

**CITY OF BROOKVILLE
MONTGOMERY COUNTY**

REGULAR AUDIT

JANUARY 1, 2023 – DECEMBER 31, 2023



WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER



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City Council
City of Brookville
301 Sycamore Street
Brookville, OH 45309

We have reviewed the *Independent Auditor's Report* of the City of Brookville, Montgomery County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Brookville is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

July 12, 2024

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MONTGOMERY COUNTY, OHIO**

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MONTGOMERY COUNTY, OHIO**

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INDEPENDENT AUDITOR'S REPORT

City of Brookville
Montgomery County
301 Sycamore Street
Brookville, Ohio 45309

To the City Council:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Newark, Ohio
June 14, 2024

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**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- The total net position of the City increased \$2,816,671. Net position of governmental activities increased \$1,766,671 or 26.22% from 2022's net position. Net position of business-type activities increased \$1,050,000 or 25.98% from 2022's net position.
- General revenues accounted for \$4,655,187 or 57.58% of total governmental activities revenue. Program specific revenues accounted for \$3,429,636 or 42.42% of total governmental activities revenue.
- The City had \$6,318,152 in expenses related to governmental activities; \$3,429,636 of these expenses was offset by program specific charges for services and sales, grants or contributions. The remaining expenses of the governmental activities of \$2,888,516 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$4,655,187.
- The general fund had revenues and other financing sources of \$5,915,403 in 2023. This represents an increase of \$928,991 from 2022's revenues. The expenditures and other financing uses of the general fund, which totaled \$5,661,415 in 2023, an increase of \$549,807 from 2022's expenditures and other financing uses. The net increase in fund balance for the general fund was \$253,988 or 11.66%.
- The street construction maintenance and repair fund had revenues and other financing sources of \$1,107,520 in 2023. The expenditures of the street construction maintenance and repair fund totaled \$1,066,717 in 2023. The net increase in fund balance for the street construction maintenance and repair fund was \$40,803.
- The capital improvement fund had revenues and other financing sources of \$495,758 in 2023. The expenditures of the capital improvement fund, totaled \$313,399 in 2023. The net increase in fund balance for the capital improvement fund was \$182,359.
- Net position for the business-type activities, which are made up of the water, sewer, refuse and stormwater enterprise funds, increased in 2023 by \$1,050,000 from 2022's net position. This increase in net position was due primarily to an increase in total charges for services of \$283,856 from 2022's \$2,658,471.
- In the general fund, the actual revenues and other financing sources came in \$21,986 higher than they were in the final budget and actual expenditures and other financing uses were \$664,082 less than the amount in the final budget.

Using this Annual Financial Report

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 14.

Governmental Funds

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

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

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

Proprietary Funds

The City maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, refuse and stormwater management functions. The City reports the water, sewer and refuse funds as major enterprise funds and the stormwater fund as a nonmajor fund. These major funds are presented separately in the proprietary fund financial statements. The stormwater fund is considered nonmajor fund and is combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has no fiduciary funds.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Government-Wide Financial Analysis

The table below provides a summary of the City's assets, deferred inflows of resources, liabilities, deferred outflows of resources and net position at December 31, 2023 and 2022.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 5,641,855	\$ 5,411,452	\$ 3,684,632	\$ 2,829,001	\$ 9,326,487	\$ 8,240,453
Capital assets, net	15,388,752	15,131,500	4,819,685	5,071,497	20,208,437	20,202,997
Total assets	21,030,607	20,542,952	8,504,317	7,900,498	29,534,924	28,443,450
Deferred outflows of resources						
Pension	1,737,105	912,700	243,688	81,333	1,980,793	994,033
OPEB	1,365,688	267,692	388,254	1,143	1,753,942	268,835
Total deferred outflows	3,102,793	1,180,392	631,942	82,476	3,734,735	1,262,868
Liabilities						
Current liabilities	568,167	819,775	285,009	258,656	853,176	1,078,431
Long-term liabilities:						
Due within one year	631,734	587,354	213,245	207,326	844,979	794,680
Net pension liability	4,883,919	2,576,895	596,045	197,046	5,479,964	2,773,941
Net OPEB liability	613,887	355,601	127,890	-	741,777	355,601
Other amounts	7,675,932	8,232,267	2,744,478	2,932,613	10,420,410	11,164,880
Total liabilities	14,373,639	12,571,892	3,966,667	3,595,641	18,340,306	16,167,533
Deferred inflows of resources						
Property taxes	214,321	150,327	-	-	214,321	150,327
Pension	310,133	1,529,961	34,228	269,031	344,361	1,798,992
OPEB	384,984	350,811	43,221	76,159	428,205	426,970
Leases	346,657	383,358	-	-	346,657	383,358
Total deferred inflows	1,256,095	2,414,457	77,449	345,190	1,333,544	2,759,647
Net Position						
Net investment in capital assets	8,216,380	7,583,002	1,918,550	1,980,824	10,134,930	9,563,826
Restricted	1,394,203	848,948	285	-	1,394,488	848,948
Unrestricted (deficit)	(1,106,917)	(1,694,955)	3,173,308	2,061,319	2,066,391	366,364
Total net position	\$ 8,503,666	\$ 6,736,995	\$ 5,092,143	\$ 4,042,143	\$ 13,595,809	\$ 10,779,138

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(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/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability/asset. 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/asset are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$13,595,809. At year-end, net position was \$8,503,666 and \$5,092,143 for the governmental activities and the business-type activities, respectively.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 73.17% and 56.67% of total assets for the governmental activities and business-type activities, respectively. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, vehicles, software and infrastructure. The City's net investment in capital assets at December 31, 2023, were \$8,216,380 and \$1,918,550 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$1,394,488 represents resources that are subject to external restriction on how they may be used.

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**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

The following table shows the changes in net position for 2023 and 2022.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 1,671,796	\$ 1,247,447	\$ 3,035,327	\$ 2,770,139	\$ 4,707,123	\$ 4,017,586
Operating grants and contributions	1,172,973	1,006,824	-	-	1,172,973	1,006,824
Capital grants and contributions	<u>584,867</u>	<u>13,421</u>	<u>-</u>	<u>76,910</u>	<u>584,867</u>	<u>90,331</u>
Total program revenues	<u>3,429,636</u>	<u>2,267,692</u>	<u>3,035,327</u>	<u>2,847,049</u>	<u>6,464,963</u>	<u>5,114,741</u>
General revenues:						
Property taxes	275,879	198,010	-	-	275,879	198,010
Income taxes	3,902,809	3,791,025	-	-	3,902,809	3,791,025
Unrestricted grants and entitlements	169,919	149,512	-	-	169,919	149,512
Investment earnings and change in investments	254,445	(42,157)	-	-	254,445	(42,157)
Miscellaneous	<u>52,135</u>	<u>77,224</u>	<u>23,274</u>	<u>21,019</u>	<u>75,409</u>	<u>98,243</u>
Total general revenues	<u>4,655,187</u>	<u>4,173,614</u>	<u>23,274</u>	<u>21,019</u>	<u>4,678,461</u>	<u>4,194,633</u>
Total revenues	<u>8,084,823</u>	<u>6,441,306</u>	<u>3,058,601</u>	<u>2,868,068</u>	<u>11,143,424</u>	<u>9,309,374</u>
Expenses:						
General government	961,551	974,177	-	-	961,551	974,177
Security of persons and property	3,777,958	3,109,487	-	-	3,777,958	3,109,487
Transportation	1,050,293	1,052,977	-	-	1,050,293	1,052,977
Leisure time activity	253,894	252,950	-	-	253,894	252,950
Economic development	30,000	400,000	-	-	30,000	400,000
Interest	244,456	252,178	-	-	244,456	252,178
Water	-	-	1,001,853	1,057,537	1,001,853	1,057,537
Sewer	-	-	586,442	606,321	586,442	606,321
Refuse	-	-	375,055	481,445	375,055	481,445
Nonmajor enterprise	<u>-</u>	<u>-</u>	<u>45,251</u>	<u>43,691</u>	<u>45,251</u>	<u>43,691</u>
Total expenses	<u>6,318,152</u>	<u>6,041,769</u>	<u>2,008,601</u>	<u>2,188,994</u>	<u>8,326,753</u>	<u>8,230,763</u>
Change in net position	1,766,671	399,537	1,050,000	679,074	2,816,671	1,078,611
Net position at beginning of year	<u>6,736,995</u>	<u>6,337,458</u>	<u>4,042,143</u>	<u>3,363,069</u>	<u>10,779,138</u>	<u>9,700,527</u>
Net position at end of year	<u>\$ 8,503,666</u>	<u>\$ 6,736,995</u>	<u>\$ 5,092,143</u>	<u>\$ 4,042,143</u>	<u>\$ 13,595,809</u>	<u>\$ 10,779,138</u>

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

Governmental Activities

Governmental activities net position increased \$1,766,671 in 2023.

Security of persons and property which primarily supports the operations of the police and fire department accounted for \$3,777,958 or 59.80% of the total expenses of the City. Security of persons and property expenses were partially funded by \$1,256,815 in direct charges to users of the services, \$371,426 in operating grants and contributions and \$5,530 in capital grants and contributions. General government expenses totaled \$961,551. General government expenses were partially funded by \$177,185 in direct charges to users of the services.

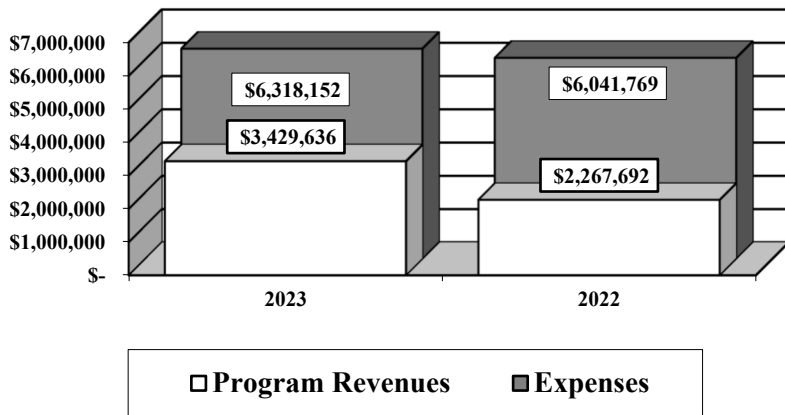
Expenses of the governmental activities increased \$276,383 or 4.57%. This increase is partially a result of inflation on routine purchases made by the City along with increase in the City’s pension and OPEB expense due to changes in assumptions.

The State and federal government contributed to the City a total of \$1,172,973 in operating grants and contributions and \$584,867 in capital grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$4,655,187 and amounted to 57.58% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$4,178,688. The other primary source of general revenues is investment earnings, making up \$254,445.

The statement of activities shows the cost of program services and the charges for services and sales and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2023 compared to 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

Governmental Activities - Program Revenues vs. Total Expenses



**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

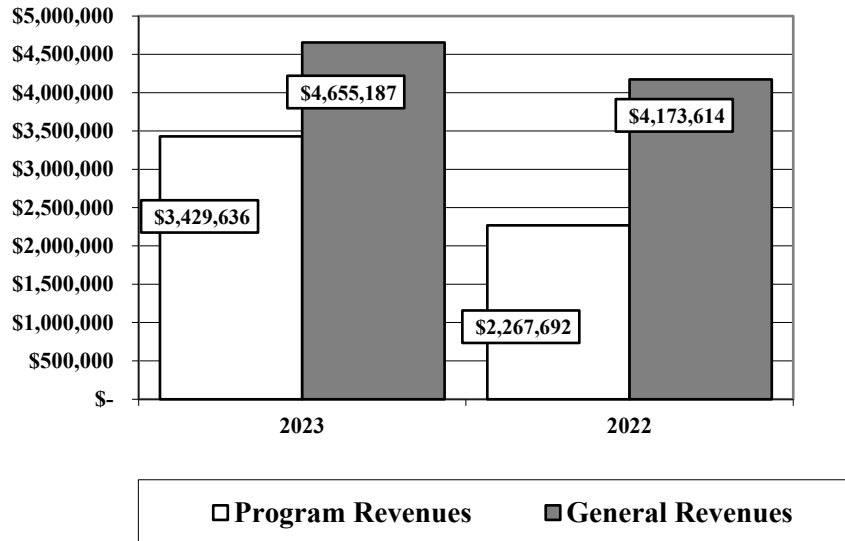
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

Governmental Activities

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses:				
General government	\$ 961,551	\$ 784,366	\$ 974,177	\$ 785,105
Security of persons and property	3,777,958	2,144,187	3,109,487	2,179,118
Transportation	1,050,293	(526,238)	1,052,977	335,526
Leisure time activity	253,894	211,745	252,950	222,150
Economic development	30,000	30,000	400,000	-
Interest and fiscal charges	244,456	244,456	252,178	252,178
Total	\$ 6,318,152	\$ 2,888,516	\$ 6,041,769	\$ 3,774,077

The dependence upon general revenues for governmental activities is apparent, with 45.72% of expenses supported through taxes and other general revenues. The chart below illustrates the City's program revenues versus general revenues for 2023.

Governmental Activities – General and Program Revenues

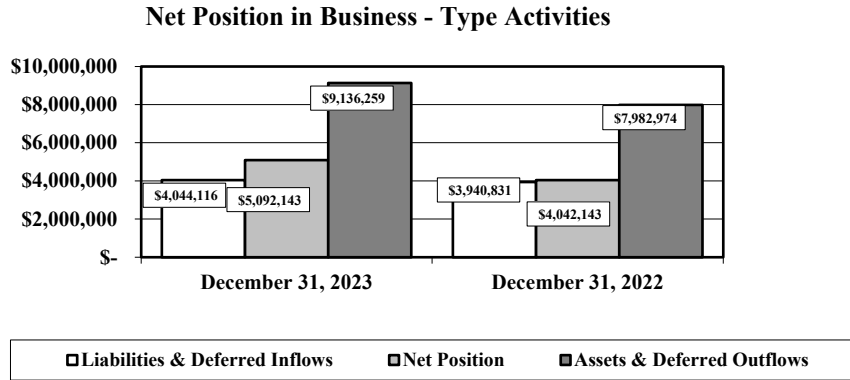


**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Business-Type Activities

Business-type activities include the water, sewer, refuse and stormwater enterprise funds. These programs had program revenues of \$3,035,327, general revenues of \$23,274, and expenses of \$2,008,601 for 2023. The graph below shows the business-type activities assets, deferred outflows, liabilities, deferred inflows and net position at year-end.



Financial Analysis of the Government’s Funds

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

Governmental Funds

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements.

The City’s governmental funds (as presented on the balance sheet) reported a combined fund balance of \$3,740,382 which is \$585,334 above last year’s total of \$3,155,048. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2023 for all major and non-major governmental funds.

	Fund Balances 12/31/2023	Fund Balances 12/31/2022	Change
Major funds:			
General	\$ 2,432,592	\$ 2,178,604	\$ 253,988
Street construction maintenance and repair	161,475	120,672	40,803
Capital improvement	709,318	526,959	182,359
Other nonmajor governmental funds	436,997	328,813	108,184
Total	\$ 3,740,382	\$ 3,155,048	\$ 585,334

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

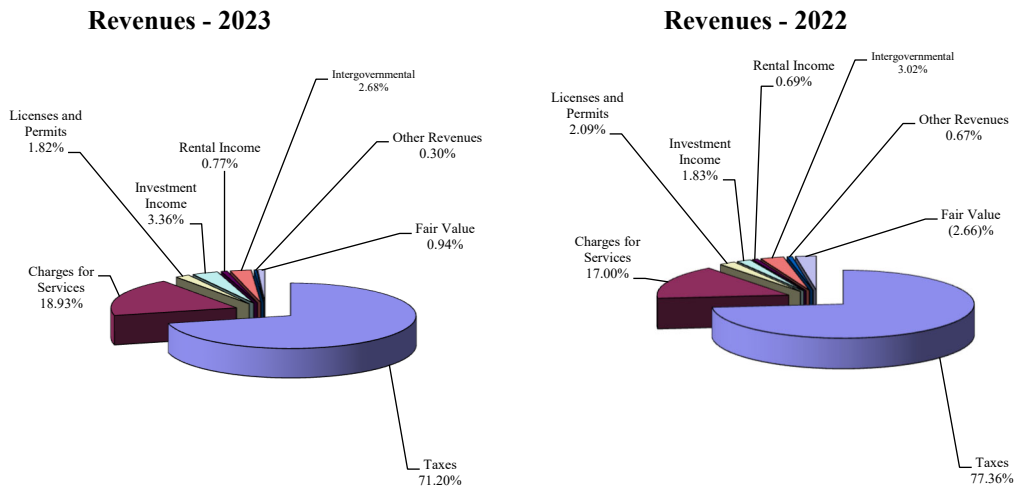
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

General Fund

The City's general fund balance increased \$253,988. The table that follows assists in illustrating the revenues of the general fund.

	2023 <u>Amount</u>	2022 <u>Amount</u>	Percentage <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 4,212,428	\$ 3,857,379	9.20 %
Charges for services	1,119,694	847,622	32.10 %
Licenses, permits and fees	107,823	104,462	3.22 %
Investment income	198,566	91,304	117.48 %
Rental income	45,328	34,317	32.09 %
Intergovernmental	158,378	150,539	5.21 %
Other	17,817	33,427	(46.70) %
Increase in fair value of investments	<u>54,703</u>	<u>(132,638)</u>	141.24 %
Total	<u>\$ 5,914,737</u>	<u>\$ 4,986,412</u>	18.62 %

The City's largest revenue source in the general fund was tax revenue, which represents 71.20% of all general fund revenue. Charges for service revenues increased 32.10% due to fluctuations in revenues related to miscellaneous sales and services. Tax revenues increased 9.20% due to an increase in income tax revenues. Revenues related to licenses, permits and fees increased 3.22% due to an increase in related fines and forfeitures. Investment income increased 117.48% due to an increase in interest revenue received during the current year. The 5.21% increase in intergovernmental income is due to an increase in miscellaneous grants and aids.



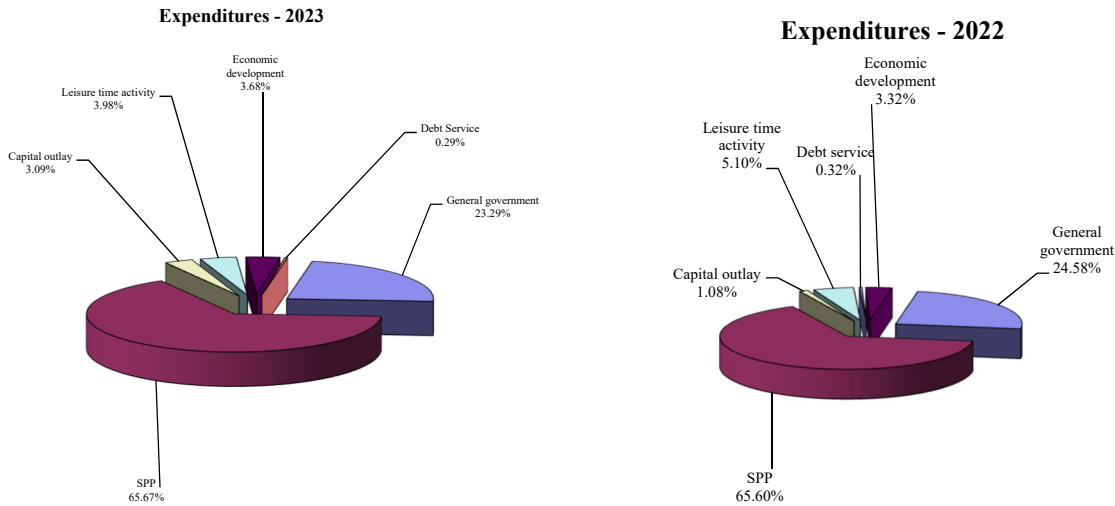
**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

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

	2023 <u>Amount</u>	2022 <u>Amount</u>	Percentage <u>Change</u>
<u>Expenditures</u>			
General government	\$ 1,106,558	\$ 1,074,155	3.02 %
Security of persons and property	3,120,766	2,866,142	8.88 %
Leisure time activity	189,369	223,044	(15.10) %
Economic development	175,000	145,000	20.69 %
Capital outlay	146,882	47,195	211.22 %
Debt service	13,640	13,817	(1.28) %
Total	<u>\$ 4,752,215</u>	<u>\$ 4,369,353</u>	8.76 %

Expenditures increased by 8.76% during 2023. Expenditures related to security of persons and property increased due to an increase in expenses related to the police and fire department. Expenditures related to leisure time activity decreased due to an decrease in expenditures related to the park department. Capital outlay expenditures increased due to an increased in the amount spent on capital equipment and improvements during the current year.



Budgeting Highlights

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

Budgetary information is presented for the general fund and the street construction maintenance and repair fund. In the general fund, the actual revenues and financing sources came in \$21,986 higher than they were in the final budget and actual expenditures and other financing uses were \$664,082 less than the amount in the final budget. Original budgeted revenues and other financing sources increased \$652,000 from an original budget of \$5,199,280 to a final budget of \$5,851,280. Budgeted expenditures and other financing uses increased \$110,000 from an original budget of \$6,047,224 to a final budget of \$6,157,224.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Street Construction Maintenance and Repair Fund

The street construction maintenance and repair fund had revenues and other financing sources of \$1,107,520 in 2023. The expenditures of the street construction maintenance and repair fund totaled \$1,066,717 in 2023. The net increase in fund balance for the street construction maintenance and repair fund was \$40,803.

Capital Improvement Fund

The capital improvement fund had revenues of \$495,758 in 2023. The expenditures of the capital improvement fund totaled \$313,399 in 2023. The net increased in fund balance for the capital improvement fund was \$182,359.

Proprietary Funds

The City's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail.

Capital Assets and Debt Administration

Capital Assets

At the end of 2023, the City had \$20,208,437 (net of accumulated depreciation/amortization) invested in land, land improvements, buildings and improvements, equipment, software, vehicles, infrastructure construction in progress, and intangible right to use leased equipment. Of this total, \$15,388,752 was reported in governmental activities and \$4,819,685 was reported in business-type activities. See Note 9 for further description of capital assets.

The following table shows 2023 balances compared to 2022.

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

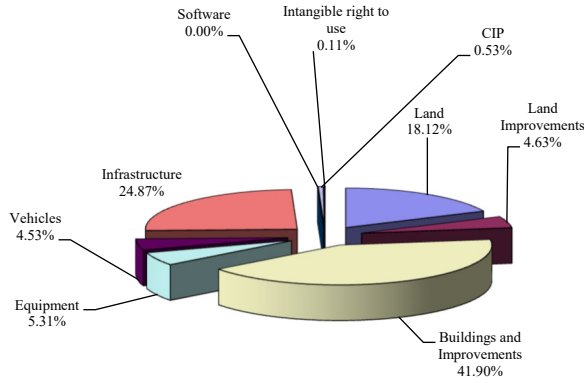
	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 2,789,191	\$ 2,760,460	\$ 32,388	\$ 32,388	\$ 2,821,579	\$ 2,792,848
Land improvements	713,209	375,824	1,129,459	1,228,389	1,842,668	1,604,213
Buildings and improvements	6,446,346	6,595,070	488,688	499,442	6,935,034	7,094,512
Equipment	816,871	648,939	767,490	832,910	1,584,361	1,481,849
Software	-	500	-	-	-	500
Vehicles	697,588	772,947	19,993	24,305	717,581	797,252
Infrastructure	3,827,661	3,907,696	2,281,804	2,428,733	6,109,465	6,336,429
Intangible right to use:						
Leased equipment	16,854	29,494	-	-	16,854	29,494
Construction in progress	81,032	40,570	99,863	25,330	180,895	65,900
Totals	<u>\$ 15,388,752</u>	<u>\$ 15,131,500</u>	<u>\$ 4,819,685</u>	<u>\$ 5,071,497</u>	<u>\$ 20,208,437</u>	<u>\$ 20,202,997</u>

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

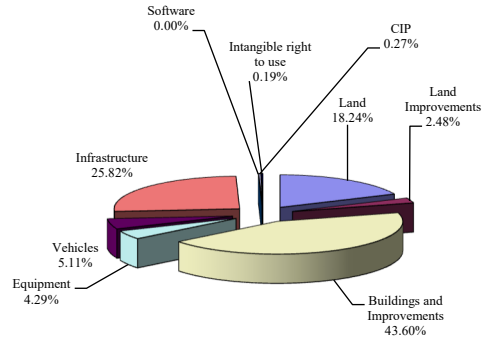
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

The following graphs show the breakdown of governmental capital assets by category for 2023 and 2022.

Capital Assets - Governmental Activities 2023



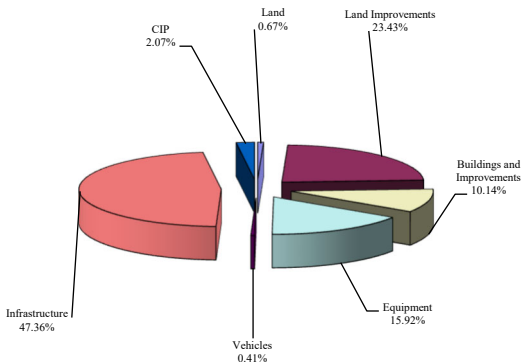
Capital Assets - Governmental Activities 2022



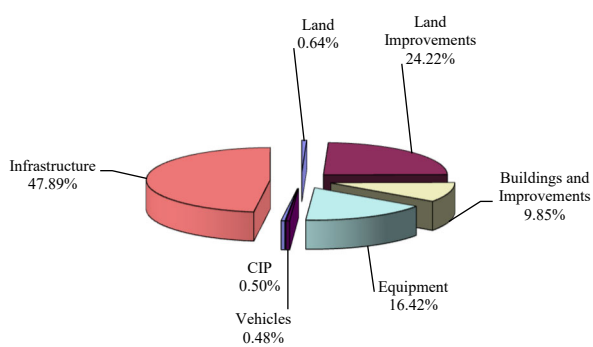
Building and improvements are the largest capital asset category for the City's governmental activities. The net book value of the City's building and improvements (cost less accumulated depreciation/amortization) represents approximately 41.90% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2023 and 2022.

Capital Assets - Business - Type Activities 2023



Capital Assets - Business - Type Activities 2022



The City's largest business-type capital asset category is infrastructure. The net book value of the City's infrastructure (cost less accumulated depreciation/amortization) represents approximately 47.36% of the City's total business-type capital assets.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2023 and 2022:

	Governmental Activities	
	2023	2022
Note payable	\$ 171,000	\$ 251,000
OPWC loan	269,977	279,450
Note payable - financed purchase	63,659	113,423
State Infrastructure bank (SIB loan)	1,255,110	1,329,529
Lease payable	17,626	30,096
Bonds	5,395,000	5,545,000
Incentive payable	339,590	484,590
Total long-term obligations	\$ 7,511,962	\$ 8,033,088
	Business-type Activities	
	2023	2022
OPWC loans	\$ 1,781,761	\$ 1,911,641
OWDA loans	753,902	790,960
State Infrastructure bank (SIB loan)	365,472	387,142
Total long-term obligations	\$ 2,901,135	\$ 3,089,743

See Note 11 to the basic financial statements for detail on the City's long-term obligations.

Economic Conditions and Outlook

The City of Brookville, a Charter government, operates under the Mayor-Council-Manager form of government. The City is in Montgomery County in southwestern Ohio, approximately 12 miles west of the I-70/75 interchange. It was incorporated as a village in 1874 and became the Municipality of Brookville, with a new charter, on January 1, 1979. The City attained city status with the 2000 census.

The City is an attractive planned community located along the I-70 corridor. The City is accessible to some of the largest markets in the United States and Canada. The community is located within the largest 90-minute air market in America and the eighth largest 90-minute road market. The City is located just west of the core of a national network of 25 interstate highways and major state routes referred to as the "Crossroads of America".

The City is now home to approximately 6,000 residents. The City considers itself a suburban city, with the space of country and amenities of a city, as well as a few special features you'd expect in a much larger community. The housing character clearly reflects the hometown charm. Recreational opportunities are endless in the Brookville region. The five city parks comprised of 120 acres of green space and neighboring Sycamore State Park make the City one of the most popular "walkable communities." The City offers a tremendous opportunity for everyone who lives, visits, works and shops in the community.

The City offers commercial, industrial and retail opportunities that developers compete for and quality neighborhoods that homeowners wish for, making it one of the best kept secrets in Montgomery County. Brookville takes pride in its low crime rates, excellent fire and EMS response times, exceptional paved streets and exquisitely maintained green space and park systems.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

A 2.00% local income tax and successful efforts to secure state, local and federal grants have enabled the City to provide excellent public service to its constituents and to maintain municipal infrastructure, while continually improving the overall appearance of the community. In 2023, income tax receipts exceeded \$3 million for the tenth consecutive year. The City's tax base includes a good mix of industrial, commercial, medical, service, retail, government and education segments.

The City has two industrial parks, Mosier Industrial Park located in the northeast corner of the City is home to 17 businesses and NorthBrook Industrial Park located along Interstate 70 in the northwest corner of the City is home to 3 businesses. The NorthBrook Industrial Park has shovel ready sites available for new construction and expansion.

The City continues to see employment growth despite the slow economy; the City continues to carefully monitor two primary sources of revenue, local income taxes and shared intergovernmental (state) revenue. To stabilize the impact of the fluctuations in these revenue streams, City Council continues to pursue economic development and job creation to maintain the community's reputation for high public safety standards and adoption of a budget designed to promote long-term fiscal stability. A strong and sound economy is vital to maintaining and improving the quality of life in the City.

In 2016, the City issued its first Official Statement in connection with issuing \$6,300,000 General Obligation (Limited Tax) Fire Station Bonds for the construction of a new fire station. S&P Global Ratings Services assigned its municipal bond rating of "AA". A municipal bond insurance policy was issued by Build America Mutual Assurance Company (BAM).

An application for a rating on the Bonds in the absence of bond insurance was made only to Moody's Investors Service, Inc., which assigned a rating of "A1" to the Bonds prior to the City's decision to purchase bond insurance.

In 2022, the City completed and submitted its Annual Information Filing, which provides annual financial information and operating data agreed to be provided under the Continuing Disclosure Agreement.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information please contact: Michelle M. Brandt, Director of Finance, 301 Sycamore Street, Brookville, Ohio 45309.

**BASIC
FINANCIAL STATEMENTS**

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**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 3,243,866	\$ 2,596,133	\$ 5,839,999
Receivables:			
Income taxes	741,722	-	741,722
Real and other taxes	216,809	-	216,809
Accounts	121,148	1,042,551	1,163,699
Accrued interest	44,846	-	44,846
Special assessments	2,576	9,115	11,691
Leases	350,834	-	350,834
Due from other governments	434,374	-	434,374
Prepayments	86,711	16,988	103,699
Materials and supplies inventory	32,049	19,560	51,609
Assets held for resale	366,069	-	366,069
Net pension asset	851	285	1,136
Capital assets:			
Land and construction in progress	2,870,223	132,251	3,002,474
Depreciable capital assets, net	12,518,529	4,687,434	17,205,963
Total capital assets, net	<u>15,388,752</u>	<u>4,819,685</u>	<u>20,208,437</u>
Total assets	<u>21,030,607</u>	<u>8,504,317</u>	<u>29,534,924</u>
Deferred outflows of resources:			
Pension	1,737,105	243,688	1,980,793
OPEB	<u>1,365,688</u>	<u>388,254</u>	<u>1,753,942</u>
Total deferred outflows of resources	<u>3,102,793</u>	<u>631,942</u>	<u>3,734,735</u>
Total assets and deferred outflows of resources	<u>24,133,400</u>	<u>9,136,259</u>	<u>33,269,659</u>
Liabilities:			
Accounts payable	38,092	258,835	296,927
Contracts payable	132,453	-	132,453
Accrued wages and benefits payable	109,711	15,543	125,254
Due to other governments	15,187	2,849	18,036
Pension and postemployment benefits obligation payable	61,451	7,782	69,233
Accrued interest payable	35,526	-	35,526
Unearned revenue	175,747	-	175,747
Long-term liabilities:			
Due within one year	631,734	213,245	844,979
Due in more than one year:			
Net pension liability	4,883,919	596,045	5,479,964
Net OPEB liability	613,887	127,890	741,777
Other amounts due in more than one year	<u>7,675,932</u>	<u>2,744,478</u>	<u>10,420,410</u>
Total liabilities	<u>14,373,639</u>	<u>3,966,667</u>	<u>18,340,306</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	214,321	-	214,321
Pension	310,133	34,228	344,361
OPEB	384,984	43,221	428,205
Leases	<u>346,657</u>	<u>-</u>	<u>346,657</u>
Total deferred inflows of resources	<u>1,256,095</u>	<u>77,449</u>	<u>1,333,544</u>
Total liabilities and deferred inflows of resources.	<u>15,629,734</u>	<u>4,044,116</u>	<u>19,673,850</u>
Net position:			
Net investment in capital assets	8,216,380	1,918,550	10,134,930
Restricted for:			
Capital projects	1,228,672	-	1,228,672
Other purposes	164,680	-	164,680
Pension	851	285	1,136
Unrestricted (deficit)	<u>(1,106,917)</u>	<u>3,173,308</u>	<u>2,066,391</u>
Total net position	<u>\$ 8,503,666</u>	<u>\$ 5,092,143</u>	<u>\$ 13,595,809</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Current:				
General government	\$ 961,551	\$ 177,185	\$ -	\$ -
Security of persons and property	3,777,958	1,256,815	371,426	5,530
Transportation	1,050,293	195,647	801,547	579,337
Leisure time activity	253,894	42,149	-	-
Economic development	30,000	-	-	-
Interest and fiscal charges	244,456	-	-	-
Total governmental activities	<u>6,318,152</u>	<u>1,671,796</u>	<u>1,172,973</u>	<u>584,867</u>
Business-type activities:				
Water	1,001,853	1,508,750	-	-
Sewer	586,442	761,611	-	-
Refuse	375,055	633,875	-	-
Nonmajor enterprise fund	45,251	131,091	-	-
Total business-type activities	<u>2,008,601</u>	<u>3,035,327</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 8,326,753</u>	<u>\$ 4,707,123</u>	<u>\$ 1,172,973</u>	<u>\$ 584,867</u>

General revenues:

Property taxes levied for:
 General purposes
 Street Maintenance and Repair
Income taxes levied for:
 General purposes
Grants and entitlements not restricted
to specific programs
Investment earnings
Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (784,366)	\$ -	\$ (784,366)
(2,144,187)	-	(2,144,187)
526,238	-	526,238
(211,745)	-	(211,745)
(30,000)	-	(30,000)
(244,456)	-	(244,456)
<u>(2,888,516)</u>	<u>-</u>	<u>(2,888,516)</u>
-	506,897	506,897
-	175,169	175,169
-	258,820	258,820
-	85,840	85,840
-	<u>1,026,726</u>	<u>1,026,726</u>
<u>(2,888,516)</u>	<u>1,026,726</u>	<u>(1,861,790)</u>
215,031	-	215,031
60,848	-	60,848
3,902,809	-	3,902,809
169,919	-	169,919
254,445	-	254,445
52,135	23,274	75,409
<u>4,655,187</u>	<u>23,274</u>	<u>4,678,461</u>
1,766,671	1,050,000	2,816,671
6,736,995	4,042,143	10,779,138
<u>\$ 8,503,666</u>	<u>\$ 5,092,143</u>	<u>\$ 13,595,809</u>

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Street Construction Maintenance & Repair	Capital Improvement	Other Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,033,650	\$ 132,285	\$ 475,702	\$ 602,229
Receivables:				
Income taxes	741,722	-	-	-
Real and other taxes	216,809	-	-	-
Accounts	107,018	3,655	-	10,475
Accrued interest	44,846	-	-	-
Special assessments	-	2,576	-	-
Leases	350,834	-	-	-
Due from other governments	71,956	220,508	141,870	40
Prepayments	75,179	11,532	-	-
Materials and supplies inventory	17,308	14,741	-	-
Assets held for resale	-	-	366,069	-
Total assets	<u>\$ 3,659,322</u>	<u>\$ 385,297</u>	<u>\$ 983,641</u>	<u>\$ 612,744</u>
Liabilities:				
Accounts payable	\$ 24,460	\$ 13,632	\$ -	\$ -
Contracts payable	-	-	132,453	-
Accrued wages and benefits payable	96,264	13,447	-	-
Compensated absences payable	14,955	1,031	-	-
Due to other governments	15,016	171	-	-
Pension and postemployment benefits obligation payable	53,421	8,030	-	-
Unearned revenue	-	-	-	175,747
Total liabilities	<u>204,116</u>	<u>36,311</u>	<u>132,453</u>	<u>175,747</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	214,321	-	-	-
Delinquent property tax revenue not available	2,488	-	-	-
Accrued interest not available	2,867	-	-	-
Special assessments revenue not available	-	2,576	-	-
Miscellaneous revenue not available	9,996	-	-	-
Income tax revenue not available	382,696	-	-	-
Other nonexchange transactions not available	63,589	184,935	141,870	-
Leases	346,657	-	-	-
Total deferred inflows of resources	<u>1,022,614</u>	<u>187,511</u>	<u>141,870</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,226,730</u>	<u>223,822</u>	<u>274,323</u>	<u>175,747</u>
Fund balances:				
Nonspendable	92,487	26,273	-	-
Restricted	-	135,202	709,318	434,034
Committed	-	-	-	2,963
Assigned	1,554,027	-	-	-
Unassigned	786,078	-	-	-
Total fund balances	<u>2,432,592</u>	<u>161,475</u>	<u>709,318</u>	<u>436,997</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,659,322</u>	<u>\$ 385,297</u>	<u>\$ 983,641</u>	<u>\$ 612,744</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Total
Governmental
Funds**

\$ 3,243,866

741,722

216,809

121,148

44,846

2,576

350,834

434,374

86,711

32,049

366,069

\$ 5,641,004

\$ 38,092

132,453

109,711

15,986

15,187

61,451

175,747

548,627

214,321

2,488

2,867

2,576

9,996

382,696

390,394

346,657

1,351,995

1,900,622

118,760

1,278,554

2,963

1,554,027

786,078

3,740,382

\$ 5,641,004

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total governmental fund balances		\$ 3,740,382
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		15,388,752
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 382,696	
Real and other taxes receivable	2,488	
Accounts receivable	9,996	
Intergovernmental receivable	390,394	
Special assessments receivable	2,576	
Investment income receivable	2,867	
Total		791,017
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(35,526)
Unamortized premiums on bond issuances are not recognized in the funds.		(653,283)
The net pension asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds.		851
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.		
Deferred outflows of resources	1,737,105	
Deferred inflows of resources	(310,133)	
Net pension liability	(4,883,919)	
Total		(3,456,947)
The net OPEB liability is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	1,365,688	
Deferred inflows of resources	(384,984)	
Net OPEB liability	(613,887)	
Total		366,817
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(126,435)	
Bonds payable	(5,395,000)	
Note payable - financed purchase	(63,659)	
Lease payable	(17,626)	
Note payable	(171,000)	
Incentive payable	(339,590)	
Loans payable	(1,525,087)	
Total		(7,638,397)
Net position of governmental activities		\$ 8,503,666

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Street Construction Maintenance & Repair	Capital Improvement
Revenues:			
Municipal income taxes	\$ 3,998,181	\$ -	\$ -
Real and other taxes	214,247	60,848	-
Charges for services	1,119,694	186,398	-
Licenses, permits and fees	107,823	-	-
Fines and forfeitures	-	-	-
Intergovernmental	158,378	401,388	437,467
Special assessments	-	3,247	6,135
Investment income	198,566	71	-
Rental income	45,328	-	-
Donations	17,817	-	-
Increase in fair value of investments	54,703	-	-
Other	-	2,108	-
Total revenues	5,914,737	654,060	443,602
Expenditures:			
Current:			
General government	1,106,558	-	-
Security of persons and property	3,120,766	-	-
Transportation	-	754,192	-
Leisure time activity	189,369	-	-
Economic development	175,000	-	-
Capital outlay	146,882	189,402	313,399
Debt service:			
Principal retirement	12,470	83,892	-
Interest and fiscal charges	1,170	39,231	-
Total expenditures	4,752,215	1,066,717	313,399
Excess (deficiency) of revenues over (under) expenditures	1,162,522	(412,657)	130,203
Other financing sources (uses):			
Sale of capital assets	666	3,460	52,156
Transfers in	-	450,000	-
Transfers (out)	(909,200)	-	-
Total other financing sources (uses)	(908,534)	453,460	52,156
Net change in fund balances	253,988	40,803	182,359
Fund balances at beginning of year	2,178,604	120,672	526,959
Fund balances at end of year	\$ 2,432,592	\$ 161,475	\$ 709,318

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,998,181
-	275,095
244,132	1,550,224
-	107,823
4,463	4,463
579,129	1,576,362
-	9,382
-	198,637
-	45,328
5,530	23,347
-	54,703
190,664	192,772
<u>1,023,918</u>	<u>8,036,317</u>
-	1,106,558
185,516	3,306,282
-	754,192
-	189,369
-	175,000
674,732	1,324,415
279,764	376,126
234,922	275,323
<u>1,374,934</u>	<u>7,507,265</u>
<u>(351,016)</u>	<u>529,052</u>
-	56,282
459,200	909,200
-	(909,200)
<u>459,200</u>	<u>56,282</u>
108,184	585,334
328,813	3,155,048
<u>\$ 436,997</u>	<u>\$ 3,740,382</u>

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds	\$	585,334
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.		
Capital asset additions	\$ 1,203,763	
Current year depreciation	(930,611)	
Total		273,152
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(15,900)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	(95,372)	
Real and other taxes	784	
Charges for services	(9,295)	
Licenses, permits and fees	(1,817)	
Intergovernmental revenues	153,024	
Special assessments	6	
Investment income	1,176	
Total		48,506
Repayment of bond, note, loan, incentives and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		521,126
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items contributed to more interest being reported in the statement of activities:		
Decrease in accrued interest payable	1,059	
Amortization of bond premium	29,808	
Total		30,867
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	343,840	
OPEB	7,905	
		351,745
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(607,383)	
OPEB	602,217	
		(5,166)
Some expenses reported in the statement of activities, such as compensated absences and incentive payable, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(22,993)
Change in net position of governmental activities	\$	1,766,671

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal income taxes	\$ 3,727,062	\$ 4,050,000	\$ 3,970,162	\$ (79,838)
Real and other taxes	192,887	209,600	214,844	5,244
Charges for services	908,299	987,000	1,051,141	64,141
Licenses, permits and fees	65,799	71,500	57,359	(14,141)
Intergovernmental	119,800	130,180	159,616	29,436
Investment income	132,886	144,400	163,261	18,861
Rental income	52,455	57,000	56,841	(159)
Other	92	100	-	(100)
Total revenues	<u>5,199,280</u>	<u>5,649,780</u>	<u>5,673,224</u>	<u>23,444</u>
Expenditures:				
Current:				
General government	1,202,537	1,262,537	1,093,764	168,773
Security of persons and property	3,401,487	3,451,487	3,158,161	293,326
Economic development	175,000	175,000	175,000	-
Capital outlay	107,000	107,000	57,017	49,983
Total expenditures	<u>4,886,024</u>	<u>4,996,024</u>	<u>4,483,942</u>	<u>512,082</u>
Excess of revenues over expenditures	<u>313,256</u>	<u>653,756</u>	<u>1,189,282</u>	<u>535,526</u>
Other financing sources (uses):				
Sale of capital assets	-	1,500	42	(1,458)
Advances in	-	200,000	200,000	-
Transfers (out)	(1,161,200)	(1,161,200)	(1,009,200)	152,000
Total other financing sources (uses)	<u>(1,161,200)</u>	<u>(959,700)</u>	<u>(809,158)</u>	<u>150,542</u>
Net change in fund balances	(847,944)	(305,944)	380,124	686,068
Fund balance at beginning of year	1,552,600	1,552,600	1,552,600	-
Prior year encumbrances appropriated	16,324	16,324	16,324	-
Fund balance at end of year	<u>\$ 720,980</u>	<u>\$ 1,262,980</u>	<u>\$ 1,949,048</u>	<u>\$ 686,068</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 250,881	\$ 181,000	\$ 192,450	\$ 11,450
Intergovernmental	653,538	471,500	460,586	(10,914)
Special assessments	10,055	7,254	3,247	(4,007)
Investment income	139	100	82	(18)
Other	3,465	2,500	2,108	(392)
Total revenues	<u>918,078</u>	<u>662,354</u>	<u>658,473</u>	<u>(3,881)</u>
Expenditures:				
Current:				
Transportation	902,964	980,964	794,837	186,127
Capital outlay	677,254	152,254	189,402	(37,148)
Debt service:				
Principal retirement	91,790	91,790	83,911	7,879
Interest and fiscal charges	41,335	41,335	39,231	2,104
Total expenditures	<u>1,713,343</u>	<u>1,266,343</u>	<u>1,107,381</u>	<u>158,962</u>
Excess of expenditures over revenues	<u>(795,265)</u>	<u>(603,989)</u>	<u>(448,908)</u>	<u>155,081</u>
Other financing sources:				
Sale of capital assets	6,930	5,000	3,460	(1,540)
Transfers in	762,346	550,000	450,000	(100,000)
Total other financing sources	<u>769,276</u>	<u>555,000</u>	<u>453,460</u>	<u>(101,540)</u>
Net change in fund balances	(25,989)	(48,989)	4,552	53,541
Fund balance at beginning of year	65,985	65,985	65,985	-
Prior year encumbrances appropriated	15,544	15,544	15,544	-
Fund balance at end of year	<u>\$ 55,540</u>	<u>\$ 32,540</u>	<u>\$ 86,081</u>	<u>\$ 53,541</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Refuse	Nonmajor Enterprise Fund	Total
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 1,421,541	\$ 562,768	\$ 429,303	\$ 182,521	\$ 2,596,133
Receivables:					
Accounts	509,945	259,429	225,846	47,331	1,042,551
Special assessments	3,501	2,013	3,109	492	9,115
Prepayments	5,614	8,102	1,694	1,578	16,988
Materials and supplies inventory	16,269	3,291	-	-	19,560
Total current assets	<u>1,956,870</u>	<u>835,603</u>	<u>659,952</u>	<u>231,922</u>	<u>3,684,347</u>
Noncurrent assets:					
Net pension asset	116	137	20	12	285
Capital assets:					
Land and construction in progress	90,014	32,388	-	9,849	132,251
Depreciable capital assets, net	1,877,547	2,625,405	240	184,242	4,687,434
Total capital assets, net	<u>1,967,561</u>	<u>2,657,793</u>	<u>240</u>	<u>194,091</u>	<u>4,819,685</u>
Total noncurrent assets	<u>1,967,677</u>	<u>2,657,930</u>	<u>260</u>	<u>194,103</u>	<u>4,819,970</u>
Total assets	<u>3,924,547</u>	<u>3,493,533</u>	<u>660,212</u>	<u>426,025</u>	<u>8,504,317</u>
Deferred outflows of resources:					
Pension	98,972	117,179	17,044	10,493	243,688
OPEB	157,683	186,698	27,163	16,710	388,254
Total deferred outflows of resources	<u>256,655</u>	<u>303,877</u>	<u>44,207</u>	<u>27,203</u>	<u>631,942</u>
Total assets and deferred outflows of resources	<u>4,181,202</u>	<u>3,797,410</u>	<u>704,419</u>	<u>453,228</u>	<u>9,136,259</u>
Liabilities:					
Current liabilities:					
Accounts payable	206,901	10,652	40,492	790	258,835
Accrued wages and benefits payable	6,291	7,436	1,142	674	15,543
Compensated absences payable - current	9,145	10,770	1,833	1,039	22,787
Due to other governments	101	2,719	16	13	2,849
OWDA loans payable	38,253	-	-	-	38,253
Pension and postemployment benefits obligation payable	3,197	3,783	557	245	7,782
OPWC loans payable	21,580	103,806	-	4,494	129,880
Other loans payable	13,896	8,429	-	-	22,325
Total current liabilities	<u>299,364</u>	<u>147,595</u>	<u>44,040</u>	<u>7,255</u>	<u>498,254</u>
Long-term liabilities:					
Compensated absences payable	14,081	16,895	1,418	1,407	33,801
OWDA loans payable	715,649	-	-	-	715,649
OPWC loans payable	367,687	1,160,615	-	123,579	1,651,881
Other loans payable	213,594	129,553	-	-	343,147
Net pension liability	242,081	286,614	41,687	25,663	596,045
Net OPEB liability	51,942	61,497	8,945	5,506	127,890
Total long-term liabilities	<u>1,605,034</u>	<u>1,655,174</u>	<u>52,050</u>	<u>156,155</u>	<u>3,468,413</u>
Total liabilities	<u>1,904,398</u>	<u>1,802,769</u>	<u>96,090</u>	<u>163,410</u>	<u>3,966,667</u>
Deferred inflows of resources:					
Pension	13,876	16,373	2,530	1,449	34,228
OPEB	17,542	20,762	3,063	1,854	43,221
Total deferred inflows of resources	<u>31,418</u>	<u>37,135</u>	<u>5,593</u>	<u>3,303</u>	<u>77,449</u>
Total liabilities and deferred inflows of resources	<u>1,935,816</u>	<u>1,839,904</u>	<u>101,683</u>	<u>166,713</u>	<u>4,044,116</u>
Net position:					
Net investment in capital assets	596,902	1,255,390	240	66,018	1,918,550
Restricted for Pension & OPEB	116	137	20	12	285
Unrestricted	1,648,368	701,979	602,476	220,485	3,173,308
Total net position	<u>\$ 2,245,386</u>	<u>\$ 1,957,506</u>	<u>\$ 602,736</u>	<u>\$ 286,515</u>	<u>\$ 5,092,143</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds				Total
	Water	Sewer	Refuse	Nonmajor Enterprise Fund	
Operating revenues:					
Charges for services	\$ 1,460,750	\$ 716,611	\$ 633,875	\$ 131,091	\$ 2,942,327
Tap-in fees	48,000	45,000	-	-	93,000
Other operating revenues	789	1,000	-	17,567	19,356
Total operating revenues	<u>1,509,539</u>	<u>762,611</u>	<u>633,875</u>	<u>148,658</u>	<u>3,054,683</u>
Operating expenses:					
Personal services	104,141	123,654	15,926	11,880	255,601
Contract services	715,163	198,967	490,847	21,721	1,426,698
Materials and supplies	12,042	23,059	1,713	1,630	38,444
Depreciation	138,299	236,399	69	10,020	384,787
Total operating expenses	<u>969,645</u>	<u>582,079</u>	<u>508,555</u>	<u>45,251</u>	<u>2,105,530</u>
Operating income	<u>539,894</u>	<u>180,532</u>	<u>125,320</u>	<u>103,407</u>	<u>949,153</u>
Nonoperating revenue (expense):					
Interest and fiscal charges	(32,208)	(4,363)	-	-	(36,571)
Gain on sale of capital assets	1,959	1,959	133,500	-	137,418
Total nonoperating revenue (expense)	<u>(30,249)</u>	<u>(2,404)</u>	<u>133,500</u>	<u>-</u>	<u>100,847</u>
Change in net position	509,645	178,128	258,820	103,407	1,050,000
Net position at beginning of year	<u>1,735,741</u>	<u>1,779,378</u>	<u>343,916</u>	<u>183,108</u>	<u>4,042,143</u>
Net position at end of year	<u>\$ 2,245,386</u>	<u>\$ 1,957,506</u>	<u>\$ 602,736</u>	<u>\$ 286,515</u>	<u>\$ 5,092,143</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Refuse	Nonmajor Enterprise Fund	Total
Cash flows from operating activities:					
Cash received from customers	\$ 1,426,449	\$ 687,196	\$ 578,580	\$ 127,088	\$ 2,819,313
Cash received from tap-in fees	48,000	45,000	-	-	93,000
Cash received from other operations	843	1,063	-	17,574	19,480
Cash payments for personal services	(190,993)	(226,124)	(32,651)	(20,580)	(470,348)
Cash payments for contract services	(701,531)	(193,133)	(484,161)	(21,181)	(1,400,006)
Cash payments for materials and supplies	(8,252)	(22,191)	(1,705)	(1,622)	(33,770)
Net cash provided by operating activities	<u>574,516</u>	<u>291,811</u>	<u>60,063</u>	<u>101,279</u>	<u>1,027,669</u>
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets	5,348	5,348	133,500	-	144,196
Acquisition of capital assets	(100,201)	(28,320)	-	(10,549)	(139,070)
Principal retirement on loans	(72,127)	(111,987)	-	(4,494)	(188,608)
Interest and fiscal charges	(32,208)	(4,363)	-	-	(36,571)
Net cash provided by (used in) capital and related financing activities	<u>(199,188)</u>	<u>(139,322)</u>	<u>133,500</u>	<u>(15,043)</u>	<u>(220,053)</u>
Net increase in cash and cash equivalents	375,328	152,489	193,563	86,236	807,616
Cash and cash equivalents at beginning of year	<u>1,046,213</u>	<u>410,279</u>	<u>235,740</u>	<u>96,285</u>	<u>1,788,517</u>
Cash and cash equivalents at end of year	<u>\$ 1,421,541</u>	<u>\$ 562,768</u>	<u>\$ 429,303</u>	<u>\$ 182,521</u>	<u>\$ 2,596,133</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 539,894	\$ 180,532	\$ 125,320	\$ 103,407	\$ 949,153
Adjustments:					
Depreciation	138,299	236,399	69	10,020	384,787
Changes in assets, deferred inflow, liabilities and deferred outflows:					
(Increase) in accounts receivable	(32,277)	(28,302)	(53,503)	(3,807)	(117,889)
Decrease in materials and supplies inventory	1,421	932	-	-	2,353
Decrease in prepayments	682	660	683	205	2,230
(Increase) in special assessment receivable	(2,078)	(1,176)	(1,810)	(203)	(5,267)
Decrease in net pension asset	117	139	20	13	289
Decrease in net OPEB asset	28,441	33,678	4,869	3,015	70,003
Decrease in intergovernmental receivable	108	126	18	14	266
(Increase) in deferred outflows - pension	(65,928)	(78,050)	(11,387)	(6,990)	(162,355)
(Increase) in deferred outflows - OPEB	(157,260)	(186,197)	(27,091)	(16,563)	(387,111)
(Decrease) in accrued wages and benefits	(987)	(1,192)	(69)	(95)	(2,343)
(Decrease) in pension obligation payable	(239)	(289)	(14)	(10)	(552)
Increase in accounts payable	17,266	3,838	6,067	426	27,597
(Decrease) in contracts payable	(1,313)	-	-	-	(1,313)
Increase in compensated absences payable	2,569	3,032	492	299	6,392
Increase in intergovernmental payable	101	2,151	16	13	2,281
Increase in net pension liability	162,025	191,817	27,981	17,176	398,999
Increase in net OPEB liability	51,942	61,497	8,945	5,506	127,890
(Decrease) in deferred inflows - pension	(95,036)	(112,238)	(17,753)	(9,776)	(234,803)
(Decrease) in deferred inflows - OPEB	(13,231)	(15,546)	(2,790)	(1,371)	(32,938)
Net cash provided by operating activities	<u>\$ 574,516</u>	<u>\$ 291,811</u>	<u>\$ 60,063</u>	<u>\$ 101,279</u>	<u>\$ 1,027,669</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - DESCRIPTION OF THE CITY

The City of Brookville (the “City”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The City operates under a council-manager government and provides the following services: police protection, fire and EMS services, water, sewer, refuse and stormwater utility services, street maintenance and repair, parks and recreation, as well as other services.

Management believes the financial statements included in this report represent all of the funds of the City over which the City officials have direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

The primary government consists of all funds and departments which provide various services including police protection, fire and EMS services, street maintenance and repair, parks and recreation, water, sewer, refuse and stormwater services. Council and the City Manager are directly responsible for these activities. The accompanying financial statements present the City, which has no component units.

B. Basis of Presentation - Fund Accounting

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

C. Fund Accounting

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

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

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

Street construction, maintenance and repair fund - This fund accounts for all transactions relating to street maintenance and construction.

Capital improvement fund - The capital improvement fund accounts for all transactions relating to the construction and improvements other than those financed by proprietary funds.

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Proprietary Funds - Proprietary fund reporting focuses on changes in net position, financial position and cash flows.

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

Water fund - The water fund accounts for the distribution to its residential and commercial users located within the City.

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

Refuse fund - The refuse fund accounts for the operations providing refuse removal to the residents and commercial users located within the City.

The other enterprise fund of the City is used to account for stormwater operations.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. Custodial funds are custodial in nature (assets plus deferred outflows of resources equals liabilities plus deferred inflows of resources) and do not involve measurement of results of operations. The City has no fiduciary funds.

D. Measurement Focus and Basis of Accounting

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

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

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

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

E. Basis of Accounting

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

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

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

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

F. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code (ORC) and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The Montgomery County Commissioners waived the requirement to file a tax budget for 2023. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources. All funds, other than custodial funds, are legally required to be budgeted and appropriated.

The County Budget Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources which states the projected revenue of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to January 1, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and need not be reappropriated.

Appropriation budgets are legally required for each fund at the object level. This is known as the legal level of budgetary control. Appropriation modifications outside the legal level of budgetary control must be approved by City Council. A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31.

An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified and the fund balance at the beginning of the year.

G. Cash and Cash Equivalents

Cash balances of the City's funds are pooled and invested in investments in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank accounts is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During 2023, investments were limited to federal agency securities, negotiable certificates of deposit, investments in State Treasury Asset Reserve of Ohio (STAR Ohio) and U.S. Government money markets. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

During 2023, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue earned and credited to the general fund during 2023 amounted to \$198,566, which included \$126,505 assigned from other funds of the City.

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

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

H. Inventories of Materials and Supplies

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of culverts, curbs, sidewalks, storm sewers, streets, irrigation systems, and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Land improvements	20 years	20 years
Buildings and improvements	20-50 years	20-50 years
Equipment	5-20 years	5-20 years
Intangible leased assets	5 years	
Software	5 - 10 years	5 - 10 years
Vehicles	8-10 years	8-10 years
Infrastructure	20 years	20 years

The City is reporting intangible right to use assets related to leased equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

J. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service or any employee with at least twenty years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16. Sick leave benefits were accrued using the "vesting" method.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation at various rates. Payment of vacation and sick leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation and sick leave when such payments become due.

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

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Interfund Activity

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

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

M. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

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

N. Estimates

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

O. Net Position

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

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Net position restricted for other purposes consists primarily of street construction maintenance and repair and programs to enhance the security of persons and property.

P. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2023 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which it was consumed.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2023.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

R. Assets Held for Resale

As part of the economic development program, the City has acquired land within its Industrial Park. The City's intent is for the land to be sold to businesses to promote economic development within the City. Transactions are conducted through the City's Capital Improvement Fund.

S. Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2023, the City has implemented GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 had no financial impact on the City's financial statements.

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

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Director of Finance or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At year end, the City had \$200 in undeposited cash on hand which is included on the financial statements of the City as part of “equity in pooled cash and cash equivalents”.

B. Deposits with Financial Institutions

At December 31, 2023, the carrying amount of all City deposits was \$407,490 and the bank balance of all City deposits was \$559,912. Of the bank balance, \$250,000 was covered by the FDIC and \$309,912 was covered by the Ohio Pooled Collateral System. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City’s and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023 the City’s financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of December 31, 2023, the City had the following investments and maturities:

Measurement/ Investment Type	Measurement Amount	Investment Maturity				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
Negotiable CD's	\$ 1,177,193	\$ -	\$ 239,868	\$ -	\$ 384,859	\$ 552,466
FNMA	232,235	-	-	-	232,235	-
FHLB	472,881	-	-	-	237,328	235,553
FHLMC	198,076	-	-	198,076	-	-
<i>Amortized cost:</i>						
U.S. Government money market mutual funds	19,468	19,468	-	-	-	-
STAR Ohio	<u>3,332,456</u>	<u>3,332,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,432,309</u>	<u>\$ 3,351,924</u>	<u>\$ 239,868</u>	<u>\$ 198,076</u>	<u>\$ 854,422</u>	<u>\$ 788,019</u>

The weighted average maturity of investments is 0.66 years.

The City's investments in federal agency securities (FNMA, FHLB and FHLMC) and Negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs). The City's investments in U.S. Government money market mutual funds are valued at cost and amortized last.

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

Credit Risk: The City's investments in federal agency securities were rated AA+ and Aaa by Standard and Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The City's U.S. Government money market mutual funds were rated AAAM by Standard & Poor's. The negotiable CDs are fully covered by the FDIC. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy limits investments to those authorized by State statute.

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 investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2023:

<u>Measurement/ Investment Type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
Fair Value:		
Negotiable CD's	\$ 1,177,193	21.76
FNMA	232,235	4.27
FHLB	472,881	8.70
FHLMC	198,076	3.64
Amortized Cost:		
U.S. Government money market mutual funds	19,468	0.36
STAR Ohio	<u>3,332,456</u>	<u>61.27</u>
Total	<u>\$ 5,432,309</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2023:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 407,490
Investments	5,432,309
Cash on hand	<u>200</u>
Total	<u>\$ 5,839,999</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 3,243,866
Business-type activities	<u>2,596,133</u>
Total	<u>\$ 5,839,999</u>

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2023, consisted of the following, as reported in the fund financial statements:

Transfers from general fund to:

Street construction, maintenance and repair fund	\$ 450,000
Nonmajor governmental funds	<u>459,200</u>
Total transfers	<u>\$ 909,200</u>

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 5 - INTERFUND TRANSFERS – (Continued)

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

Interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements.

All transfers were in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 - PROPERTY TAXES

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Brookville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes has been offset by a deferred inflow since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow.

The full tax rate for all City operations for the year ended December 31, 2023 was 1.3 mills per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2023 property tax receipts were based are as follows:

Real property tax	\$ 132,756,000
Public utility personal property	3,835,020
Total assessed value	<u>\$ 136,591,020</u>

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7 – LOCAL INCOME TAX

The 2.0 percent City income tax, which is not subject to renewal, is levied on substantially all income earned within the City. In addition, the residents of the City are required to pay City income tax on income they earn outside the City; however, full credit is allowed for all income taxes these residents pay to other municipalities as long as the City they work in has an income tax that is equal to or greater than the City’s 2.0 percent. If a resident works in an entity, where the tax is less than 2.0 percent or there is no income tax, they will have to pay the difference. Employers within the city are required to withhold income tax on employee compensation and remit the tax to the City quarterly. Major employers are required to remit withholdings to the City monthly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the City. Income tax revenue is reported to the extent that it is measurable and available to finance current operations at December 31, 2023. Income tax revenue for 2023 was \$3,998,181 as reported in the fund financial statements. Income tax revenue is reported in the general fund.

NOTE 8 – RECEIVABLES

- A. Receivables at December 31, 2023, consisted of taxes, accounts (billings for user charged services), special assessments, leases, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as “due from other governments” on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2023.

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

Governmental activities:

Income taxes	\$ 741,722
Real and other taxes	216,809
Accounts	121,148
Accrued interest	44,846
Special assessments	2,576
Leases	350,834
Due from other governments	434,374

Business-type activities:

Accounts	1,042,551
Special assessments	9,115

Receivables have been disaggregated on the face of the BFS. The only receivables not expected to be collected within the subsequent year are the special assessments which are collected over the life of the assessment.

B. Leases Receivable

The City is reporting leases receivable of \$350,834 in the general fund. For fiscal year 2023, the City recognized lease revenue of \$45,328, which is reported in rental income, and interest revenue of \$18,308 in the governmental funds.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 8 – RECEIVABLES – (Continued)

The City has entered into the following lease agreements at varying years and terms as follows:

Purpose	Fund	Lease Commencement Date	Years	Lease End Date	Payment Method
Cell Tower	General	2015	27	2042	Monthly
Cell Tower	General	2001	33	2034	Monthly
Office Space	General	2021	5	2026	Monthly

Lease payments will be paid into the general fund. The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2024	\$ 30,752	\$ 17,310	\$ 48,062
2025	31,950	15,733	47,683
2026	15,800	14,466	30,266
2027	14,951	13,731	28,682
2028	15,716	12,966	28,682
2029 - 2033	93,546	51,710	145,256
2034 - 2038	77,393	29,444	106,837
2039 - 2042	70,726	9,273	79,999
Total	\$ 350,834	\$ 164,633	\$ 515,467

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**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 9 – CAPITAL ASSETS

A. Governmental activities capital asset activity for the year ended December 31, 2023, was as follows:

<u>Governmental activities:</u>	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/23</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,760,460	\$ 28,731	\$ -	\$ 2,789,191
Construction in progress	<u>40,570</u>	<u>527,371</u>	<u>(486,909)</u>	<u>81,032</u>
Total capital assets, not being depreciated/amortized	<u>2,801,030</u>	<u>556,102</u>	<u>(486,909)</u>	<u>2,870,223</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	2,116,382	375,098	-	2,491,480
Buildings and improvements	8,596,635	23,716	-	8,620,351
Equipment	1,625,139	307,323	(22,000)	1,910,462
Software	50,963	-	(5,000)	45,963
Vehicles	2,876,582	75,256	-	2,951,838
Infrastructure	8,487,655	353,177	-	8,840,832
Intangible right to use:				
Leased equipment	<u>42,134</u>	<u>-</u>	<u>-</u>	<u>42,134</u>
Total capital assets, being depreciated/amortized	<u>23,795,490</u>	<u>1,134,570</u>	<u>(27,000)</u>	<u>24,903,060</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(1,740,558)	(37,713)	-	(1,778,271)
Buildings and improvements	(2,001,565)	(172,440)	-	(2,174,005)
Equipment	(976,200)	(123,991)	6,600	(1,093,591)
Software	(50,463)	-	4,500	(45,963)
Vehicles	(2,103,635)	(150,615)	-	(2,254,250)
Infrastructure	(4,579,959)	(433,212)	-	(5,013,171)
Intangible right to use:				
Leased equipment	<u>(12,640)</u>	<u>(12,640)</u>	<u>-</u>	<u>(25,280)</u>
Total accumulated depreciation/amortization	<u>(11,465,020)</u>	<u>(930,611)</u>	<u>11,100</u>	<u>(12,384,531)</u>
Total capital assets, being depreciated/amortized, net	<u>12,330,470</u>	<u>203,959</u>	<u>(15,900)</u>	<u>12,518,529</u>
Governmental activities capital assets, net	<u>\$ 15,131,500</u>	<u>\$ 760,061</u>	<u>\$ (502,809)</u>	<u>\$ 15,388,752</u>

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 9 – CAPITAL ASSETS – (Continued)

Depreciation/amortization expense was charged to governmental activities as follows:

Governmental activities:

General government	\$ 98,240
Security of persons and property	328,894
Transportation	448,640
Leisure time activity	<u>54,837</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 930,611</u>

B. Business-type activities capital asset activity for the year ended December 31, 2023 was as follows:

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/23</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 32,388	\$ -	\$ -	\$ 32,388
Construction in progress	<u>25,330</u>	<u>99,863</u>	<u>(25,330)</u>	<u>99,863</u>
Total capital assets, not being depreciated	<u>57,718</u>	<u>99,863</u>	<u>(25,330)</u>	<u>132,251</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	10,765,561	-	-	10,765,561
Buildings and improvements	593,799	-	-	593,799
Equipment	1,407,726	40,820	(34,674)	1,413,872
Vehicles	87,610	-	-	87,610
Infrastructure	<u>3,491,888</u>	<u>24,400</u>	<u>-</u>	<u>3,516,288</u>
Total capital assets, being depreciated	<u>16,346,584</u>	<u>65,220</u>	<u>(34,674)</u>	<u>16,377,130</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(9,537,172)	(98,930)	-	(9,636,102)
Buildings and improvements	(94,357)	(10,754)	-	(105,111)
Equipment	(574,816)	(99,462)	27,896	(646,382)
Vehicles	(63,305)	(4,312)	-	(67,617)
Infrastructure	<u>(1,063,155)</u>	<u>(171,329)</u>	<u>-</u>	<u>(1,234,484)</u>
Total accumulated depreciation	<u>(11,332,805)</u>	<u>(384,787)</u>	<u>27,896</u>	<u>(11,689,696)</u>
Total capital assets, being depreciated, net	<u>5,013,779</u>	<u>(319,567)</u>	<u>(6,778)</u>	<u>4,687,434</u>
Business-type activities capital assets, net	<u>\$ 5,071,497</u>	<u>\$ (219,704)</u>	<u>\$ (32,108)</u>	<u>\$ 4,819,685</u>

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 9 – CAPITAL ASSETS – (Continued)

Depreciation expense was charged to the enterprise funds as follows:

Business-type activities:

Water	\$ 138,299
Sewer	236,399
Refuse	69
Stormwater	<u>10,020</u>
Total depreciation expense - business-type activities	<u>\$ 384,787</u>

NOTE 10 – VACATION AND SICK LEAVE LIABILITY

Vacation and sick leave accumulated by governmental fund type employees has been recorded on the statement of net position to the extent they were not paid using current expendable available resources. Vacation and sick leave earned by proprietary funds type employees is expensed when earned and has been recorded in the fund. Upon retirement from City service, fully vested employees are entitled to a percentage of their accumulated sick leave based on their years of service. At December 31, 2023, vested benefits for vacation leave for governmental fund type employees, net of amounts paid using current expendable available resources, totaled \$81,411 and vested benefits for sick leave, totaled \$61,010. For proprietary fund types, vested benefits for vacation leave totaled \$21,583 and vested benefits for sick leave totaled \$35,005 at December 31, 2023. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

NOTE 11 – LONG-TERM OBLIGATIONS

A. During 2023, the following changes occurred in governmental activities long-term obligations.

	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/23</u>	Amounts Due in <u>One Year</u>
Governmental activities:					
Note payable - direct borrowing	\$ 251,000	\$ -	\$ (80,000)	\$ 171,000	\$ 84,000
OPWC loan payable - direct borrowings	279,450	-	(9,473)	269,977	9,473
State infrastructure bank (SIB loan) - direct borrowing	1,329,529	-	(74,419)	1,255,110	76,669
Note payable - financed purchase	113,423	-	(49,764)	63,659	50,797
Lease payable	30,096	-	(12,470)	17,626	13,108
General obligation bonds - series 2016	5,545,000	-	(150,000)	5,395,000	160,000
Incentive payable	484,590	-	(145,000)	339,590	140,290
Net pension liability	2,576,895	2,307,024	-	4,883,919	-
Net OPEB liability	355,601	380,877	(122,591)	613,887	-
Compensated absences	<u>103,442</u>	<u>105,207</u>	<u>(66,228)</u>	<u>142,421</u>	<u>97,397</u>
Total governmental activities long-term obligations	<u>\$ 11,069,026</u>	<u>\$ 2,793,108</u>	<u>\$ (709,945)</u>	13,152,189	<u>\$ 631,734</u>
				Add: unamortized premium 653,283	
				<u>\$ 13,805,472</u>	
				Total on statement of net position	

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 11 – LONG-TERM OBLIGATIONS – (Continued)

Compensated absences: Compensated absences are reported on the statement of net position and will be paid from the fund from which the employee's salaries are paid, which will primarily be the general fund and the street construction, maintenance, and repair fund.

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

Note payable: In 2006, the City entered into a 20 year note to provide long-term financing for the industrial park. A portion of the note, \$700,000, bears a fixed rate of 4.62% while the remaining \$465,000 is variable. The notes are scheduled to mature on January 1, 2026; however, the City consistently pays the principal and interest prior to the due date. Payments of principal and interest on the note are made from the debt service fund (a nonmajor governmental fund). This loan is a direct borrowing that has terms negotiated between the City and the creditor.

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance Hay Avenue Roadway Improvements. These loans are interest free and have twenty year terms. The OPWC loans may not be prepaid or retired prior to their scheduled maturity. The OPWC loans are being retired out of the street construction, maintenance and repair fund and out of the stormwater and water funds.

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

State Infrastructure Bank (SIB) Loan payable: In 2017, the City entered into a debt financing arrangement through the State Infrastructure Bank (SIB) to fund improvements for the City. At December 31, 2023, the City had outstanding borrowings of \$1,255,110 in the street construction, maintenance and repair fund, \$227,490 in the water fund and \$137,982 in the sewer fund. Semi-annual payments, due in June and December, began in 2019. The payments are repaid from the street construction, maintenance and repair fund and from the water and sewer fund. The loan bears a 3% interest rate and matures on June 1, 2037.

General obligation bonds – series 2016: In 2016, the City issued \$6,300,000 in bonds, with a variable interest rate, for the purpose of financing the construction of a fire station. The payments are made from the bond retirement fund (a nonmajor governmental fund). Interest payments on the bonds are due on June 1 and December 1 each year. The final maturity date is December 1, 2045. The bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

Incentive payable: In 2019, the City entered into a purchase and sale agreement with RJ Property Holdings, LLC and into a development agreement with General Motors. The agreements were entered into to bring economic development into the City. General Motors entered into an agreement with RJ Property Holdings, LLC pursuant to which General Motors has acquired an option to purchase certain property within the City. Under the various agreements, the City agreed to pay various incentives to both RJ Property Holdings, LLC and to General Motors. The incentive payable to RJ Property Holdings, LLC includes a \$10,000 per year acre incentive in which the City paid \$125,000 annually thru 2023. The incentive payable to General Motors includes a \$20,000 annually payment in which the City will pay until 2034. Incentive payments are recorded as economic development expenses in the general fund.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 11 – LONG-TERM OBLIGATIONS – (Continued)

Note Payable – Financed Purchase: In a prior year, the City entered into a note payable – financed purchase agreement with US Bancorp Government Leasing and Finance, Inc. for the purpose of acquiring a new medic. The \$250,117 in proceeds are to be repaid over five years. This is a direct borrowing collateralized by the medic. Principal and interest payments related to this agreement are made from the fire capital improvement fund (a nonmajor governmental fund). Capital assets of \$171,000 have been capitalized in vehicles at December 31, 2023.

Leases Payable: The City has entered into a lease agreement for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the City will report an intangible capital asset and corresponding liability for the future scheduled payments under the lease. The lease payments will be paid from the general fund.

The City has entered into a lease agreement with the following terms:

<u>Purpose</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Copiers	2020	5	2025	Monthly

The following is the summary of the City’s future annual principal and interest requirements for the OPWC loan, note payables, loan payable, general obligation bonds, the state infrastructure bank (SIB) loan and leases payable:

<u>Year Ending December 31,</u>	<u>Incentive Payable</u>	<u>Note Payable</u>			<u>OPWC Loan Payable</u>
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>
2024	\$ 140,290	\$ 84,000	\$ 6,927	\$ 90,927	\$ 9,473
2025	20,000	87,000	3,523	90,523	9,473
2026	20,000	-	-	-	9,473
2027	20,000	-	-	-	9,473
2028	20,000	-	-	-	9,473
2029 - 2033	100,000	-	-	-	47,364
2034 - 2038	19,300	-	-	-	47,364
2039 - 2043	-	-	-	-	47,364
2044 - 2048	-	-	-	-	47,364
2049 - 2052	-	-	-	-	33,156
Total	<u>\$ 339,590</u>	<u>\$ 171,000</u>	<u>\$ 10,450</u>	<u>\$ 181,450</u>	<u>\$ 269,977</u>

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**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	General Obligation Bonds			Note Payable - Financed Purchase		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 160,000	\$ 215,800	\$ 375,800	\$ 50,797	\$ 921	\$ 51,718
2025	165,000	209,400	374,400	12,862	66	12,928
2026	175,000	202,800	377,800	-	-	-
2027	175,000	195,800	370,800	-	-	-
2028	185,000	188,800	373,800	-	-	-
2029 - 2033	1,035,000	827,600	1,862,600	-	-	-
2034 - 2038	1,260,000	602,600	1,862,600	-	-	-
2039 - 2043	1,535,000	329,800	1,864,800	-	-	-
2044 - 2045	705,000	42,600	747,600	-	-	-
Total	\$ 5,395,000	\$ 2,815,200	\$ 8,210,200	\$ 63,659	\$ 987	\$ 64,646

Year Ending December 31,	Lease Payable		
	Principal	Interest	Total
2024	\$ 13,108	\$ 584	\$ 13,692
2025	4,518	47	4,565
Total	\$ 17,626	\$ 631	\$ 18,257

Year Ending December 31,	State Infrastructure Bank (SIB) loan					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 76,669	\$ 37,083	\$ 113,752	\$ 22,325	\$ 10,798	\$ 33,123
2025	78,986	34,765	113,751	23,000	10,123	33,123
2026	81,373	32,378	113,751	23,695	9,428	33,123
2027	83,833	29,918	113,751	24,411	8,712	33,123
2028	86,367	27,385	113,752	25,149	7,974	33,123
2029 - 2033	472,604	96,152	568,756	137,616	27,998	165,614
2034 - 2037	375,278	22,851	398,129	109,276	6,654	115,930
Total	\$ 1,255,110	\$ 280,532	\$ 1,535,642	\$ 365,472	\$ 81,687	\$ 447,159

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. During 2023, the following changes occurred in the City's business-type long-term liabilities.

Business-type activities:	<u>Interest Rate</u>	<u>Balance 12/31/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/23</u>	<u>Amounts Due in One Year</u>
<u>OPWC loans - direct borrowings</u>						
Wastewater treatment plant - CD25Q Maple Street Waterline Replacement - CD27T Wastewater treatment plant	0.00%	\$ 1,251,977	\$ -	\$ (96,306)	\$ 1,155,671	\$ 96,306
Phase II - Imp #CDO4U Arlington Road Water Main	0.00%	136,206	-	(9,729)	126,477	9,729
Loop - #CDO4V Walnut Street Waterline Replacement - #CD12Y	0.00%	116,250	-	(7,500)	108,750	7,500
Hay Avenue Roadway Improvement - #CD23Y	0.00%	88,845	-	(5,553)	83,292	5,553
		91,476	-	(3,101)	88,375	3,101
		226,887	-	(7,691)	219,196	7,691
Total OPWC loans		<u>1,911,641</u>	<u>-</u>	<u>(129,880)</u>	<u>1,781,761</u>	<u>129,880</u>
<u>OWDA loan - direct borrowings</u>						
200,000 Gallon Elevated Tank - #8000	3.20%	790,960	-	(37,058)	753,902	38,253
Total OWDA loans		<u>790,960</u>	<u>-</u>	<u>(37,058)</u>	<u>753,902</u>	<u>38,253</u>
<u>Other long-term obligations</u>						
State Infrastructure Bank (SIB) loan - direct borrowing		387,142	-	(21,670)	365,472	22,325
Net pension liability		197,046	398,999	-	596,045	
Net OPEB liability		-	127,890	-	127,890	
Compensated absences		50,196	25,107	(18,715)	56,588	22,787
Total business-type activities long-term obligations		<u>\$ 3,336,985</u>	<u>\$ 551,996</u>	<u>\$ (207,323)</u>	<u>\$ 3,681,658</u>	<u>\$ 213,245</u>

OPWC loans payable: The City has entered into six debt financing arrangements through the Ohio Public Works Commission (OPWC) to fund wastewater treatment plant improvements and waterline replacements. The loan agreements function similar to a line-of-credit agreement. At December 31, 2023, the City has outstanding borrowings of \$389,267 in the water fund, \$1,264,421 in the sewer fund and \$128,073 in the stormwater fund. The final OPWC loan matures on July 1, 2052. The loan agreements require semi-annual payments based on the actual amount loaned. These payments are reflected in the future maturities of principal and interest table and are subject to revision if the total amount is not drawn down.

In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The following is the summary of the City's future debt service principal and interest requirements for the OPWC loans. The Walnut Street Waterline Replacement loan is currently "open" meaning the final disbursements have not yet been made from OPWC. As of the date of this report, amortization schedule is not yet available.

Year Ending December 31,	<u>OPWC Loan</u>	
	<u>Principal</u>	
2024	\$	129,880
2025		129,880
2026		129,880
2027		129,880
2028		129,880
2029 - 2033		649,401
2034 - 2038		337,270
2039 - 2043		53,960
2044 - 2048		53,960
2049 - 2052		<u>37,770</u>
Total	\$	<u>1,781,761</u>

OWDA loan payable: The City has entered into a debt financing arrangement through the Ohio Water Development Authority (OWDA) to fund an elevated water tank. The amount due to the OWDA is payable solely from water revenues. The loan agreement functions similar to a line-of-credit agreement. At December 31, 2023, the City has outstanding borrowings of \$753,902. These loans are direct borrowings. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

Year Ending December 31,	<u>OWDA Loan</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 38,253	\$ 23,821	\$ 62,074
2025	39,487	22,587	62,074
2026	40,761	21,314	62,075
2027	42,076	19,999	62,075
2028	43,433	18,642	62,075
2029 - 2033	239,106	71,269	310,375
2034 - 2038	280,237	30,136	310,373
2039	<u>30,549</u>	<u>489</u>	<u>31,038</u>
Total	<u>\$ 753,902</u>	<u>\$ 208,257</u>	<u>\$ 962,159</u>

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

C. Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2023, the City's total debt margin was \$19,737,195 and the unvoted debt margin was \$10,338,531.

NOTE 12 - RISK MANAGEMENT

A. Liability Insurance

The Government belongs to the Ohio Plan Risk Management, Inc. (the "Plan"), a non-assessable, non-profit providing a formalized, jointly administered self-insurance risk management program and other administrative services to 769 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the casualty and the property portions the Plan retains. The Plan retains the first \$250,000 of casualty losses and the lesser of 65% or \$650,000 of property losses. The Plan is also participating in a property primary excess of loss treaty. This treaty reimburses the Plan 65% for losses between \$200,000 and \$1,000,000. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2022 and 2021 (the latest information available):

	2022	2021
Assets	\$21,662,291	\$21,777,439
Liabilities	(\$18,158,351)	(\$15,037,383)
Members' Equity	<u>\$3,503,940</u>	<u>\$6,740,056</u>

You can read the complete audited financial statements for The Ohio Plan Risk Management at the Plan's website, www.ohioplan.org.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - RISK MANAGEMENT – (Continued)

B. Employee Health Insurance

During 2023, the City provided employees' health and dental insurance through Anthem Blue Cross and Blue Shield. The City offered dual health insurance plans, a traditional plan and an HSA plan. Life insurance is provided through Anthem Life. The premiums for dental and life insurance are paid monthly with the City paying one-hundred percent of the cost.

The premiums for health insurance are paid monthly with the City paying eighty-five percent of the cost of the health insurance.

C. Workers' Compensation

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate of \$100 of payroll plus administrative costs. The rate is determined based on accident history of the City. The City also pays unemployment claims to the State of Ohio as incurred.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability

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

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and 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 pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

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**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$185,899 for 2023. Of this amount, \$27,726 is reported as pension and postemployment benefits payable.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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

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

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - 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>
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2023 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	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$204,671 for 2023. Of this amount, \$39,953 is reported as pension and postemployment benefits payable.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2022, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>OPERS - Traditional</u>	<u>OPERS - Member- Directed</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.00858700%	0.01199200%	0.03244280%	
Proportion of the net pension liability/asset current measurement date	<u>0.00802700%</u>	<u>0.01453900%</u>	<u>0.03272740%</u>	
Change in proportionate share	<u>-0.00056000%</u>	<u>0.00254700%</u>	<u>0.00028460%</u>	
Proportionate share of the net pension liability	\$ 2,371,178	\$ -	\$ 3,108,786	\$ 5,479,964
Proportionate share of the net pension asset	-	(1,136)	-	(1,136)
Pension expense	297,572	(110)	358,780	656,242

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	Member- Directed	OP&F	Total
Deferred outflows of resources				
Differences between expected and actual experience	\$ 78,761	\$ 3,260	\$ 46,632	\$ 128,653
Net difference between projected and actual earnings on pension plan investments	675,860	534	452,600	1,128,994
Changes of assumptions	25,050	69	280,399	305,518
Changes in employer's proportionate percentage/ difference between employer contributions	7,167	-	19,891	27,058
Contributions subsequent to the measurement date	176,766	9,133	204,671	390,570
Total deferred outflows of resources	<u>\$ 963,604</u>	<u>\$ 12,996</u>	<u>\$ 1,004,193</u>	<u>\$ 1,980,793</u>

	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources				
Differences between expected and actual experience	\$ -	\$ -	\$ 70,826	\$ 70,826
Changes of assumptions	-	-	60,620	60,620
Changes in employer's proportionate percentage/ difference between employer contributions	72,266	-	140,649	212,915
Total deferred inflows of resources	<u>\$ 72,266</u>	<u>\$ -</u>	<u>\$ 272,095</u>	<u>\$ 344,361</u>

\$390,570 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2024.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Year Ending December 31:	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
2024	\$ 47,907	\$ 544	\$ 4,639	\$ 53,090
2025	136,644	580	115,640	252,864
2026	198,939	590	158,368	357,897
2027	331,082	672	253,493	585,247
2028	-	383	(4,713)	(4,330)
Thereafter	-	1,094	-	1,094
Total	<u>\$ 714,572</u>	<u>\$ 3,863</u>	<u>\$ 527,427</u>	<u>\$ 1,245,862</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation

Current measurement date	2.75%
Prior measurement date	2.75%

Future salary increases, including inflation

Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation

COLA or ad hoc COLA

Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple

Investment rate of return

Current measurement date	6.90%
Prior measurement date	6.90%

Actuarial cost method

Individual entry age

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

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

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2022 was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 3,551,948	\$ 2,371,178	\$ 1,388,992
Member-Directed Plan	(727)	(1,136)	(1,454)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Experience study assumptions were performed by OP&F's prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful live of the participants which was 5.81 years at December 31, 2022.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2022, compared to December 31, 2021, are presented below.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Valuation date	1/1/22 with actuarial liabilities rolled forward to 12/31/22
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

Health Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

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

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

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

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. A discount rate of 7.50% was used in the previous measurement date. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50%. 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.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 4,101,088	\$ 3,108,786	\$ 2,283,885

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

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

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

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

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

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

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

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

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

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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.

**CITY OF BROOKVILLE
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$3,653 for 2023. Of this amount, \$545 is reported as pension and postemployment benefits payable.

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

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

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

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The 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 \$5,170 for 2023. Of this amount, \$1,009 is reported as pension and postemployment benefits payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

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**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.00847400%	0.03244280%	
Proportion of the net OPEB liability current measurement date	<u>0.08069000%</u>	<u>0.03272740%</u>	
Change in proportionate share	<u>0.07221600%</u>	<u>0.00028460%</u>	
Proportionate share of the net OPEB liability	\$ 508,767	\$ 233,010	\$ 741,777
OPEB expense	(863,611)	40,157	(823,454)

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 13,905	\$ 13,905
Net difference between projected and actual earnings on OPEB plan investments	1,010,428	19,983	1,030,411
Changes of assumptions	496,923	116,120	613,043
Changes in employer's proportionate percentage/ difference between employer contributions	35,004	52,756	87,760
Contributions subsequent to the measurement date	3,653	5,170	8,823
Total deferred outflows of resources	<u>\$ 1,546,008</u>	<u>\$ 207,934</u>	<u>\$ 1,753,942</u>

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 126,905	\$ 45,947	\$ 172,852
Changes of assumptions	40,889	190,585	231,474
Changes in employer's proportionate percentage/ difference between employer contributions	1,043	22,836	23,879
Total deferred inflows of resources	<u>\$ 168,837</u>	<u>\$ 259,368</u>	<u>\$ 428,205</u>

\$8,823 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2024.

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

	OPERS	OP&F	Total
Year Ending December 31:			
2024	\$ 188,020	\$ 17,636	\$ 205,656
2025	382,294	16,036	398,330
2026	315,085	(14,646)	300,439
2027	488,119	(8,660)	479,459
2028	-	(20,545)	(20,545)
Thereafter	-	(46,425)	(46,425)
Total	<u>\$ 1,373,518</u>	<u>\$ (56,604)</u>	<u>\$ 1,316,914</u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6% for 2022.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real Estate Investment Trusts (REITs)	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

Discount Rate - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	\$ 1,731,607	\$ 508,767	\$ (500,278)

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 476,878	\$ 508,767	\$ 544,658

Actuarial Assumptions - OP&F

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

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

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.27%
Prior measurement date	2.84%
Cost of Living Adjustments	2.20% simple per year

Health Mortality

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

Disabled Mortality

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

Contingent Annuitant Mortality

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

Pre-Retirement Mortality

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

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

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

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

Discount Rate - For 2022, the total OPEB liability was calculated using the discount rate of 4.27%. For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65% was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27%.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27%), or one percentage point higher (5.27%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 286,929	\$ 233,010	\$ 187,487

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.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund and the street construction, maintenance and repair fund, and local fiscal recovery fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

	<u>General fund</u>	Street Construction, Maintenance and <u>Repair fund</u>
Budget basis	\$ 380,124	\$ 4,552
Net adjustment for revenue accruals	131,270	(4,413)
Net adjustment for expenditure accruals	(67,067)	(5,540)
Net adjustment for other sources/uses	(200,000)	-
Funds budgeted elsewhere	(68,367)	-
Adjustment for encumbrances	<u>78,028</u>	<u>46,204</u>
GAAP basis	<u>\$ 253,988</u>	<u>\$ 40,803</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the parks and recreation fund.

NOTE 16 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2023.

B. Litigation

The City is currently not involved in pending litigation at year end.

NOTE 17 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Encumbrances</u>
General fund	\$ 78,129
Street construction, maintenance and repair fund	37,250
Nonmajor governmental funds	<u>42,847</u>
Total	<u>\$ 158,226</u>

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 18 - FUND BALANCE

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

Fund balance	General	Street Construction, Maintenance and Repair	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Materials and supplies inventory	\$ 17,308	\$ 14,741	\$ -	\$ -	\$ 32,049
Prepayments	<u>75,179</u>	<u>11,532</u>	<u>-</u>	<u>-</u>	<u>86,711</u>
Total nonspendable	<u>92,487</u>	<u>26,273</u>	<u>-</u>	<u>-</u>	<u>118,760</u>
Restricted:					
Debt service	-	-	-	93	93
Capital projects	-	-	709,318	377,484	1,086,802
Transportation	-	135,202	-	-	135,202
Public safety programs	-	-	-	10,855	10,855
Public health and welfare	-	-	-	6,335	6,335
Other purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,267</u>	<u>39,267</u>
Total restricted	<u>-</u>	<u>135,202</u>	<u>709,318</u>	<u>434,034</u>	<u>1,278,554</u>
Committed:					
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,963</u>	<u>2,963</u>
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,963</u>	<u>2,963</u>
Assigned:					
General government	16,807	-	-	-	16,807
Public safety programs	59,091	-	-	-	59,091
Leisure time activity	80,760	-	-	-	80,760
Subsequent year appropriations	<u>1,397,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,397,369</u>
Total assigned	<u>1,554,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,554,027</u>
Unassigned	<u>786,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>786,078</u>
Total fund balances	<u>\$ 2,432,592</u>	<u>\$ 161,475</u>	<u>\$ 709,318</u>	<u>\$ 436,997</u>	<u>\$ 3,740,382</u>

NOTE 19 - TAX INCENTIVES

Community Reinvestment Area

The Ohio Community Reinvestment Area (CRA) program is an economic development tool administered by a municipal government that provides real property tax exemptions for property owners who renovate existing or construct new buildings. Community Reinvestment Areas are areas of land in which property owners can receive tax incentives for investing in real property improvements.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 19 - TAX INCENTIVES – (Continued)

The Community Reinvestment Area of the City of Brookville was first established in 1983 to encourage housing maintenance and economic and community development in areas that had not enjoyed reinvestment by remodeling or new construction. Since 1983, the City of Brookville has used tax abatements to attract new businesses and retain existing businesses and residential remodeling. The boundaries of the Community Reinvestment Area #1 have been amended several times since its inception.

Below is a chart of the CRA abatements for 2023.

<u>Property Owner</u>	<u>Parcel</u>	<u>2023 Abated Task Value</u>	<u>2023 All Taxes Abated</u>	<u>2023 City Taxes Abated</u>	<u>Class</u>
Brookville Enterprises Inc.	C05 00521 0001	\$316,050	\$24,031	\$411	Commercial
Giant Ohio LLC	C05 00415 0017	\$213,800	\$16,256	\$278	Commercial
Empire Developers PLL	C05 00513 0023	\$830,700	\$63,162	\$1,080	Commercial
Matthew and Lori Balsbaugh	C05 00513 0025	\$162,940	\$12,389	\$212	Commercial
ARC PLBKVOH001 LLC	C05 00513 0018	\$14,101,060	\$1,072,176	\$18,331	Industrial

Pursuant to Section 5709.82 of the Ohio Revised Code, the City of Brookville and the Brookville Local School District created an Income Tax Revenue Sharing Agreement on three projects in the NorthBrook Industrial Park. The City and the School District agreed that these three projects would receive a 15 year, 100% CRA abatement for the value of improvements for each project. In exchange for the abatement stated above, for each calendar year in which each project receives tax exemption, the City agrees to pay the School District an amount equal to fifty percent of income taxes collected from each project, subject to an allowance for an Infrastructure Offset charge.

The City of Brookville paid the Brookville Local School District \$85,765 in 2023. There is a \$1,528 balance owed to the School in 2024.

In February 2017, Brookville City Council established the boundaries of Community Reinvestment Area #2, Post-1994. We entered into one CRA Agreement since certification of the zone in March 2017. This CRA Agreement is with Giant Dayton, LLC dated June 2017 for construction of a commercial project on Parcel COS 00415 0017. The CRA agreement was amended in 2018 to permit assignment of the CRA agreement from Giant Dayton, LLC to Giant Ohio, LLC. Construction of the Giant Ohio, LLC project was completed as of December 31, 2020.

Income Tax Credits

The City, by Ordinance, may grant a refundable or nonrefundable credit against its tax on income to a taxpayer to foster job creation and/or for the purpose of fostering job retention in the City of Brookville. For new job creation, if a credit is granted, it shall be measured as a percentage of the new income tax revenue the City derives from new employees of the taxpayer and shall be for a term not exceeding fifteen years. For job retention, if a credit is granted, it shall be measured as a percentage of the income tax revenue the City derives from the retained employees of the taxpayer and shall be for a term not exceeding fifteen years. Before the City passes an Ordinance granting a credit and/or allowing such a credit, the City and the taxpayer shall enter into an agreement specifying all the conditions of the credit.

The City did not have any Income Tax Credit Agreements for 2023.

Enterprise Zone

Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation.

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 19 - TAX INCENTIVES – (Continued)

The Enterprise Zone law permits municipalities to grant exemption of real property assessed values up to 75% and up to 10 years on new investments in building and improvements to existing land and buildings for a specific project. The exemptions may be increased up to 100% with approval of the affected Board of Education.

The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation.

The City of Brookville had an Enterprise Zone Agreement with Green Tokai Co. Ltd. dated August 3, 2004 that established a 10-year enterprise zone exemption that has expired. The City of Brookville entered into an Enterprise Zone Agreement with Green Tokai Co. Ltd. in March 2016 to construct a 52,500 square foot building expansion to the existing 40,481 square foot building at 80 Parker Avenue. The Agreement will provide a 75% real property exemption for a period of 10 years. Green Tokai is in compliance with their Enterprise Zone Agreement for 2023.

REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.008027%	0.008587%	0.008593%	0.008866%
City's proportionate share of the net pension liability	\$ 2,371,178	\$ 747,103	\$ 1,272,436	\$ 1,752,425
City's covered payroll	\$ 1,177,014	\$ 1,288,350	\$ 1,161,871	\$ 1,322,600
City's proportionate share of the net pension liability as a percentage of its covered payroll	201.46%	57.99%	109.52%	132.50%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	92.62%	86.88%	82.17%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	n/a	n/a	n/a	n/a
City's proportionate share of the net pension asset	n/a	n/a	n/a	n/a
City's covered payroll	n/a	n/a	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	n/a	n/a	n/a	n/a
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.014539%	0.011992%	0.012119%	0.001532%
City's proportionate share of the net pension asset	\$ 1,136	\$ 2,177	\$ 2,210	\$ 58
City's covered payroll	\$ 98,640	\$ 75,190	\$ 72,790	\$ 9,110
City's proportionate share of the net pension asset as a percentage of its covered payroll	1.15%	2.90%	3.04%	0.64%
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%	188.21%	118.84%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.008805%	0.008377%	0.008193%	0.008201%	0.008434%	0.008434%
\$ 2,411,512	\$ 1,314,188	\$ 1,860,492	\$ 1,420,517	\$ 1,017,235	\$ 994,259
\$ 1,193,493	\$ 1,118,215	\$ 1,058,408	\$ 1,022,192	\$ 1,057,550	\$ 1,027,008
202.05%	117.53%	175.78%	138.97%	96.19%	96.81%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
n/a	0.004307%	0.018721%	0.000970%	n/a	n/a
n/a	\$ 5,862	\$ 10,420	\$ 472	n/a	n/a
n/a	\$ 17,646	\$ 72,875	\$ 3,533	n/a	n/a
n/a	33.22%	14.30%	13.36%	n/a	n/a
n/a	137.28%	116.55%	116.90%	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability	0.03272740%	0.03244280%	0.03301550%	0.03425530%
City's proportionate share of the net pension liability	\$ 3,108,786	\$ 2,026,838	\$ 2,250,696	\$ 2,307,619
City's covered payroll	\$ 924,930	\$ 886,006	\$ 886,688	\$ 856,058
City's proportionate share of the net pension liability as a percentage of its covered payroll	336.11%	228.76%	253.83%	269.56%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	75.03%	70.65%	69.89%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.03856300%	0.03782200%	0.03427300%	0.03652500%	0.03486690%	0.03486690%
\$ 3,147,760	\$ 2,321,287	\$ 2,170,797	\$ 2,349,674	\$ 1,806,251	\$ 1,698,128
\$ 938,204	\$ 902,870	\$ 806,685	\$ 870,574	\$ 748,716	\$ 790,424
335.51%	257.10%	269.10%	269.90%	241.25%	214.84%
63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 176,766	\$ 164,782	\$ 180,369	\$ 162,662
Contributions in relation to the contractually required contribution	(176,766)	(164,782)	(180,369)	(162,662)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,262,614	\$ 1,177,014	\$ 1,288,350	\$ 1,161,871
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
 <i>Combined Plan:</i>				
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	12.00%	-	-	-
 <i>Member Directed Plan:</i>				
Contractually required contribution	\$ 9,133	\$ 9,864	\$ 7,519	\$ 7,279
Contributions in relation to the contractually required contribution	(9,133)	(9,864)	(7,519)	(7,279)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 91,330	\$ 98,640	\$ 75,190	\$ 72,790
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 185,164	\$ 167,089	\$ 145,368	\$ 127,009	\$ 122,663	\$ 126,906
<u>(185,164)</u>	<u>(167,089)</u>	<u>(145,368)</u>	<u>(127,009)</u>	<u>(122,663)</u>	<u>(126,906)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,322,600	\$ 1,193,493	\$ 1,118,215	\$ 1,058,408	\$ 1,022,192	\$ 1,057,550
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$ -	\$ -	\$ 2,294	\$ 8,745	\$ 424	\$ -
<u>-</u>	<u>-</u>	<u>(2,294)</u>	<u>(8,745)</u>	<u>(424)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 17,646	\$ 72,875	\$ 3,533	\$ -
-	-	13.00%	12.00%	12.00%	-
\$ 911	\$ -	\$ -	\$ -	\$ -	\$ -
<u>(911)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,110	\$ -	\$ -	\$ -	\$ -	\$ -
10.00%	-	-	-	-	-

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Police:</i>				
Contractually required contribution	\$ 161,906	\$ 150,276	\$ 150,486	\$ 150,837
Contributions in relation to the contractually required contribution	<u>(161,906)</u>	<u>(150,276)</u>	<u>(150,486)</u>	<u>(150,837)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 852,137	\$ 790,926	\$ 792,032	\$ 793,879
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 42,765	\$ 31,491	\$ 22,084	\$ 21,810
Contributions in relation to the contractually required contribution	<u>(42,765)</u>	<u>(31,491)</u>	<u>(22,084)</u>	<u>(21,810)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 181,979	\$ 134,004	\$ 93,974	\$ 92,809
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 145,745	\$ 161,732	\$ 155,363	\$ 138,519	\$ 136,471	\$ 128,808
<u>(145,745)</u>	<u>(161,732)</u>	<u>(155,363)</u>	<u>(138,519)</u>	<u>(136,471)</u>	<u>(128,808)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 767,079	\$ 851,221	\$ 817,700	\$ 729,047	\$ 718,268	\$ 677,937
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
\$ 20,910	\$ 20,441	\$ 20,015	\$ 18,245	\$ 35,792	\$ 16,633
<u>(20,910)</u>	<u>(20,441)</u>	<u>(20,015)</u>	<u>(18,245)</u>	<u>(35,792)</u>	<u>(16,633)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 88,979	\$ 86,983	\$ 85,170	\$ 77,638	\$ 152,306	\$ 70,779
23.50%	23.50%	23.50%	23.50%	23.50%	23.50%

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net OPEB liability/asset	0.080690%	0.008474%	0.008484%	0.008317%
City's proportionate share of the net OPEB liability/(asset)	\$ 508,767	\$ (265,418)	\$ (151,149)	\$ 1,148,794
City's covered payroll	\$ 1,275,654	\$ 1,363,540	\$ 1,234,661	\$ 1,331,710
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	39.88%	-19.47%	-12.24%	86.26%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.008200%	0.007940%	0.008162%
\$ 1,069,085	\$ 862,227	\$ 824,384
\$ 1,193,493	\$ 1,135,861	\$ 1,131,283
89.58%	75.91%	72.87%
46.33%	54.14%	54.05%

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net OPEB liability	0.03272740%	0.03244280%	0.03301550%	0.03425530%
City's proportionate share of the net OPEB liability	\$ 233,010	\$ 355,601	\$ 349,805	\$ 338,365
City's covered payroll	\$ 924,930	\$ 886,006	\$ 886,688	\$ 856,058
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	25.19%	40.14%	39.45%	39.53%
Plan fiduciary net position as a percentage of the total OPEB liability	52.59%	46.86%	45.42%	47.08%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.03856300%	0.03782200%	0.03427300%
\$ 351,175	\$ 2,142,924	\$ 1,626,862
\$ 938,204	\$ 902,870	\$ 806,685
37.43%	237.35%	201.67%
46.57%	14.13%	15.96%

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
Contractually required contribution	\$ 3,653	\$ 3,946	\$ 3,007	\$ 2,911
Contributions in relation to the contractually required contribution	(3,653)	(3,946)	(3,007)	(2,911)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,353,944	\$ 1,275,654	\$ 1,363,540	\$ 1,234,661
Contributions as a percentage of covered payroll	0.27%	0.31%	0.22%	0.24%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 364	\$ -	\$ 11,358	\$ 22,625	\$ 20,515	\$ 20,684
<u>(364)</u>	<u>-</u>	<u>(11,358)</u>	<u>(22,625)</u>	<u>(20,515)</u>	<u>(20,684)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,193,493	\$ 1,135,861	\$ 1,131,283	\$ 1,058,408	\$ 1,022,192	\$ 1,057,550
0.00%	1.00%	1.00%	2.14%	2.01%	1.96%

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
<i>Police:</i>				
Contractually required contribution	\$ 4,261	\$ 3,955	\$ 3,960	\$ 3,969
Contributions in relation to the contractually required contribution	(4,261)	(3,955)	(3,960)	(3,969)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 852,137	\$ 790,926	\$ 792,032	\$ 793,879
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
 <i>Fire:</i>				
Contractually required contribution	\$ 909	\$ 671	\$ 470	\$ 464
Contributions in relation to the contractually required contribution	(909)	(671)	(470)	(464)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 181,979	\$ 134,004	\$ 93,974	\$ 92,809
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 3,835	\$ 4,256	\$ 4,089	\$ 3,744	\$ 3,688	\$ 3,187
<u>(3,835)</u>	<u>(4,256)</u>	<u>(4,089)</u>	<u>(3,744)</u>	<u>(3,688)</u>	<u>(3,187)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 767,079	\$ 851,221	\$ 817,700	\$ 729,047	\$ 718,268	\$ 677,937
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
\$ 445	\$ 435	\$ 426	\$ 388	\$ 762	\$ 356
<u>(445)</u>	<u>(435)</u>	<u>(426)</u>	<u>(388)</u>	<u>(762)</u>	<u>(356)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 88,979	\$ 86,983	\$ 85,170	\$ 77,638	\$ 152,306	\$ 70,779
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- There were no changes in assumptions for 2023.

(Continued)

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

PENSION

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

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

(Continued)

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

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

Changes in assumptions :

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

(Continued)

**CITY OF BROOKVILLE
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

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

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed from 2.84% to 4.27% and (b) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

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

City of Brookville
Montgomery County
301 Sycamore Street
Brookville, Ohio 45309

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brookville, Montgomery County, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 14, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 14, 2024

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 DECEMBER 31, 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001	Material Weakness – Financial Statement Errors	Corrective Action Taken and Finding is Fully Corrected	N/A

OHIO AUDITOR OF STATE KEITH FABER



CITY OF BROOKVILLE

MONTGOMERY 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 7/25/2024

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

This report is a matter of public record and is available online at
www.ohioauditor.gov