	0	160,273	110,769
Public Health and Welfare	49,095	51,982	0	0	49,095	51,982
Transportation	1,703,737	1,628,906	0	0	1,703,737	1,628,906
General Government	4,399,112	4,534,201	0	0	4,399,112	4,534,201
Interest and Fiscal Charges	124,329	130,954	0	0	124,329	130,954
Water	0	0	2,238,512	2,286,074	2,238,512	2,286,074
Sewer	0	0	2,292,587	1,949,025	2,292,587	1,949,025
Refuse Collection	0	0	1,445,965	1,262,345	1,445,965	1,262,345
Electric Operating	0	0	17,845,477	18,570,263	17,845,477	18,570,263
Communication Operations	0	0	2,698,758	2,694,126	2,698,758	2,694,126
Total Expenses	<u>10,760,602</u>	<u>8,478,184</u>	<u>26,521,299</u>	<u>26,761,833</u>	<u>37,281,901</u>	<u>35,240,017</u>
Change in Net Position Before Transfers	1,731,365	5,041,521	(104,347)	653,903	1,627,018	5,695,424
Transfers	(535,729)	(759,140)	535,729	759,140	0	0
Total Change in Net Position	1,195,636	4,282,381	431,382	1,413,043	1,627,018	5,695,424
Beginning Net Position	38,851,057	34,568,676	61,710,143	60,297,100	100,561,200	94,865,776
Ending Net Position	<u>\$40,046,693</u>	<u>\$38,851,057</u>	<u>\$62,141,525</u>	<u>\$61,710,143</u>	<u>\$102,188,218</u>	<u>\$100,561,200</u>

CITY OF BRYAN, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

Governmental Activities

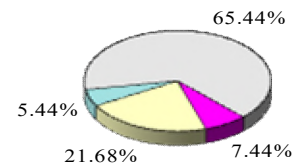
Governmental activities net position increased \$1,195,636, or 3%. An increase in operating grants can be attributed to Coronavirus Relief Funding. Grants received in the prior year from the Ohio Department of Transportation and Ohio Development Services Agency for street and infrastructure improvements resulted in a subsequent decrease in capital grants in the current year. An increase in unrestricted intergovernmental revenues can be attributed to refunds received from the Ohio Bureau of Workers' Compensation.

A substantial decrease in security of persons and property in the prior year due to changes in the Ohio Police and Fire Pension Fund net OPEB liability resulted in a subsequent increase in security of persons and property expense in the current year. Leisure time activities decreased due to a decline in recreational activities, due to the pandemic.

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 57% and 3%, respectively, of revenues for governmental activities in 2020. The City's reliance upon tax revenues is demonstrated by the following graph indicating 65% of total revenues from general tax revenues:

Revenue Sources	2020	Percent of Total
General Tax Revenues	\$8,174,006	65.44%
Intergovernmental, Unrestricted	929,940	7.44%
Program Revenues	2,708,796	21.68%
General Other	679,225	5.44%
Total Revenue	\$12,491,967	100.00%



Business-Type Activities

Net position of the business-type activities increased \$431,382. This represents an approximately 1% change from 2019. A decrease in charges for services and expenses in the electric utility can be attributed to a decrease in demand. Other expenses were consistent with the prior year. Capital grants consisted of an Ohio Public Works Commission grant for water line replacement at South Williams Street.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$20,027,816, which is an increase from last year's balance of \$18,411,580. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2020 and 2019:

	Fund Balance December 31, 2020	Fund Balance December 31, 2019	Increase (Decrease)
General	\$10,027,263	\$8,399,926	\$1,627,337
Other Governmental	10,000,553	10,011,654	(11,101)
Total	\$20,027,816	\$18,411,580	\$1,616,236

CITY OF BRYAN, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

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:

	2020 Revenues	2019 Revenues	Increase (Decrease)
Taxes	\$6,929,457	\$7,227,155	(\$297,698)
Intergovernmental Revenues	927,242	354,038	573,204
Charges for Services	251,405	320,559	(69,154)
Licenses and Permits	116,049	122,167	(6,118)
Investment Earnings	75,877	216,005	(140,128)
Gifts and Donations	26,137	108,480	(82,343)
Fines and Forfeitures	329,190	403,674	(74,484)
All Other Revenue	188,665	95,495	93,170
Total	\$8,844,022	\$8,847,573	(\$3,551)

Overall, General Fund revenues remained stable, decreasing \$3,551, or less than 1% when compared with the prior year. The Covid-19 pandemic impacted multiple revenue sources. A decrease in recreational activities contributed to a decrease in charges for services. Decreased court activity resulted in a decrease in fines and forfeitures. A decrease in investment earnings can be attributed to a decline in economic activity. These declines in revenue were offset by refunds received from the Ohio Bureau of Workers' Compensation.

	2020 Expenditures	2019 Expenditures	Increase (Decrease)
Security of Persons and Property	\$1,035,493	\$1,775,453	(\$739,960)
Public Health and Welfare	42,051	51,321	(9,270)
Leisure Time Activities	726,286	1,028,764	(302,478)
General Government	3,381,142	3,168,656	212,486
Total	\$5,184,972	\$6,024,194	(\$839,222)

General Fund expenditures decreased \$839,222, or 14% when compared with the prior year. A decrease in security of persons and property was due to a portion of police and fire expenditures being funded from the Coronavirus Relief Fund. A decrease in recreational activities, due to the pandemic, resulted in a decrease in leisure time activities. An increase in general government can mostly be attributed to an increase in health insurance costs.

	2020 Other Financing Sources (Uses)	2019 Other Financing Sources (Uses)	Increase (Decrease)
Transfers In	\$52,067	\$78,864	(\$26,797)
Transfers Out	(2,083,780)	(2,125,531)	41,751
Total	(\$2,031,713)	(\$2,046,667)	\$14,954

CITY OF BRYAN, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

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 2020, the City amended its General Fund budget several times to reflect changing circumstances.

Original budgeted and final budgeted revenues were not significantly different. Actual budget basis revenues were 23% higher than final budget estimates due to refunds received from the Ohio Bureau of Workers' Compensation.

The difference between final budgeted appropriations and original budgeted appropriations was insignificant. Final budgeted appropriations exceeded actual expenditures by 32%. This was due to a combination of factors: a portion of police and fire expenditures was funded from the Coronavirus Relief Fund, a decline in recreational activities due to the pandemic, and the controlling of expenditures across all general fund departments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2020 the City had \$80,001,510 net of accumulated depreciation invested in land, buildings and improvements, infrastructure, and machinery and equipment. Of this total, \$31,572,667 was related to governmental activities and \$48,428,843 to the business-type activities. The following tables show 2020 and 2019 balances:

	Governmental Activities		Increase (Decrease)
	2020	2019	
Land	\$5,027,659	\$5,027,659	\$0
Construction In Progress	179,382	311,813	(132,431)
Buildings	19,112,792	18,757,542	355,250
Improvements Other than Buildings	4,689,905	4,649,557	40,348
Infrastructure	20,941,556	20,022,338	919,218
Machinery and Equipment	7,451,798	7,067,507	384,291
Less: Accumulated Depreciation	(25,830,425)	(24,430,719)	(1,399,706)
Totals	\$31,572,667	\$31,405,697	\$166,970
	Business-Type Activities		Increase (Decrease)
	2020	2019	
Land	\$2,379,327	\$2,379,327	\$0
Construction in Progress	4,971,729	663,201	4,308,528
Buildings and Improvements	19,476,474	19,393,666	82,808
Infrastructure	42,263,504	40,751,521	1,511,983
Machinery and Equipment	49,246,712	48,831,966	414,746
Less: Accumulated Depreciation	(69,908,903)	(67,759,422)	(2,149,481)
Totals	\$48,428,843	\$44,260,259	\$4,168,584

CITY OF BRYAN, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

Significant governmental capital asset activity included the Mayberry Drive project as well as combined governmental-Water Department projects including the South Williams Street project and the Industrial Park North project. In addition, police vehicles, a new Street Department dump truck, and other infrastructure projects were a part of the 2020 governmental capital asset activities.

Business-type capital asset activities include a High Pressure Filter project, the completion of the 69kV Dagget Re-route project, the Industrial Park Fiber project, a Refuse Department garbage truck, an Electric Department Versalift bucket truck as well as other water and electric infrastructure. In addition, the aforementioned joint governmental-Water Department projects including the South Williams Street project and Industrial Park North project were completed in 2020. There are several significant construction in progress capital projects as well, including a new substation, the GT#2 Controls Upgrade, and the 34.5kV Upgrade project.

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

Debt and Other Long Term Liabilities

The following table summarizes the City's debt and other long term liabilities outstanding as of December 31, 2020 and 2019:

	2020	2019
	<u> </u>	<u> </u>
Governmental Activities:		
General Obligation Bonds	\$3,180,953	\$3,416,949
Compensated Absences	1,003,214	964,173
Total Governmental Activities	<u>4,184,167</u>	<u>4,381,122</u>
Business-Type Activities:		
Ohio Water Development Authority Loans	2,181,561	2,531,943
Compensated Absences	1,177,765	1,060,991
Total Business-Type Activities	<u>3,359,326</u>	<u>3,592,934</u>
Totals	<u><u>\$7,543,493</u></u>	<u><u>\$7,974,056</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, 2020, 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

The following analysis utilizes cash basis figures. Analysis of the General Fund reflects fund activity as reported on a budgetary basis.

The 2020 Coronavirus pandemic caused some volatility in the local economy as businesses were forced to make adjustments. The effects of the global pandemic were most impactful with regard to decreased industrial electric consumption. The utilities sector of the City – primarily the electric portion – has made substantial reductions in expenses to help offset the electric sales loss.

CITY OF BRYAN, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

The utilities funds are still healthy due to conservative spending restrictions activated at the onset of the pandemic. In addition, income tax revenues decreased by 5% year over year primarily as a result of the pandemic as well. However, with Local Corona Virus Relief funds in excess of \$790,000 and Ohio Bureau of Worker's Compensation refunds and dividends, the general fund and supporting tax funds remain in stable condition at this point in time.

Conservative budgeting continues to be a reflection of the general economic climate as well as State mandated local government funds reduction and the elimination of the estate tax. Income tax revenues will be a notable concern for 2017 forward as mandated changes to the income tax laws have been made in the State of Ohio. Of primary concern is the change to net operating loss carry forward as well as the opt-in centralization of net profit filings as permitted by legislation approved by the State of Ohio.

In November 2005, taxpayers voted a .3% permanent income tax for the Fire Department operations. As an independent revenue source, this tax continues to support the condition of the general fund.

A property exceeding 80 acres was purchased in 2014 on the north side of Bryan in an effort to attract large businesses to the City. At this time, the intent is to split the property into four (4) approximately 20 acre lots for industrial development. Bryan is a commercial and industrial hub for Northwest Ohio. It is conveniently located within one-hour drive of Toledo and Fort Wayne. Cleveland, Cincinnati, Detroit and Chicago are within an easy drive of the City. State routes 2, 15, 6 and 34 are major roadways serving Bryan and the Ohio Turnpike is only 8 miles to the North of the City. Bryan continues to attract interest through Enterprise Zone Agreements, revolving loans and working in conjunction with the Bryan Economic Development Office and the Williams County Economic Development Corporation.

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 Ms. Laura Rode, Clerk-Treasurer of the City of Bryan.

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CITY OF BRYAN, OHIO

Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and Cash Equivalents	\$ 19,378,078	\$ 20,994,972	\$ 40,373,050
Cash and Cash Equivalents in Segregated Accounts	35,964	0	35,964
Receivables:			
Taxes	1,680,044	0	1,680,044
Accounts	20,985	3,594,823	3,615,808
Intergovernmental	803,520	0	803,520
Interest	2,981	3,189	6,170
Loans	1,135,097	0	1,135,097
Internal Balance	(568,788)	568,788	0
Inventory of Supplies at Cost	81,552	1,535,265	1,616,817
Prepaid Items	97,992	454,963	552,955
Investment in Joint Venture	0	662,917	662,917
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	0	1,750	1,750
Non-Depreciable Capital Assets	5,207,041	7,351,056	12,558,097
Depreciable Capital Assets, Net	26,365,626	41,077,787	67,443,413
Total Assets	<u>54,240,092</u>	<u>76,245,510</u>	<u>130,485,602</u>
Deferred Outflows of Resources:			
Pension	1,136,945	867,271	2,004,216
OPEB	825,847	654,444	1,480,291
Total Deferred Outflows of Resources	<u>1,962,792</u>	<u>1,521,715</u>	<u>3,484,507</u>
Liabilities:			
Accounts Payable	87,870	1,230,608	1,318,478
Accrued Wages and Benefits	57,599	52,699	110,298
Intergovernmental Payable	4,889	78,246	83,135
Claims Payable	253,950	0	253,950
Matured Bonds and Interest Payable	0	1,750	1,750
Unearned Revenue	0	169,996	169,996
Accrued Interest Payable	10,083	0	10,083
Noncurrent Liabilities:			
Due Within One Year	570,028	693,713	1,263,741
Due in More Than One Year:			
Net Pension Liability	6,337,906	5,224,053	11,561,959
Net OPEB Liability	2,608,001	3,852,404	6,460,405
Other Amounts Due in More Than One Year	3,614,139	2,665,613	6,279,752
Total Liabilities	<u>13,544,465</u>	<u>13,969,082</u>	<u>27,513,547</u>

CITY OF BRYAN, OHIO

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	405,541	0	405,541
Pension	1,531,237	1,108,133	2,639,370
OPEB	674,948	548,485	1,223,433
Total Deferred Inflows of Resources	<u>2,611,726</u>	<u>1,656,618</u>	<u>4,268,344</u>
Net Position:			
Net Investment in Capital Assets	28,391,714	46,247,282	74,638,996
Restricted For:			
Capital Projects	2,802,155	0	2,802,155
Debt Service	57,127	0	57,127
Other Purposes	7,238,554	0	7,238,554
Unrestricted	1,557,143	15,894,243	17,451,386
Total Net Position	<u>\$ 40,046,693</u>	<u>\$ 62,141,525</u>	<u>\$ 102,188,218</u>

See accompanying notes to the basic financial statements

CITY OF BRYAN, OHIO

**Statement of Activities
For the Year Ended December 31, 2020**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 3,463,537	\$ 83,211	\$ 875,365	\$ 0
Leisure Time Activities	860,519	26,848	26,137	0
Community Environment	160,273	26,721	0	0
Public Health and Welfare	49,095	22,402	0	0
Transportation	1,703,737	0	530,782	374,734
General Government	4,399,112	741,596	1,000	0
Interest and Fiscal Charges	124,329	0	0	0
Total Governmental Activities	10,760,602	900,778	1,433,284	374,734
Business-Type Activities:				
Water	2,238,512	2,463,593	0	269,229
Sewer	2,292,587	1,644,963	0	0
Refuse Collection	1,445,965	1,238,318	0	0
Electric Operating	17,845,477	18,133,238	0	0
Communication Operations	2,698,758	2,454,478	0	0
Total Business-Type Activities	26,521,299	25,934,590	0	269,229
Totals	\$ 37,281,901	\$ 26,835,368	\$ 1,433,284	\$ 643,963

General Revenues and Transfers

Property Taxes Levied for:

General Purposes

Income Tax

Other Local Taxes

Intergovernmental Revenues, Unrestricted

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF BRYAN, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (2,504,961)	\$ 0	\$ (2,504,961)
(807,534)	0	(807,534)
(133,552)	0	(133,552)
(26,693)	0	(26,693)
(798,221)	0	(798,221)
(3,656,516)	0	(3,656,516)
(124,329)	0	(124,329)
<u>(8,051,806)</u>	<u>0</u>	<u>(8,051,806)</u>
0	494,310	494,310
0	(647,624)	(647,624)
0	(207,647)	(207,647)
0	287,761	287,761
0	(244,280)	(244,280)
<u>0</u>	<u>(317,480)</u>	<u>(317,480)</u>
<u>\$ (8,051,806)</u>	<u>\$ (317,480)</u>	<u>\$ (8,369,286)</u>
422,524	0	422,524
7,176,468	0	7,176,468
575,014	66,548	641,562
929,940	0	929,940
117,948	146,585	264,533
561,277	0	561,277
(535,729)	535,729	0
<u>9,247,442</u>	<u>748,862</u>	<u>9,996,304</u>
1,195,636	431,382	1,627,018
38,851,057	61,710,143	100,561,200
<u>\$ 40,046,693</u>	<u>\$ 62,141,525</u>	<u>\$ 102,188,218</u>

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CITY OF BRYAN, OHIO

**Balance Sheet
Governmental Funds
December 31, 2020**

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 9,182,883	\$ 8,561,569	\$ 17,744,452
Cash and Cash Equivalents in Segregated Accounts	25,628	10,336	35,964
Receivables:			
Taxes	1,501,197	178,847	1,680,044
Accounts	15,899	5,086	20,985
Intergovernmental	231,274	572,246	803,520
Interest	1,966	763	2,729
Loans	0	1,135,097	1,135,097
Interfund Loans Receivables	137,677	0	137,677
Inventory of Supplies, at Cost	0	81,552	81,552
Prepaid Items	63,916	34,076	97,992
Total Assets	\$ 11,160,440	\$ 10,579,572	\$ 21,740,012
Liabilities:			
Accounts Payable	\$ 21,412	\$ 66,458	\$ 87,870
Accrued Wages and Benefits Payable	46,168	11,431	57,599
Intergovernmental Payable	4,769	120	4,889
Interfund Loans Payable	0	200,000	200,000
Total Liabilities	72,349	278,009	350,358
Deferred Inflows of Resources:			
Unavailable Amounts	655,287	301,010	956,297
Property Tax Levy for Next Fiscal Year	405,541	0	405,541
Total Deferred Inflows of Resources	1,060,828	301,010	1,361,838
Fund Balance:			
Nonspendable	81,643	1,250,725	1,332,368
Restricted	0	8,749,828	8,749,828
Assigned	3,190,544	0	3,190,544
Unassigned	6,755,076	0	6,755,076
Total Fund Balance	10,027,263	10,000,553	20,027,816
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 11,160,440	\$ 10,579,572	\$ 21,740,012

See accompanying notes to the basic financial statements

CITY OF BRYAN, OHIO

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities December 31, 2020

Total Governmental Fund Balances \$ 20,027,816

***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. 31,572,667

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 956,297

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	1,136,945	
Deferred Inflows - Pension	(1,531,237)	
Net Pension Liability	(6,337,906)	
Deferred Outflows - OPEB	825,847	
Deferred Inflows - OPEB	(674,948)	
Net OPEB Liability	(2,608,001)	(9,189,300)

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. 873,463

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	(3,180,953)	
Compensated Absences Payable	(1,003,214)	
Accrued Interest Payable	(10,083)	(4,194,250)

Net Position of Governmental Activities **\$ 40,046,693**

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, 2020**

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 6,929,457	\$ 1,186,127	\$ 8,115,584
Intergovernmental Revenues	927,242	1,987,057	2,914,299
Charges for Services	251,405	74,748	326,153
Licenses and Permits	116,049	0	116,049
Investment Earnings	75,877	31,753	107,630
Special Assessments	0	7,810	7,810
Gifts and Donations	26,137	1,750	27,887
Loan Repayments	0	32,592	32,592
Fines and Forfeitures	329,190	121,576	450,766
All Other Revenue	188,665	340,020	528,685
Total Revenues	8,844,022	3,783,433	12,627,455
Expenditures:			
Current:			
Security of Persons and Property	1,035,493	2,122,183	3,157,676
Public Health and Welfare	42,051	0	42,051
Leisure Time Activities	726,286	0	726,286
Community Environment	0	160,273	160,273
Transportation	0	775,119	775,119
General Government	3,381,142	324,585	3,705,727
Capital Outlay	0	1,781,064	1,781,064
Debt Service:			
Principal Retirement	0	230,000	230,000
Interest & Fiscal Charges	0	130,900	130,900
Total Expenditures	5,184,972	5,524,124	10,709,096
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,659,050	(1,740,691)	1,918,359
Other Financing Sources (Uses):			
Transfers In	52,067	2,038,705	2,090,772
Transfers Out	(2,083,780)	(312,917)	(2,396,697)
Total Other Financing Sources (Uses)	(2,031,713)	1,725,788	(305,925)
Net Change in Fund Balance	1,627,337	(14,903)	1,612,434
Fund Balance at Beginning of Year	8,399,926	10,011,654	18,411,580
Increase in Inventory	0	3,802	3,802
Fund Balance End of Year	\$ 10,027,263	\$ 10,000,553	\$ 20,027,816

See accompanying notes to the basic financial statements

CITY OF BRYAN, OHIO

***Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2020***

Net Change in Fund Balances - Total Governmental Funds \$ 1,612,434

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	1,936,716	
Depreciation Expense	<u>(1,740,954)</u>	195,762

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.	(28,792)
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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. (145,806)

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

Pension	517,416	
OPEB	<u>5,947</u>	523,363

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	(816,266)	
OPEB	<u>(246,789)</u>	(1,063,055)

Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net

General Obligation Bond Principal Payment	230,000	
Amortization of Bond Premium	<u>5,996</u>	235,996

CITY OF BRYAN, OHIO

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 575

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	(39,041)	
Change in Inventory	3,802	(35,239)

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. (99,602)

Change in Net Position of Governmental Activities \$ 1,195,636

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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,091,987	\$ 1,074,225	\$ 997,613	\$ (76,612)
Intergovernmental Revenue	334,103	328,669	924,757	596,088
Charges for Services	302,266	297,350	255,189	(42,161)
Licenses and Permits	115,356	113,480	120,935	7,455
Investment Earnings	92,505	91,000	88,930	(2,070)
Gifts and Donations	23,705	23,319	27,637	4,318
Fines and Forfeitures	362,598	356,700	331,527	(25,173)
All Other Revenues	89,404	87,950	174,816	86,866
Total Revenues	<u>2,411,924</u>	<u>2,372,693</u>	<u>2,921,404</u>	<u>548,711</u>
Expenditures:				
Current:				
Security of Persons and Property	1,670,260	1,674,175	1,136,093	538,082
Public Health and Welfare	65,779	65,933	44,742	21,191
Leisure Time Activities	1,183,623	1,186,397	805,088	381,309
General Government	4,597,270	4,608,046	3,127,015	1,481,031
Total Expenditures	<u>7,516,932</u>	<u>7,534,551</u>	<u>5,112,938</u>	<u>2,421,613</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,105,008)	(5,161,858)	(2,191,534)	2,970,324
Other Financing Sources (Uses):				
Transfers In	3,321,158	3,321,158	3,000,000	(321,158)
Total Other Financing Sources (Uses):	<u>3,321,158</u>	<u>3,321,158</u>	<u>3,000,000</u>	<u>(321,158)</u>
Net Change in Fund Balance	(1,783,850)	(1,840,700)	808,466	2,649,166
Fund Balance at Beginning of Year	1,953,262	1,953,262	1,953,262	0
Prior Year Encumbrances	331,933	331,933	331,933	0
Fund Balance at End of Year	<u>\$ 501,345</u>	<u>\$ 444,495</u>	<u>\$ 3,093,661</u>	<u>\$ 2,649,166</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, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Refuse Collection
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ 2,226,297	\$ 2,061,201	\$ 400,882
Accounts Receivable	350,954	229,678	183,037
Interest Receivable	369	269	62
Inventory of Supplies at Cost	146,549	17,086	0
Interfund Loans Receivable	62,323	0	0
Prepaid Items	25,537	25,805	12,544
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	0	1,750	0
Total Current Assets	2,812,029	2,335,789	596,525
Noncurrent Assets:			
Investment in Joint Venture	0	0	0
Capital Assets, Net	7,543,142	15,952,717	265,350
Total Noncurrent Assets	7,543,142	15,952,717	265,350
Total Assets	10,355,171	18,288,506	861,875
Deferred Outflows of Resources:			
Pension	183,011	87,557	85,613
OPEB	138,092	66,037	64,600
Total Deferred Outflows of Resources	321,103	153,594	150,213
Liabilities:			
Current Liabilities:			
Accounts Payable	27,542	52,180	3,168
Accrued Wages and Benefits	8,057	5,704	4,236
Intergovernmental Payable	1,154	460	5,359
Claims Payable	0	0	0
Unearned Revenue	0	0	0
Matured Bonds and Interest Payable	0	1,750	0
Compensated Absences Payable - Current	50,653	36,673	15,172
OWDA Loans Payable - Current	84,086	276,821	0
Total Current Liabilities	171,492	373,588	27,935
Noncurrent Liabilities:			
OWDA Loans Payable	354,536	1,466,118	0
Compensated Absences Payable	172,078	63,597	29,744
Net Pension Liability	1,102,380	527,391	515,694
Net OPEB Liability	812,935	388,915	380,293
Total Noncurrent Liabilities	2,441,929	2,446,021	925,731
Total Liabilities	2,613,421	2,819,609	953,666

CITY OF BRYAN, OHIO

Electric Operating	Communication Operations	Total	Governmental Activities - Internal Service Fund
\$ 13,915,374	\$ 2,391,218	\$ 20,994,972	\$ 1,633,626
2,475,945	355,209	3,594,823	0
2,121	368	3,189	252
1,371,630	0	1,535,265	0
0	0	62,323	0
380,577	10,500	454,963	0
0	0	1,750	0
18,145,647	2,757,295	26,647,285	1,633,878
662,917	0	662,917	0
21,921,399	2,746,235	48,428,843	0
22,584,316	2,746,235	49,091,760	0
40,729,963	5,503,530	75,739,045	1,633,878
450,793	60,297	867,271	0
340,213	45,502	654,444	0
791,006	105,799	1,521,715	0
1,023,678	124,040	1,230,608	0
27,719	6,983	52,699	0
54,612	16,661	78,246	0
0	0	0	253,950
0	169,996	169,996	0
0	0	1,750	0
191,454	38,854	332,806	0
0	0	360,907	0
1,297,463	356,534	2,227,012	253,950
0	0	1,820,654	0
490,175	89,365	844,959	0
2,715,388	363,200	5,224,053	0
2,002,425	267,836	3,852,404	0
5,207,988	720,401	11,742,070	0
6,505,451	1,076,935	13,969,082	253,950

(Continued)

CITY OF BRYAN, OHIO

Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Refuse Collection
Deferred Inflows of Resources:			
Pension	233,840	111,870	109,390
OPEB	115,741	55,373	54,143
Total Deferred Inflows of Resources	<u>349,581</u>	<u>167,243</u>	<u>163,533</u>
Net Position:			
Net Investment in Capital Assets	7,104,520	14,209,778	265,350
Unrestricted	608,752	1,245,470	(370,461)
Total Net Position	<u>\$ 7,713,272</u>	<u>\$ 15,455,248</u>	<u>\$ (105,111)</u>

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

Electric Operating	Communication Operations	Total	Governmental Activities - Internal Service Fund
575,991	77,042	1,108,133	0
285,094	38,134	548,485	0
861,085	115,176	1,656,618	0
21,921,399	2,746,235	46,247,282	0
12,233,034	1,670,983	15,387,778	1,379,928
\$ 34,154,433	\$ 4,417,218	\$ 61,635,060	\$ 1,379,928
		506,465	
		\$ 62,141,525	

CITY OF BRYAN, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Refuse Collection
Operating Revenues:			
Charges for Services	\$ 2,396,215	\$ 1,480,865	\$ 1,180,346
Other Operating Revenues	6,043	144,573	28,592
Total Operating Revenues	<u>2,402,258</u>	<u>1,625,438</u>	<u>1,208,938</u>
Operating Expenses:			
Personal Services	1,582,613	894,498	853,858
Contractual Services	227,189	368,819	483,323
Materials and Supplies	112,622	161,891	61,874
Health Insurance Claims	0	0	0
Depreciation	297,485	792,025	36,447
Other Operating Expenses	4,013	0	0
Total Operating Expenses	<u>2,223,922</u>	<u>2,217,233</u>	<u>1,435,502</u>
Operating Income (Loss)	178,336	(591,795)	(226,564)
Non-Operating Revenue (Expenses):			
Interest Income	15,058	11,018	3,216
Interest and Fiscal Charges	(14,286)	(59,501)	0
Income from Joint Venture	0	0	0
Loss on Disposal of Capital Assets	(304)	(15,853)	(10,463)
Other Local Taxes	0	0	0
Other Nonoperating Revenue	61,335	19,525	29,380
Total Non-Operating Revenues (Expenses)	<u>61,803</u>	<u>(44,811)</u>	<u>22,133</u>
Income (Loss) Before Transfers and Contributions	240,139	(636,606)	(204,431)
Transfers and Contributions:			
Transfers In	50,174	284,682	0
Transfers Out	(28,931)	0	0
Capital Contributions	269,229	229,804	0
Total Transfers and Contributions	<u>290,472</u>	<u>514,486</u>	<u>0</u>
Change in Net Position	530,611	(122,120)	(204,431)
Net Position Beginning of Year	7,182,661	15,577,368	99,320
Net Position End of Year	<u>\$ 7,713,272</u>	<u>\$ 15,455,248</u>	<u>\$ (105,111)</u>

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

Electric Operating	Communication Operations	Total	Governmental Activities - Internal Service Fund
\$ 17,635,367	\$ 2,331,981	\$ 25,024,774	\$ 3,367,883
342,789	44,958	566,955	0
<u>17,978,156</u>	<u>2,376,939</u>	<u>25,591,729</u>	<u>3,367,883</u>
3,856,321	531,556	7,718,846	0
12,353,883	1,808,602	15,241,816	0
258,961	64,042	659,390	0
0	0	0	3,597,105
1,150,438	291,471	2,567,866	0
85,174	1,091	90,278	0
<u>17,704,777</u>	<u>2,696,762</u>	<u>26,278,196</u>	<u>3,597,105</u>
273,379	(319,823)	(686,467)	(229,222)
102,890	14,403	146,585	10,318
0	0	(73,787)	0
35,987	0	35,987	0
(21,449)	(1,996)	(50,065)	0
66,548	0	66,548	0
119,095	77,539	306,874	51
<u>303,071</u>	<u>89,946</u>	<u>432,142</u>	<u>10,369</u>
576,450	(229,877)	(254,325)	(218,853)
0	0	334,856	0
0	0	(28,931)	0
0	0	499,033	0
<u>0</u>	<u>0</u>	<u>804,958</u>	<u>0</u>
576,450	(229,877)	550,633	(218,853)
33,577,983	4,647,095	61,084,427	1,598,781
<u>\$ 34,154,433</u>	<u>\$ 4,417,218</u>	<u>\$ 61,635,060</u>	<u>\$ 1,379,928</u>
		\$ 550,633	
		(119,251)	
		<u>\$ 431,382</u>	

CITY OF BRYAN, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business Type Activities			
	Enterprise Funds			
	Water	Sewer	Refuse Collection	Electric Operating
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$2,420,659	\$1,631,673	\$1,232,033	\$18,503,875
Cash Payments for Goods and Services	(354,996)	(544,745)	(554,478)	(13,396,197)
Cash Payments to Employees	(1,406,655)	(704,645)	(717,309)	(3,480,372)
Net Cash Provided (Used) by Operating Activities	<u>659,008</u>	<u>382,283</u>	<u>(39,754)</u>	<u>1,627,306</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Other Local Taxes	0	0	0	66,548
Transfers In from Other Funds	50,174	284,682	0	0
Transfers Out to Other Funds	(28,931)	0	0	0
Advances Out to Other Funds	(62,323)	0	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(41,080)</u>	<u>284,682</u>	<u>0</u>	<u>66,548</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Capital Contributions	269,229	0	0	56,700
Proceeds from the Sale of Capital Assets	1,900	0	0	2,817
OWDA Loan Retirement	(81,723)	(268,659)	0	0
Interest and Fiscal Charges	(14,286)	(59,501)	0	0
Acquisition and Construction of Assets	(903,595)	(244,224)	(139,752)	(5,231,787)
Net Cash Used for Capital and Related Financing Activities	<u>(728,475)</u>	<u>(572,384)</u>	<u>(139,752)</u>	<u>(5,172,270)</u>
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	17,962	12,927	3,912	123,277
Net Cash Provided by Noncapital Financing Activities	<u>17,962</u>	<u>12,927</u>	<u>3,912</u>	<u>123,277</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(92,585)	107,508	(175,594)	(3,355,139)
Cash and Cash Equivalents at Beginning of Year	2,318,882	1,955,443	576,476	17,270,513
Cash and Cash Equivalents at End of Year	<u>\$2,226,297</u>	<u>\$2,062,951</u>	<u>\$400,882</u>	<u>\$13,915,374</u>
<u>Reconciliation of Cash and</u>				
<u>Cash Equivalents per the Statement of Net Position:</u>				
Cash and Cash Equivalents	\$2,226,297	\$2,061,201	\$400,882	\$13,915,374
Cash with Fiscal Agent	0	1,750	0	0
Cash and Cash Equivalents at End of Year	<u>\$2,226,297</u>	<u>\$2,062,951</u>	<u>\$400,882</u>	<u>\$13,915,374</u>

CITY OF BRYAN, OHIO

Communication Operations	Total	Governmental- Activities Internal Service Fund
\$2,383,241	\$26,171,481	\$3,367,934
(1,869,577)	(16,719,993)	(3,561,809)
(472,357)	(6,781,338)	0
<u>41,307</u>	<u>2,670,150</u>	<u>(193,875)</u>
0	66,548	0
0	334,856	0
0	(28,931)	0
0	(62,323)	0
<u>0</u>	<u>310,150</u>	<u>0</u>
0	325,929	0
0	4,717	0
0	(350,382)	0
0	(73,787)	0
(32,853)	(6,552,211)	0
<u>(32,853)</u>	<u>(6,645,734)</u>	<u>0</u>
17,145	175,223	12,452
<u>17,145</u>	<u>175,223</u>	<u>12,452</u>
25,599	(3,490,211)	(181,423)
2,365,619	24,486,933	1,815,049
<u>\$2,391,218</u>	<u>\$20,996,722</u>	<u>\$1,633,626</u>
\$2,391,218	\$20,994,972	\$1,633,626
0	1,750	0
<u>\$2,391,218</u>	<u>\$20,996,722</u>	<u>\$1,633,626</u>

(Continued)

CITY OF BRYAN, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business Type Activities			
	Enterprise Funds			
	Water	Sewer	Refuse Collection	Electric Operating
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	\$178,336	(\$591,795)	(\$226,564)	\$273,379
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	297,485	792,025	36,447	1,150,438
Non-Operating Revenue	60,601	18,511	29,283	130,186
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:				
Increase in Accounts Receivable	(42,200)	(12,276)	(6,188)	(227,548)
Increase in Inventory	(6,589)	(6,151)	0	(46,139)
(Increase) Decrease in Prepaids	333	(1,088)	805	(91,483)
Decrease in Deferred Outflows of Resources	185,181	61,222	74,198	496,216
Increase (Decrease) in Accounts Payable	(1,929)	(6,299)	(3,330)	69,241
Decrease in Accrued Wages and Benefits	(31,184)	(15,401)	(13,996)	(89,410)
Increase in Claims Payable	0	0	0	0
Increase (Decrease) in Intergovernmental Payable	(1,298)	197	(5,787)	(2,644)
Increase (Decrease) in Compensated Absences	(5,246)	9,737	7,079	77,540
Decrease in Net Pension Liability	(371,843)	(97,978)	(136,844)	(1,031,345)
Increase in Net OPEB Liability	69,157	73,404	51,072	112,116
Increase in Deferred Inflows of Resources	328,204	158,175	154,071	806,759
Total Adjustments	<u>480,672</u>	<u>974,078</u>	<u>186,810</u>	<u>1,353,927</u>
Net Cash Provided (Used) by Operating Activities	<u>\$659,008</u>	<u>\$382,283</u>	<u>(\$39,754)</u>	<u>\$1,627,306</u>

Schedule of Noncash Investing, Capital, and Financing Activities:

During 2020 the Sewer Fund received capital contributions from Governmental Funds in the amount of \$229,804.

See accompanying notes to the basic financial statements

CITY OF BRYAN, OHIO

Communication Operations	Total	Governmental- Activities Internal Service Fund
(\$319,823)	(\$686,467)	(\$229,222)
291,471	2,567,866	0
20,665	259,246	51
(14,363)	(302,575)	0
0	(58,879)	0
443	(90,990)	0
66,797	883,614	0
5,090	62,773	0
(18,461)	(168,452)	0
0	0	35,296
(819)	(10,351)	0
27,664	116,774	0
(139,472)	(1,777,482)	0
14,228	319,977	0
107,887	1,555,096	0
<u>361,130</u>	<u>3,356,617</u>	<u>35,347</u>
<u>\$41,307</u>	<u>\$2,670,150</u>	<u>(\$193,875)</u>

CITY OF BRYAN, OHIO

***Statement of Net Position
Fiduciary Fund
December 31, 2020***

	<u>Custodial Fund</u>
Assets:	
Cash and Cash Equivalents	\$ 8,992
Total Assets	<u>8,992</u>
Liabilities:	
Due to Others	8,992
Total Liabilities	<u>8,992</u>
Net Position:	
Total Net Position	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF BRYAN, OHIO

***Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2020***

	<u>Custodial Fund</u>
Additions:	
Fines and Forfeiture Collections for other Governments	\$ 985,966
Total Additions	<u>985,966</u>
Deductions:	
Distribution of Fines and Forfeitures to other Governments	985,966
Total Deductions	<u>985,966</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

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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, 2020 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

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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 is the City's only major governmental fund:

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.

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CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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.

Refuse Collection Fund – This fund is used to account for the City's refuse collection service.

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

Communication Operations Fund – This fund is used to account for the City's cable television and internet 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

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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, 2020 but which are not intended to finance 2020 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

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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 2020.

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

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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)	\$1,627,337
Increase (Decrease):	
Accrued Revenues at December 31, 2020 received during 2021	(852,813)
Accrued Revenues at December 31, 2019 received during 2020	632,821
Accrued Expenditures at December 31, 2020 paid during 2021	72,349
Accrued Expenditures at December 31, 2019 paid during 2020	(226,110)
2019 Prepays for 2020	69,448
2020 Prepays for 2021	(63,916)
Outstanding Encumbrances	(207,116)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	(243,534)
Budget Basis	\$808,466

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

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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 \$21,395 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 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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, 2020, 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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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 Bond	Police and Fire Building Debt Retirement Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund, Fire Department Fund, Refuse Collection Fund, Water Fund, Sewer Fund, Electric Fund, Communication Operations Fund
Ohio Water Development Authority Loans Payable	Water Fund, Sewer Fund

L. Compensated Absences

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

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

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

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

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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, 2020.

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

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

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

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pension/OPEB

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

P. Interfund Activity

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

Q. Restricted Assets

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

R. Operating Revenues and Expenses

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items to report during 2020.

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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.

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CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Loans Receivable	\$0	\$1,135,097	\$1,135,097
Prepaid Items	63,916	34,076	97,992
Supplies Inventory	0	81,552	81,552
Unclaimed Funds	17,727	0	17,727
Total Nonspendable	<u>81,643</u>	<u>1,250,725</u>	<u>1,332,368</u>
Restricted:			
Street Improvements	0	1,046,197	1,046,197
Court Computer Improvements	0	248,984	248,984
Community Development and Improvement	0	157,682	157,682
Pollution Remediation	0	55,000	55,000
Drug and Alcohol Treatment and Education	0	369,353	369,353
Court Special Projects	0	292,776	292,776
Adult Probation Program	0	80,527	80,527
Law Enforcement	0	10,575	10,575
Railroad Crossing Improvement	0	1,000	1,000
Fire Department Operations	0	2,971,995	2,971,995
Fire Vehicle Purchase	0	656,457	656,457
Debt Service Payments	0	57,127	57,127
Capital Acquisition and Construction	0	2,802,155	2,802,155
Total Restricted	<u>0</u>	<u>8,749,828</u>	<u>8,749,828</u>
Assigned:			
Budget Resource	2,995,314	0	2,995,314
Supplies and Services	195,230	0	195,230
Total Assigned	<u>3,190,544</u>	<u>0</u>	<u>3,190,544</u>
Unassigned:			
	6,755,076	0	6,755,076
Total Fund Balances	<u>\$10,027,263</u>	<u>\$10,000,553</u>	<u>\$20,027,816</u>

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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, government national mortgage association, and student loan marketing 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

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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 \$18,674,215 and the bank balance was \$19,208,660. Federal depository insurance covered \$13,283,144 of the bank balance and \$5,925,516 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, 2020 are summarized below:

	<u>Fair Value</u> ²	<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	<u>\$21,742,271</u>	AAAm ¹	<u>\$21,742,271</u>	<u>\$0</u>	<u>\$0</u>
Total Investments	<u>\$21,742,271</u>		<u>\$21,742,271</u>	<u>\$0</u>	<u>\$0</u>

¹ Standard & Poor's

² Reported at amortized cost

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

B. Investments (Continued)

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

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

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

C. Reconciliation of Cash, Cash Equivalents and Investments

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

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

	Cash and Cash Equivalents	Investments
Per Financial Statements	\$40,419,756	\$0
Less: Petty Cash	(3,270)	
Investments:		
STAR Ohio	(21,742,271)	21,742,271
Per GASB Statement No. 3	\$18,674,215	\$21,742,271

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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 2020 were levied after October 1, 2019 on assessed values as of January 1, 2019, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2018. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Bryan. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2020 was \$2.80 per \$1,000 of assessed value. The assessed value upon which the 2020 levy was based was \$169,284,010. This amount constitutes \$167,461,690 in real property assessed value and \$1,822,320 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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 5 – INTERFUND ACTIVITY

A. Transfers

Following is a summary of transfers in and out for all funds for 2020:

Fund	Transfer In	Transfer Out
Governmental Funds		
General Fund	\$52,067	\$2,083,780
Other Governmental Funds	2,038,705	312,917
Total Governmental Funds	2,090,772	2,396,697
Proprietary Funds		
Water Fund	50,174	28,931
Sewer Fund	284,682	0
Total Proprietary Funds	334,856	28,931
Totals	\$2,425,628	\$2,425,628

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.

B. Interfund Loans

Following is a summary of interfund loans outstanding for all funds for 2020:

Fund	Interfund Loans Receivable	Interfund Loans Payable
Governmental Funds:		
General Fund	\$137,677	\$0
Nonmajor Governmental Funds	0	200,000
Total Governmental Funds	137,677	200,000
Enterprise Funds:		
Water Fund	62,323	0
Total	\$200,000	\$200,000

NOTE 6 - RECEIVABLES

Receivables at December 31, 2020 consisted of taxes, accounts, loans, interest, and intergovernmental receivables arising from shared revenues.

CITY OF BRYAN, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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, 2020.

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated For the year 2020</u>
<i>Community Reinvestment Area (CRA)</i>	
Manufacturing/Retail	\$7,129
	<u>\$7,129</u>

Income Tax Abatement Program

The City created the Bryan Municipal Job Creation Income Tax Incentive Program in 2007. The purpose of the program is to maintain the City’s competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Ohio Revised Code 718 and the applicable City ordinance, the City provides an incentive to the company based upon the company’s gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained by the business. The abatement is administered as a refund based upon the company’s payroll taxes. Also, the time period of the incentive in years, is determined by how many new jobs are created by the company. The tax abatement incentive to a new business or expanding business with new payroll of a minimum of \$200,000 is at a percentage up to 50% of income tax paid on new payroll for a period of 3 to 10 years. There is one business with an active tax abatement agreement in place; however, due to the Covid-19 pandemic, the start date for the tax abatement is deferred until 2021.

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2020:

Historical Cost:

Class	December 31, 2019	Additions	Deletions	December 31, 2020
Capital assets not being depreciated:				
Land	\$5,027,659	\$0	\$0	\$5,027,659
Construction in Progress	311,813	179,382	(311,813)	179,382
Subtotal	5,339,472	179,382	(311,813)	5,207,041
Capital assets being depreciated:				
Buildings	18,757,542	355,250	0	19,112,792
Improvements Other than Buildings	4,649,557	93,480	(53,132)	4,689,905
Infrastructure	20,022,338	1,085,059	(165,841)	20,941,556
Machinery and Equipment	7,067,507	535,358	(151,067)	7,451,798
Total Cost	\$55,836,416	\$2,248,529	(\$681,853)	\$57,403,092

Accumulated Depreciation:

Class	December 31, 2019	Additions	Deletions	December 31, 2020
Buildings	(\$7,161,628)	(\$447,369)	\$0	(\$7,608,997)
Improvements Other than Buildings	(2,675,240)	(173,844)	53,132	(2,795,952)
Infrastructure	(9,824,986)	(781,869)	164,845	(10,442,010)
Machinery and Equipment	(4,768,865)	(337,872)	123,271	(4,983,466)
Total Accumulated Depreciation	(\$24,430,719)	(\$1,740,954) *	\$341,248	(\$25,830,425)
Net Value:	<u>\$31,405,697</u>			<u>\$31,572,667</u>

* Depreciation was charged to governmental functions as follows:

Security of Persons and Property	\$362,455
Public Health and Welfare	3,313
Leisure Time Activities	173,979
Transportation	922,699
General Government	278,508
Total Depreciation Expense	<u>\$1,740,954</u>

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2020:

Historical Cost:

Class	December 31, 2019	Additions	Deletions	December 31, 2020
Capital assets not being depreciated:				
Land	\$2,379,327	\$0	\$0	\$2,379,327
Construction in Progress	663,201	4,595,344	(286,816)	4,971,729
Subtotal	3,042,528	4,595,344	(286,816)	7,351,056
Capital assets being depreciated:				
Buildings and Improvements	19,393,666	89,830	(7,022)	19,476,474
Infrastructure	40,751,521	1,544,613	(32,630)	42,263,504
Machinery and Equipment	48,831,966	848,261	(433,515)	49,246,712
Total Cost	\$112,019,681	\$7,078,048	(\$759,983)	\$118,337,746

Accumulated Depreciation:

Class	December 31, 2019	Additions	Deletions	December 31, 2020
Buildings and Improvements	(\$10,235,785)	(\$606,850)	\$1,931	(\$10,840,704)
Infrastructure	(15,884,198)	(1,071,765)	32,630	(16,923,333)
Machinery and Equipment	(41,639,439)	(889,251)	383,824	(42,144,866)
Total Accumulated Depreciation	(\$67,759,422)	(\$2,567,866)	\$418,385	(\$69,908,903)
Net Value:	\$44,260,259			\$48,428,843

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 9 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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 CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

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

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

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR. The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2020 Actual Contribution Rates	
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 \$778,672 for 2020.

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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 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.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2020 through December 31, 2020	12.25 %	12.25 %
2020 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2020 through December 31, 2020	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$243,100 for 2020.

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, 2019, 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, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$8,065,383	\$3,496,576	\$11,561,959
Proportion of the Net Pension Liability-2020	0.040805%	0.051905%	
Proportion of the Net Pension Liability-2019	0.039822%	0.057041%	
Percentage Change	<u>0.000983%</u>	<u>(0.005136%)</u>	
Pension Expense	\$1,432,149	\$356,827	\$1,788,976

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$430,791	\$85,830	\$516,621
Differences between expected and actual experience	0	132,358	132,358
Change in proportionate share	129,510	203,955	333,465
City contributions subsequent to the measurement date	<u>778,672</u>	<u>243,100</u>	<u>1,021,772</u>
Total Deferred Outflows of Resources	<u>\$1,338,973</u>	<u>\$665,243</u>	<u>\$2,004,216</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,608,864	\$168,913	\$1,777,777
Differences between expected and actual experience	101,976	180,332	282,308
Change in proportionate share	<u>0</u>	<u>579,285</u>	<u>579,285</u>
Total Deferred Inflows of Resources	<u>\$1,710,840</u>	<u>\$928,530</u>	<u>\$2,639,370</u>

\$1,021,772 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2021	(\$104,996)	(\$126,526)	(\$231,522)
2022	(473,350)	(121,484)	(594,834)
2023	66,623	(4,688)	61,935
2024	(638,816)	(214,252)	(853,068)
2025	<u>0</u>	<u>(39,437)</u>	<u>(39,437)</u>
Total	<u>(\$1,150,539)</u>	<u>(\$506,387)</u>	<u>(\$1,656,926)</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.

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019 and December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2019
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2018
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2% for 2019.

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 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 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$13,302,430	\$8,065,383	\$3,357,435

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, 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, 2019, compared with January 1, 2018, are presented below.

	January 1, 2019	January 1, 2018
Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2019 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2019 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2019 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds *	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	120.00 %	

* levered 2x

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

CITY OF BRYAN, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2019, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2018 was 8.00 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 8.00 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 8.00 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 (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$4,846,135	\$3,496,576	\$2,367,807

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

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

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. 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 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2020.

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.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. 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.

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

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

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

CITY OF BRYAN, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$5,947 for 2020.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, 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, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$5,947,703	\$512,702	\$6,460,405
Proportion of the Net OPEB Liability-2020	0.043060%	0.051905%	
Proportion of the Net OPEB Liability-2019	<u>0.042205%</u>	<u>0.057041%</u>	
Percentage Change	<u>0.000855%</u>	<u>(0.005136%)</u>	
OPEB Expense	\$746,314	\$13,326	\$759,640

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$941,460	\$299,743	\$1,241,203
Differences between expected and actual experience	158	0	158
Change in proportionate share	68,743	164,240	232,983
City contributions subsequent to the measurement date	0	5,947	5,947
Total Deferred Outflows of Resources	<u>\$1,010,361</u>	<u>\$469,930</u>	<u>\$1,480,291</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$302,854	\$23,593	\$326,447
Changes in assumptions	0	109,261	109,261
Differences between expected and actual experience	543,948	55,137	599,085
Change in proportionate share	0	188,640	188,640
Total Deferred Inflows of Resources	<u>\$846,802</u>	<u>\$376,631</u>	<u>\$1,223,433</u>

\$5,947 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 2021. 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&F</u>	<u>Total</u>
2021	\$194,907	\$16,018	\$210,925
2022	97,825	16,016	113,841
2023	242	20,856	21,098
2024	(129,415)	13,229	(116,186)
2025	0	12,013	12,013
2026	0	4,926	4,926
2027	0	4,294	4,294
Total	<u>\$163,559</u>	<u>\$87,352</u>	<u>\$250,911</u>

CITY OF BRYAN, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Prior Measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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

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

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	<u>100.00 %</u>	<u>4.55 %</u>

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent.

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$7,783,526	\$5,947,703	\$4,477,809

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$5,772,193	\$5,947,703	\$6,120,979

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

CITY OF BRYAN, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	3.56 percent	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

CITY OF BRYAN, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

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 3.56 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 (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$635,716	\$512,702	\$410,484

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.

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CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

Long-term debt and other long-term obligations of the City at December 31, 2020 follows:

Interest Rate	Purpose	Maturity Date	Balance December 31, 2019	Additions	Deductions	Balance December 31, 2020	Amount Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
2.0-4.0%	Police and Fire Building	2031	\$3,345,000	\$0	(\$230,000)	\$3,115,000	\$235,000
	Bond Premium		71,949	0	(5,996)	65,953	0
	Total General Obligation Bonds		3,416,949	0	(235,996)	3,180,953	235,000
	Compensated Absences		964,173	344,112	(305,071)	1,003,214	335,028
	Total Governmental Activities		4,381,122	344,112	(541,067)	4,184,167	570,028
Business-Type Activities:							
Ohio Water Development Authority Loans							
2.86%	Sanitary Sewer Overflow Elimination	2022	202,917	0	(79,442)	123,475	81,731
3.08%	Wastewater Treatment Improvements	2028	1,808,681	0	(189,217)	1,619,464	195,090
2.89%	S. Walnut and E. South St. Waterline	2023	182,409	0	(50,262)	132,147	51,725
2.84%	Townline Road Water Main	2029	337,936	0	(31,461)	306,475	32,361
	Total OWDA Loans		2,531,943	0	(350,382)	2,181,561	360,907
	Compensated Absences		1,060,991	441,126	(324,352)	1,177,765	332,806
	Total Business-Type Activities		3,592,934	441,126	(674,734)	3,359,326	693,713
	Total Other Long-Term Obligations		\$7,974,056	\$785,238	(\$1,215,801)	\$7,543,493	\$1,263,741

CITY OF BRYAN, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

The City issued general obligation bonds on September 29, 2011 in the amount of \$4,975,000 to construction, 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 bond issue included serial and term bonds, in the amount of \$3,990,000 and \$985,000, respectively. The bonds were issued for a twenty year period, with final maturity during fiscal year 2031.

The bonds maturing on or after December 1, 2022, are subject to prior redemption by and at the sole option of the City, in whole or in part as selected by the City (in whole multiples of \$5,000), on any date on or after December 1, 2021, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

The 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:

<u>Year</u>	<u>Amount</u>
2029	\$315,000
2030	330,000

Term bonds redeemed by other than mandatory redemption, or purchased for cancellation may be credited against the applicable mandatory redemption requirement for the term bonds.

The City has authorized an Ohio Water Development Authority loan in the amount of \$731,977 for a sanitary sewer overflow project. The loan has an interest rate of 2.86% and matures in 2022. The loan is being repaid from the Sewer Fund.

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

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

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

CITY OF BRYAN, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

A. Long-Term Funding Requirements

Principal and interest requirements to retire debt outstanding at December 31, 2020 were as follows:

Years	General Obligation Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2021	\$235,000	\$121,000	\$360,907	\$63,263
2022	240,000	113,950	329,407	52,421
2023	250,000	104,350	268,820	43,081
2024	260,000	95,600	249,042	35,272
2025	270,000	85,200	256,686	27,628
2026-2030	1,520,000	255,400	716,699	34,922
2031	340,000	13,600	0	0
Totals	<u>\$3,115,000</u>	<u>\$789,100</u>	<u>\$2,181,561</u>	<u>\$256,587</u>

NOTE 12 - RISK MANAGEMENT

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

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

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

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

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

CITY OF BRYAN, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 12 - RISK MANAGEMENT (Continued)

The claims liability of \$253,950 reported in the fund at December 31, 2020 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 2019 and 2020 were:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Year End</u>
2019	\$364,306	\$2,965,699	(\$3,111,351)	\$218,654
2020	218,654	3,597,105	(3,561,809)	253,950

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CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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 \$597,482 at December 31, 2020. Complete financial statements for OMEGA JV4 may be obtained from AMP or from the State Auditor's website at 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, 2020, the City has met their debt coverage obligation.

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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, 2020. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.ohioauditor.gov.

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

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 2020. 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 2020, the City paid administrative fees of \$28,192 to MVPO.

NOTE 14 – PURCHASED POWER

The City's electric distribution system during 2020 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

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 15 – CONTINGENCIES

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

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 \$15,835, and interest on the credit balance credited to the City has been \$42,740, resulting in a net credit balance at December 31, 2020 of \$376,298. The City does have a potential PHFU Liability of \$381,837 resulting in a net total potential liability of \$5,539, 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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 16 – OPERATING LEASES

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

Following an annual review, it was determined that the fiber-coax plant lease payment would be reduced in an effort to accelerate the payoff on the Communications loan from the Electric Department. In 2020, the balance due with interest remaining was \$369,037. In 2020 a lease payment of \$50,000 was applied against the fiber-coax plant lease. Per Resolution No. 46, 2020, another \$50,000 was budgeted for 2021. The lease payment will be reviewed annually until the Electric Department is determined to be made whole at which time the lease will be terminated.

In January 2008, an agreement was made for a fifteen (15) year lease of fiber optic facilities between Bryan Municipal Utilities and Community Hospitals and Wellness Centers. An amount of \$425,000 was received prior to the commencement of the term and another payment of \$425,000 was made upon completion of the project. The lump sum of \$850,000 represents the net present value of a fifteen (15) year lease of the Community Hospital and Wellness Centers leased fibers.

Revenue from the lease agreement is being recognized as follows:

Year Ending December 31,	Operating Lease Revenue Recognition
2021	\$56,667
2022	56,667
2023	56,662
Total	\$169,996

The cost of the fiber optic extension is \$327,423, with a 50 year life and accumulated depreciation of \$81,856 at December 31, 2020.

NOTE 17 – SIGNIFICANT COMMITMENTS

At December 31, 2020 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$218,483
Other Governmental Funds	354,348
Total Governmental Funds	\$572,831

CITY OF BRYAN, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 17 – SIGNIFICANT COMMITMENTS (Continued)

The City had the following contractual commitments at December 31, 2020:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Don North Municipal Building Vestibule Addition	\$27,032	January 2021
Asphalt Program 2020	59,982	January 2021
Emergency Backup Pump	35,870	January 2021
New Daggett Substation	123,575	March 2021
GT #2 Controls Upgrade	173,656	May 2021
34.5 kV Upgrade Project	1,600,057	December 2021
	<u>\$2,020,172</u>	

NOTE 18 - CONDUIT DEBT OBLIGATIONS

The City has issued Revenue Bonds to provide financial assistance to the Community Hospitals and Wellness Centers. The monies are being used primarily for construction, renovation and improvements to these facilities. The City has no obligation for the repayment of this debt. The bonds are not bonded indebtedness of the City and are therefore not reported on the City's balance sheet. At December 31, 2020, the outstanding bonds have a principal amount payable of \$15,863,799.

NOTE 19 – COVID-19

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

NOTE 20 – SUBSEQUENT EVENTS

On June 30, 2021, the City issued a \$1,201,515 revenue bond for the acquisition of certain equipment and other improvements including but not limited to the Advanced Metering Infrastructure System for the Water system. The bond has an interest rate of 2.19 percent and matures June 30, 2033.

On June 30, 2021, the City issued a \$1,020,147 revenue bond for the acquisition of certain equipment and other improvements including but not limited to the Advanced Metering Infrastructure System for the Electric system. The bond has an interest rate of 2.19 percent and matures June 30, 2033.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BRYAN, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.039387%	0.040010%	0.039822%	0.040805%
\$8,944,187	\$6,276,848	\$10,906,435	\$8,065,383
\$5,091,600	\$5,287,400	\$5,462,614	\$5,741,150
175.67%	118.71%	199.66%	140.48%
77.25%	84.66%	74.70%	82.17%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.056819%	0.060995%	0.057041%	0.051905%
\$3,598,886	\$3,743,520	\$4,656,051	\$3,496,576
\$1,285,543	\$1,407,026	\$1,351,926	\$1,286,459
279.95%	266.06%	344.40%	271.80%
68.36%	70.91%	63.07%	69.89%

CITY OF BRYAN, OHIO

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

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$696,684	\$598,305	\$599,678
Contributions in relation to the contractually required contribution	<u>696,684</u>	<u>598,305</u>	<u>599,678</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$5,359,108	\$4,985,875	\$4,997,317
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%

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

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$193,816	\$249,681	\$267,305
Contributions in relation to the contractually required contribution	<u>193,816</u>	<u>249,681</u>	<u>267,305</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$1,242,620	\$1,259,691	\$1,333,857
Contributions as a percentage of covered payroll	15.60%	19.82%	20.04%

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

See accompanying notes to the required supplementary information

CITY OF BRYAN, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$610,992	\$687,362	\$764,766	\$803,761	\$778,672
<u>610,992</u>	<u>687,362</u>	<u>764,766</u>	<u>803,761</u>	<u>778,672</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,091,600	\$5,287,400	\$5,462,614	\$5,741,150	\$5,561,943
12.00%	13.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$258,267	\$281,631	\$272,702	\$260,503	\$243,100
<u>258,267</u>	<u>281,631</u>	<u>272,702</u>	<u>260,503</u>	<u>243,100</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,285,543	\$1,407,026	\$1,351,926	\$1,286,459	\$1,189,324
20.09%	20.02%	20.17%	20.25%	20.44%

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CITY OF BRYAN, OHIO

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

Ohio Public Employees Retirement System

Year	2017	2018	2019	2020
City's proportion of the net OPEB liability (asset)	0.040872%	0.042221%	0.042205%	0.043060%
City's proportionate share of the net OPEB liability (asset)	\$4,128,206	\$4,584,879	\$5,502,535	\$5,947,703
City's covered payroll	\$5,091,600	\$5,287,400	\$5,462,614	\$5,741,150
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	81.08%	86.71%	100.73%	103.60%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%	47.80%

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

Ohio Police and Fire Pension Fund

Year	2017	2018	2019	2020
City's proportion of the net OPEB liability (asset)	0.056819%	0.060995%	0.057041%	0.051905%
City's proportionate share of the net OPEB liability (asset)	\$2,697,091	\$3,455,875	\$519,447	\$512,702
City's covered payroll	\$1,285,543	\$1,407,026	\$1,351,926	\$1,286,459
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	209.80%	245.62%	38.42%	39.85%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%	47.08%

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

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

Ohio Public Employees Retirement System

Year	2013	2014	2015
Contractually required contribution	\$53,591	\$99,718	\$99,946
Contributions in relation to the contractually required contribution	<u>53,591</u>	<u>99,718</u>	<u>99,946</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$5,359,108	\$4,985,875	\$4,997,317
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

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

Ohio Police and Fire Pension Fund

Year	2013	2014	2015
Contractually required contribution	\$42,022	\$6,298	\$6,669
Contributions in relation to the contractually required contribution	<u>42,022</u>	<u>6,298</u>	<u>6,669</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$1,242,620	\$1,259,691	\$1,333,857
Contributions as a percentage of covered payroll	3.38%	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.

Information prior to 2013 is not available.

See accompanying notes to the required supplementary information

CITY OF BRYAN, OHIO

2016	2017	2018	2019	2020
\$101,832	\$52,874	\$0	\$0	\$0
101,832	52,874	0	0	0
\$0	\$0	\$0	\$0	\$0
\$5,091,600	\$5,287,400	\$5,462,614	\$5,741,150	\$5,561,943
2.00%	1.00%	0.00%	0.00%	0.00%

2016	2017	2018	2019	2020
\$6,428	\$7,035	\$6,760	\$6,432	\$5,947
6,428	7,035	6,760	6,432	5,947
\$0	\$0	\$0	\$0	\$0
\$1,285,543	\$1,407,026	\$1,351,926	\$1,286,459	\$1,189,324
0.50%	0.50%	0.50%	0.50%	0.50%

CITY OF BRYAN, OHIO

Notes to the Required Supplementary Information For the Year Ended December 31, 2020

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

Changes in assumptions:

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

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

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

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

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

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

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

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

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

Changes in assumptions:

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

CITY OF BRYAN, OHIO

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET PENSION LIABILITY (Continued)

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

2018: The following were the most significant changes of assumptions that affected 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

2019-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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CITY OF BRYAN, OHIO

Notes to the Required Supplementary Information For the Year Ended December 31, 2020

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2020.

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%

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: 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%.

**CITY OF BRYAN
WILLIAMS COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Assistance</i>			
Bulletproof Vest Partnership Program	16.607	2018BUBX18092174	\$ 588
Total U.S. Department of Justice			<u>588</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Williams County</i>			
Coronavirus Relief Fund	21.019		790,766
<i>Passed Through Supreme Court of Ohio</i>			
Coronavirus Relief Fund	21.019		14,677
Total U.S. Department of Treasury			<u>805,443</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Direct Assistance</i>			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00115	30,864
Total U.S. Department of Homeland Security			<u>30,864</u>
Total Expenditures of Federal Awards			<u><u>\$ 836,895</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, 2020**

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, 2020. 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, 2020 is \$167,262.

NOTE E – MATCHING REQUIREMENTS

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



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NorthwestRegion@ohioauditor.gov

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 14, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the City.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

September 14, 2021

OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420
Toledo, Ohio 43604-2246
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NorthwestRegion@ohioauditor.gov

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

We have audited the City of Bryan, Williams County, Ohio's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Bryan's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Bryan complied, in all material respects with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program's compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

September 14, 2021

**CITY OF BRYAN
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Coronavirus Relief Fund – CFDA #21.019
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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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 9/28/2021

88 East Broad 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