



OHIO AUDITOR OF STATE
KEITH FABER

A small, thin-lined map of the state of Ohio is positioned to the right of the text, showing the state's outline.

**CITY OF BOWLING GREEN
WOOD COUNTY
DECEMBER 31, 2024**

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WOOD COUNTY
DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

City of Bowling Green
Wood County
305 North Main Street
Bowling Green, Ohio 43402-2399

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 Bowling Green, Wood County, Ohio (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Wood County, Ohio as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Playground and Recreation, and American Rescue Plan 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 and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

January 29, 2026

City of Bowling Green
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

The discussion and analysis of the City of Bowling Green's financial performance provides an overview of the City's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2024 are as follows:

In total, the City's net position increased \$6,581,708, or 3 percent. Net position increased almost 31 percent for governmental activities and net position increased 1 percent for business-type activities.

A review of the enterprise funds reflects that the Water and Sewer funds had operating losses for 2024 and the Electric fund had operating income.

One important aspect to consider with the Water and Sewer funds is that governmental funds finance a significant portion of water and sewer infrastructure improvements through a portion of the City's income tax. Of the one and one-half percent income tax that is divided by ordinance between various funds, the Sewer and Water Improvement Fund receives 33 percent of the proceeds.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the City of Bowling Green's financial position.

The statement of net position and the statement of activities provide information about the activities of the City as a whole, presenting both an aggregate and a longer-term view of the City.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the City's most significant funds individually and the City's non-major funds in a single column. The City's major funds are the General, Playground and Recreation, American Rescue Plan, Sewer and Water Capital Improvement, Street Repair, Electric, Water, and Sewer funds.

REPORTING THE CITY AS A WHOLE

The statement of net position and the statement of activities reflect how the City did financially during 2024. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the City's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the City as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the City's property tax base and the condition of the City's capital assets (buildings; streets; electric, water, and sewer lines). These factors must be considered when assessing the overall health of the City.

City of Bowling Green
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

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

Governmental Activities - Most of the City's programs and services are reported here, including security of persons and property (police, fire, and ambulance), public health, leisure time activities, community environment, basic utility services, transportation, and general government (court and other). These services are primarily funded by property and income taxes and from intergovernmental revenues, including federal and state grants and other shared revenues.

Business-Type Activities - These services are provided on a charge for services basis and are intended to recover all or most of the costs of the services provided. The City's electric, water, and sewer services are reported here.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund financial statements provide detailed information about the City's major funds, the General, Playground and Recreation, American Rescue Plan, Sewer and Water Capital Improvement, Street Repair, Electric, Water, and Sewer funds. While the City uses many funds to account for its financial transactions, these are the most significant.

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, proprietary funds, and fiduciary funds.

Governmental Funds - The City's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the City's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided.

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 on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

Proprietary Funds - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The City uses enterprise funds to account for electric, water, and sewer operations. Internal service funds are an accounting device used to accumulate and allocate internal costs among the City's other programs and activities. The internal service fund accounts for engineering services that are provided to the other departments of the City or to other governmental units.

City of Bowling Green
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds also use the accrual basis of accounting.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 presents a summary of the City's net position for 2024 and 2023.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
Assets						
Current and Other Assets	\$44,236,108	\$41,601,716	\$60,777,492	\$61,670,009	\$105,013,600	\$103,271,725
Net Pension Asset	286,963	212,332	298,675	220,997	585,638	433,329
Net OPEB Asset	359,588	0	374,264	0	733,852	0
Capital Assets, Net	62,039,655	62,054,457	154,137,755	150,190,265	216,177,410	212,244,722
Equity Interest in Joint Venture	0	0	632,448	1,190,922	632,448	1,190,922
Total Assets	106,922,314	103,868,505	216,220,634	213,272,193	323,142,948	317,140,698
Deferred Outflows of Resources						
Pension	11,697,452	15,566,489	3,519,718	5,070,217	15,217,170	20,636,706
OPEB	1,527,807	2,613,153	338,359	784,593	1,866,166	3,397,746
Other Amounts	56,695	70,089	0	0	56,695	70,089
Total Deferred Outflows of Resources	13,281,954	18,249,731	3,858,077	5,854,810	17,140,031	24,104,541
Liabilities						
Current and Other Liabilities	2,966,973	6,839,047	5,504,930	5,666,333	8,471,903	12,505,380
Long-Term Liabilities						
Pension	37,035,203	42,180,800	10,672,260	12,022,964	47,707,463	54,203,764
OPEB	2,023,931	2,545,524	0	259,985	2,023,931	2,805,509
Other Amounts	49,895,099	48,167,409	1,935,185	2,477,067	51,830,284	50,644,476
Total Liabilities	91,921,206	99,732,780	18,112,375	20,426,349	110,033,581	120,159,129
Deferred Inflows of Resources						
Pension	4,097,055	2,156,076	86,809	175,181	4,183,864	2,331,257
OPEB	2,493,188	2,800,636	215,923	87,679	2,709,111	2,888,315
Other Amounts	3,752,572	3,679,820	2,701,189	1,865,764	6,453,761	5,545,584
Total Deferred Inflows of Resources	10,342,815	8,636,532	3,003,921	2,128,624	13,346,736	10,765,156
Net Position						
Net Investment in Capital Assets	\$42,450,099	\$44,748,689	\$153,950,590	\$149,687,280	\$196,400,689	\$194,435,969
Restricted	24,139,477	17,822,789	672,939	220,997	24,812,416	18,043,786
Unrestricted (Deficit)	(48,649,329)	(48,822,554)	44,338,886	46,663,753	(4,310,443)	(2,158,801)
Total Net Position	\$17,940,247	\$13,748,924	\$198,962,415	\$196,572,030	\$216,902,662	\$210,320,954

*Capital Assets, Net and Net Investment in Capital Assets were restated due to the implementation of GASB Statement 100 and Long-Term Liabilities and Other Amounts and Unrestricted Net Position were restated due to the implementation of GASB Statement 101.

City of Bowling Green
Management's Discussion and Analysis
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The net pension liability (asset) and net OPEB liability(asset) reported by the City at December 31, 2024, is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, end users of these financial statements 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 (asset), and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 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 or net OPEB liability. GASB Statements No. 68 and No. 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 Statements No. 68 and No. 75 require the net pension liability (asset) and the net OPEB liability to equal the City's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service 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 health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contribution 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 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.

City of Bowling Green
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Most long-term liabilities have set repayment schedules or in the case of compensated absences (i.e. vacation and sick leave) are satisfied through paid time off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the City. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statements No. 68 and No. 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 the net OPEB liability, respectively, not accounted for as deferred outflows/inflows.

Pension/OPEB changes noted in the above table reflect an overall decrease in deferred outflows, an increase in deferred inflows related to pension, and a decrease in deferred outflows related to OPEB. These changes are affected by changes in benefits, contribution rates, return on investments, and actuarial assumptions. The decrease in the net pension liability and net OPEB liability and the increase in the net pension asset and net OPEB asset represent the City's proportionate share of the unfunded benefits.

Aside from changes related to pension/OPEB, there were other items of note for governmental activities. The increase in current and other assets was primarily due to an increase in cash and cash equivalents as the City saw an overall increase in revenues, including OWDA loan proceeds received in 2024. This is also all reflected in the increase in restricted net position. Note however, accounts receivable did decrease due to a reduction in special assessments receivable for street cleaning. The increase in net capital assets along with net investment in capital assets is the result of finished construction on the new City Hall building and street improvement projects. Current and other liabilities decreased due to the timing of payments made in the prior year for contracts and retainage for the new City Hall building (now completed) and unearned revenue with ARPA monies continuing to be spent at year end. The increase in other long-term liabilities was primarily due to new debt. The decrease in unrestricted net position is related to the change in net pension/OPEB discussed above.

For business-type activities, the decrease in current and other assets was primarily a decrease in cash and cash equivalents in electric as a result of overall increased expenses for various capital projects. The increase in net capital assets along with net investment in capital assets is the result of finished construction on the new City Hall building and other construction projects. The decrease in current and other liabilities was due to a higher liability for purchase of power costs in prior year. The increase in net position was also impacted by the change in pension/OPEB as discussed above.

City of Bowling Green
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

Table 2 reflects the change in net position for 2024 and 2023.

Table 2
 Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
Revenues						
Program Revenues						
Charges for Services	\$4,527,314	\$5,068,325	\$77,124,543	\$73,558,039	\$81,651,857	\$78,626,364
Operating Grants, Contributions, and Interest	4,467,294	3,179,440	0	0	4,467,294	3,179,440
Capital Grants and Contributions	1,175,081	3,800,234	0	37,500	1,175,081	3,837,734
Total Program Revenues	<u>10,169,689</u>	<u>12,047,999</u>	<u>77,124,543</u>	<u>73,595,539</u>	<u>87,294,232</u>	<u>85,643,538</u>
General Revenues						
Property Taxes-General Purposes	2,275,526	1,859,459	0	0	2,275,526	1,859,459
Property Taxes-Playground and Recreation	1,409,097	1,388,375	0	0	1,409,097	1,388,375
Municipal Income Taxes	26,702,397	24,955,113	0	0	26,702,397	24,955,113
Other Local Taxes	2,458,983	2,097,854	0	0	2,458,983	2,097,854
Grants and Entitlements not Restricted to Specific Programs	1,661,968	1,299,621	0	0	1,661,968	1,299,621
Franchise Taxes	198,086	211,476	0	0	198,086	211,476
Investment Earnings and Other Interest	3,041,922	3,329,952	0	0	3,041,922	3,329,952
Other	1,626,034	628,188	2,841,667	1,874,740	4,467,701	2,502,928
Total General Revenues	<u>39,374,013</u>	<u>35,770,038</u>	<u>2,841,667</u>	<u>1,874,740</u>	<u>42,215,680</u>	<u>37,644,778</u>
Total Revenues	<u>49,543,702</u>	<u>47,818,037</u>	<u>79,966,210</u>	<u>75,470,279</u>	<u>129,509,912</u>	<u>123,288,316</u>
Program Expenses						
Security of Persons and Property						
Police	8,130,071	8,592,588	0	0	8,130,071	8,592,588
Fire/Ambulance	9,359,260	9,566,219	0	0	9,359,260	9,566,219
Public Health	8,588	12,753	0	0	8,588	12,753
Leisure Time Activities	3,653,364	3,113,480	0	0	3,653,364	3,113,480
Community Environment	1,817,911	1,836,076	0	0	1,817,911	1,836,076
Basic Utility Services	1,083,315	980,467	0	0	1,083,315	980,467
Transportation	8,612,408	8,475,563	0	0	8,612,408	8,475,563
General Government						
Court	1,807,319	1,787,147	0	0	1,807,319	1,787,147
Other	5,150,281	4,590,506	0	0	5,150,281	4,590,506
Intergovernmental	0	50,000	0	0	0	50,000
Internal Service Fund External Portion	0	60	0	0	0	60
Interest an Fiscal Charges	793,698	861,066	0	0	793,698	861,066
Electric	0	0	65,496,170	62,494,493	65,496,170	62,494,493
Water	0	0	9,280,058	8,297,827	9,280,058	8,297,827
Sewer	0	0	7,735,761	7,174,303	7,735,761	7,174,303
Total Expenses	<u>40,416,215</u>	<u>39,865,925</u>	<u>82,511,989</u>	<u>77,966,623</u>	<u>122,928,204</u>	<u>117,832,548</u>
Increase (Decrease) in Net Position						
Before Transfers	9,127,487	7,952,112	(2,545,779)	(2,496,344)	6,581,708	5,455,768
Transfers	(4,936,164)	(8,353,515)	4,936,164	8,353,515	0	0
Increase (Decrease) in Net Position	<u>4,191,323</u>	<u>(401,403)</u>	<u>2,390,385</u>	<u>5,857,171</u>	<u>6,581,708</u>	<u>5,455,768</u>
Net Position Beginning of Year-Restated	<u>13,748,924</u>	<u>14,150,327</u>	<u>196,572,030</u>	<u>190,714,859</u>	<u>210,320,954</u>	<u>204,865,186</u>
Net Position End of Year	<u>\$17,940,247</u>	<u>\$13,748,924</u>	<u>\$198,962,415</u>	<u>\$196,572,030</u>	<u>\$216,902,662</u>	<u>\$210,320,954</u>

*Amounts restated due to implementation of GASB Statements 100 and 101.

City of Bowling Green
 Management's Discussion and Analysis
 For the Year Ended December 31, 2024
 Unaudited

For governmental activities, there was an overall decrease of almost 16 percent in program revenues with moderate decreases in two of three program revenue categories. The decrease in program revenues for charges for services was just over ten percent. Program revenues for operating grants experienced an overall increase as the result of ARPA and other grant monies that were used during the year compared to the prior year. The City did not receive as much grant money from the Ohio Department of Transportation for the urban paving project along with other capital related items impacting the decrease in program revenues for capital grants and contributions. Significant changes in general revenues include the decrease in investment earnings and other interest revenue that was based on the market value of the City's investments. Changes also include the continued increase in municipal income taxes resulting from continuing pandemic recovery and increases in property tax revenue due to 2023 being a reappraisal year for Wood County. The overall increase in expenses is primarily due to the increase in salaries and benefits.

As expected, program revenues make up a significant portion of the total revenues for business-type activities (almost 97 percent). The overall increase in expenses is primarily due to the increase in salaries and benefits.

Table 3, indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3
 Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024	2023*	2024	2023*
Security of Persons and Property				
Police	\$8,130,071	\$8,592,588	\$7,112,389	\$8,353,305
Fire/Ambulance	9,359,260	9,566,219	8,648,782	8,983,948
Public Health	8,588	12,753	(9,599)	(66,122)
Leisure Time Activities	3,653,364	3,113,480	2,311,699	2,201,734
Community Environment	1,817,911	1,836,076	896,724	810,032
Basic Utility Services	1,083,315	980,467	21,329	(61,363)
Transportation	8,612,408	8,475,563	5,569,658	1,806,402
General Government				
Court	1,807,319	1,787,147	497,965	698,817
Other	5,150,281	4,590,506	4,403,881	4,230,570
Intergovernmental	0	50,000	0	0
Internal Service Fund External Portio	0	60	0	(463)
Interest an Fiscal Charges	793,698	861,066	793,698	861,066
Total Expenses	<u>\$40,416,215</u>	<u>\$39,865,925</u>	<u>\$30,246,526</u>	<u>\$27,817,926</u>

*Amounts restated due to implementation of GASB Statements 100 and 101.

City of Bowling Green
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

For 2024, general revenues provided for 75 percent of the costs of providing governmental activities services (70 percent in 2023). Note that general revenues provide for the majority of the costs of providing police, fire, and ambulance services. The leisure time activities program receives significant support through program revenues generated through admission and sports fees, rentals, and concession charges. The transportation program receives significant support through operating grants in the form of permissive motor vehicle license monies, State levied motor vehicle license fees and gas taxes. The municipal court receives substantial support through fines, costs, and fees as well as some support through grant resources. Fluctuations in the net cost of services have seen some substantial differences over the past couple of years due to the effect of the pandemic and the inflow of resources from the federal government to assist with offsetting pandemic costs and for pandemic recovery (CARES Act ARPA).

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund, the Playground and Recreation and American Rescue Plan special revenue funds, and the Sewer and Water Capital Improvement and Street Repair capital projects funds.

For 2024, the General Fund had an 18 percent increase in fund balance. There was an overall increase in revenues due to the significant increase in property and municipal income taxes. Expenditures increased in nearly all programs and can be attributed to normal fluctuations in costs associated with salaries and benefits. During 2024 there was a City-wide 3 percent wage increase in place.

The Playground and Recreation Fund had a 14 percent decrease in fund balance, or \$172,141, due to increases in salaries and benefits, as well as contractual services, over the prior year.

The City continued to spend ARPA grant monies in 2024 but less than the previous year. ARPA resources that remained unspent at year end were offset to unearned revenue.

Fund balance increased 59 percent in the Sewer and Water Capital Improvement Fund due to OWDA loan proceeds received in the current year, resulting in an increase in fund balance.

Fund balance in the Street Repair fund decreased 76 percent. This change was due to a reduction in grant revenues in 2024, as projects funded with these monies were completed in the prior year, leading to a similar decrease in project expenses. However, we noted an increase in expenses related to Abbott Industries Infrastructure and South Main Street Improvements.

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

The City's enterprise funds are the Electric, Water, and Sewer funds. A review of the statement of revenues, expenses, and change in fund net position reveals a decrease in net position for the Sewer fund and an increase in net position for the Water and Electric funds in 2024.

The Electric Fund had a less than 2 percent increase in net position, which is insignificant.

There was a 3 percent increase in net position in the Water Fund primarily due to capital contributions.

The decrease in net position in the Sewer Fund was almost 1 percent, which is insignificant.

City of Bowling Green
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

BUDGETARY HIGHLIGHTS

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by City officials and department heads and such other budgetary documents as are required by State statute, including the annual appropriations ordinance which is passed by City Council by January 1 of each year. The City has been adopting a permanent appropriations ordinance prior to the start of a new year since 1999.

The City's most significant budgeted fund is the General Fund. For revenues, changes from the original budget to the final budget were not significant. The increase from final budget to actual revenues was most significant in interest revenue received during the year due to the change in market value of the City's investments as discussed above. For expenditures, changes from the original budget to the final budget were not significant. Variances from the final budget and actual expenditures were the result of conservative budgeting.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2024, was \$42,450,099 and \$153,950,590, respectively (net of accumulated depreciation and related debt). This investment in capital assets includes land; land improvements; buildings; equipment; vehicles; streets; and electric, water, and sewer lines. Notable additions to governmental capital assets included data storage back-up, network security and downtown camera projects, furniture, a roof replacement for the Pearl Street Fire Station building, ventilators and extrication equipment, a vehicle hoist, a parks & recreation truck and street improvements. Disposals included police, transit, and parks & recreation vehicles. The most significant additions for business-type activities included the Carter Park lighting, South Main water line and Village water line projects as well as improvements at the water and wastewater treatment plants, vehicles, and other infrastructure related electric, water, and sewer lines projects. Disposals consisted of equipment and vehicles. For further information regarding the City's capital assets, refer to Note 11 to the basic financial statements.

Debt - At December 31, 2024, the City had \$18,385,000 in general obligation bonds, \$26,021,502 in OWDA loans payable, \$912,593 in capital loans payable, \$52,665 in financed purchases payable, and \$295,993 in leases payable from governmental activities. Business-type activities had financed purchases payable, in the amount of \$103,377, and leases payable, in the amount of \$83,788 outstanding at year end.

In addition to the debt outlined above, the City's long-term obligations also include the net pension liability, net OPEB liability, and compensated absences. For further information regarding the City's debt, refer to Note 19 to the basic financial statements.

CURRENT ISSUES

The City of Bowling Green's priorities include public safety, investment in infrastructure, efforts to promote economic development, employment growth and retaining adequate fund balances to ensure both financial flexibility and long-term stability. These are kept under consideration during the budget process and throughout the year as we monitor revenue and expenses and make necessary adjustments.

City of Bowling Green
Management's Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

Major financial influences at the start of 2025 are labor market challenges, economic uncertainty, depletion of capital reserve funds, and future funding for infrastructure and facility capital maintenance. The 2025 budget includes the general fund supplementing capital funds in the amount of \$300,000 by way of a transfer for capital expenses as well as the 2nd of 10 annual \$300,000 installments for advances back to the Water and Sewer capital improvement fund. In July of 2025, City Council approved a plan presented by the Administration for funding the construction of two new fire stations and improvements to the police station building which includes a redistribution of the unvoted portion of the City's income tax and placing an .15% tax increase on the 2025 ballot.

State and Local Fiscal Recovery Funds as authorized by the American Rescue Plan Act (ARPA) assist in bolstering municipal activities. These funds are revenue replacement funds and will be used for general government services. To date the City has expensed more than \$6.8 million of ARPA funds for paving, leisure time activities, infrastructure and public safety, housing grants, and will spend down more than \$700,000 by the end 2025.

The 2025 budget includes \$4.8 million for building improvements, equipment, technology infrastructure and street improvements as well as \$69 million for utility capital improvements funded respectively by Ohio Water Development Authority (OWDA) loans, income tax and utility capital reserve funds.

Additionally, the 2025 budget includes \$1.4 million in governmental activities debt service payments and \$2.6 million in business-type activities debt service funded primarily with capital funds, a property tax levy, charges for services, and reserve funds.

The 2025 income tax collections are down from 2024 by more than 1%. The 2025 budget assumed use of general fund balance and revenue estimates were conservative, specifically for income tax and hotel/motel tax. While the general fund can absorb the variance in income tax collections for 2025, these lower than estimated revenues coupled with economic uncertainty may result in reducing spending for the remainder of 2025 in order to prepare for a challenging 2026 budget process. The City continually looks to implement creative cost-effective strategies to maintain optimum staffing levels and support core operational functions.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those interested in our City's financial well-being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Dana Pinkert, Finance Director, 305 North Main Street, Bowling Green, Ohio 43402-2399.

City of Bowling Green
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities*	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$33,479,383	\$46,320,961	\$79,800,344
Cash and Cash Equivalents in Segregated Accounts	3,698	0	3,698
Accounts Receivable	935,837	11,128,667	12,064,504
Accrued Interest Receivable	212,587	0	212,587
Due from Other Governments	1,353,860	367	1,354,227
Municipal Income Taxes Receivable	3,421,845	0	3,421,845
Other Local Taxes Receivable	138,593	118,699	257,292
Internal Balances	195,098	(195,098)	0
Prepaid Items	137,574	137,574	275,148
Materials and Supplies Inventory	0	2,268,211	2,268,211
Property Taxes Receivable	3,782,334	0	3,782,334
Notes Receivable	575,299	0	575,299
Asset Held for Resale	0	998,111	998,111
Net Pension Asset	286,963	298,675	585,638
Net OPEB Asset	359,588	374,264	733,852
Nondepreciable Capital Assets	7,047,718	16,118,183	23,165,901
Depreciable Capital Assets, Net	54,991,937	138,019,572	193,011,509
Equity Interest in Joint Venture	0	632,448	632,448
 Total Assets	 106,922,314	 216,220,634	 323,142,948
<u>Deferred Outflows of Resources</u>			
Deferred Charge on Refunding	56,695	0	56,695
Pension	11,697,452	3,519,718	15,217,170
OPEB	1,527,807	338,359	1,866,166
 Total Deferred Outflows of Resources	 13,281,954	 3,858,077	 17,140,031
<u>Liabilities</u>			
Accrued Wages Payable	539,990	238,643	778,633
Accounts Payable	912,435	4,815,094	5,727,529
Contracts Payable	30,110	61,535	91,645
Due to Other Governments	651,450	387,649	1,039,099
Unearned Revenue	366,836	0	366,836
Retainage Payable	421,455	0	421,455
Accrued Interest Payable	44,697	2,009	46,706
Long-Term Liabilities			
Due Within One Year	3,950,127	365,420	4,315,547
Due in More Than One Year			
Net Pension Liability	37,035,203	10,672,260	47,707,463
Net OPEB Liability	2,023,931	0	2,023,931
Other Amounts Due in More Than One Year	45,944,972	1,569,765	47,514,737
 Total Liabilities	 91,921,206	 18,112,375	 110,033,581

(continued)

City of Bowling Green
 Statement of Net Position
 December 31, 2024
 (continued)

	Governmental Activities	Business-Type Activities*	Total
<u>Deferred Inflows of Resources</u>			
Property Taxes	\$3,752,572	\$0	\$3,752,572
Recovered Purchase Power	0	2,701,189	2,701,189
Pension	4,097,055	86,809	4,183,864
OPEB	2,493,188	215,923	2,709,111
Total Deferred Inflows of Resources	10,342,815	3,003,921	13,346,736
<u>Net Position</u>			
Net Investment in Capital Assets	42,450,099	153,950,590	196,400,689
Restricted for			
Capital Projects	12,860,881	0	12,860,881
Debt Service	43,406	0	43,406
American Rescue Plan	332,726	0	332,726
Playground and Recreation	1,095,343	0	1,095,343
Street Maintenance and Repair	3,108,399	0	3,108,399
Community Development	954,587	0	954,587
Security of Persons and Property - Police	1,551,797	0	1,551,797
Security of Persons and Property - Fire	1,747,479	0	1,747,479
Other Purposes	1,798,308	0	1,798,308
Pension Plans	646,551	672,939	1,319,490
Unrestricted (Deficit)	<u>(48,649,329)</u>	<u>44,338,886</u>	<u>(4,310,443)</u>
Total Net Position	\$17,940,247	\$198,962,415	\$216,902,662

* After deferred outflows and inflows related to the change in internal proportionate share of pension/OPEB related items have been eliminated.

See Accompanying Notes to the Basic Financial Statements

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City of Bowling Green
Statement of Activities
For the Year Ended December 31, 2024

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$8,130,071	\$452,100	\$565,582	\$0
Fire	9,359,260	710,478	0	0
Public Health	8,588	18,187	0	0
Leisure Time Activities	3,653,364	881,203	436,249	24,213
Community Environment	1,817,911	115,979	805,208	0
Basic Utility Services	1,083,315	1,061,986	0	0
Transportation	8,612,408	77,058	2,372,099	593,593
General Government				
Court	1,807,319	1,067,410	241,944	0
Other	5,150,281	142,913	46,212	557,275
Interest	793,698	0	0	0
Total Governmental Activities	<u>40,416,215</u>	<u>4,527,314</u>	<u>4,467,294</u>	<u>1,175,081</u>
<u>Business-Type Activities</u>				
Electric	65,496,170	64,304,455	0	0
Water	9,280,058	7,639,439	0	0
Sewer	7,735,761	5,180,649	0	0
Total Business-Type Activities	<u>82,511,989</u>	<u>77,124,543</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$122,928,204</u></u>	<u><u>\$81,651,857</u></u>	<u><u>\$4,467,294</u></u>	<u><u>\$1,175,081</u></u>
<u>General Revenues</u>				
Property Taxes Levied for General Purposes				
Property Taxes Levied for Playground and Recreation				
Municipal Income Taxes Levied for General Purposes				
Municipal Income Taxes Levied for Playground and Recreation				
Municipal Income Taxes Levied for Police and Fire				
Municipal Income Taxes Levied for Sewer and Water Improvement				
Municipal Income Taxes Levied for Capital Improvements				
Other Local Taxes				
Grants and Entitlements not Restricted to Specific Programs				
Franchise Taxes				
Investment Earnings and Other Interest				
Other				
Total General Revenues				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
<i>Net Position Beginning of Year, as Previously Reported</i>				
Implementation of Accounting Changes (See Note 3)				
Correction of an Error - Capital Assets (See Note 3)				
<i>Net Position Beginning of Year, as Restated</i>				
Net Position End of Year				

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$7,112,389)	\$0	(\$7,112,389)
(8,648,782)	0	(8,648,782)
9,599	0	9,599
(2,311,699)	0	(2,311,699)
(896,724)	0	(896,724)
(21,329)	0	(21,329)
(5,569,658)	0	(5,569,658)
(497,965)	0	(497,965)
(4,403,881)	0	(4,403,881)
(793,698)	0	(793,698)
(30,246,526)	0	(30,246,526)
0	(1,191,715)	(1,191,715)
0	(1,640,619)	(1,640,619)
0	(2,555,112)	(2,555,112)
0	(5,387,446)	(5,387,446)
(30,246,526)	(5,387,446)	(35,633,972)
2,275,526	0	2,275,526
1,409,097	0	1,409,097
9,769,807	0	9,769,807
677,302	0	677,302
6,773,037	0	6,773,037
6,773,035	0	6,773,035
2,709,216	0	2,709,216
2,458,983	0	2,458,983
1,661,968	0	1,661,968
198,086	0	198,086
3,041,922	0	3,041,922
1,626,034	2,841,667	4,467,701
39,374,013	2,841,667	42,215,680
(4,936,164)	4,936,164	0
34,437,849	7,777,831	42,215,680
4,191,323	2,390,385	6,581,708
15,131,745	196,396,198	211,527,943
(1,683,758)	(109,126)	(1,792,884)
300,937	284,958	585,895
13,748,924	196,572,030	210,320,954
<u>\$17,940,247</u>	<u>\$198,962,415</u>	<u>\$216,902,662</u>

City of Bowling Green
Balance Sheet
Governmental Funds
December 31, 2024

	General	Playground and Recreation	American Rescue Plan	Sewer and Water Capital Improvement
Assets				
Equity in Pooled Cash and Cash Equivalents	\$13,072,200	\$1,098,650	\$705,413	\$7,928,274
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Accounts Receivable	771,037	7,686	0	0
Accrued Interest Receivable	212,587	0	0	0
Due from Other Governments	625,076	27,832	0	0
Municipal Income Taxes Receivable	1,283,193	85,546	0	855,461
Other Local Taxes Receivable	112,607	0	0	0
Interfund Receivable	245,098	0	0	2,700,000
Prepaid Items	137,574	0	0	0
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	101,607	0	0	0
Property Taxes Receivable	2,321,568	1,177,702	0	0
Notes Receivable	0	0	0	0
Total Assets	\$18,882,547	\$2,397,416	\$705,413	\$11,483,735
Liabilities and Fund Balance				
Liabilities				
Accrued Wages Payable	\$339,345	\$24,242	\$26	\$0
Accounts Payable	475,353	78,492	0	118,700
Contracts Payable	13,866	0	5,825	3,208
Due to Other Governments	417,394	29,938	0	719
Interfund Payable	0	0	0	0
Unearned Revenue	0	0	366,836	0
Retainage Payable	0	0	0	158,251
Total Liabilities	1,245,958	132,672	372,687	280,878
Deferred Inflows of Resources				
Property Taxes	2,302,574	1,169,401	0	0
Unavailable Revenue	1,993,228	53,548	0	383,336
Total Deferred Inflows of Resources	4,295,802	1,222,949	0	383,336
Fund Balance				
Nonspendable	239,181	0	0	0
Restricted	0	1,041,795	332,726	10,819,521
Committed	102,355	0	0	0
Assigned	2,711,959	0	0	0
Unassigned (Deficit)	10,287,292	0	0	0
Total Fund Balance	13,340,787	1,041,795	332,726	10,819,521
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$18,882,547	\$2,397,416	\$705,413	\$11,483,735

See Accompanying Notes to the Basic Financial Statements

Street Repair	Other Governmental	Total Governmental Funds
\$1,833,306	\$8,671,898	\$33,309,741
0	3,698	3,698
0	157,114	935,837
0	0	212,587
19,123	681,829	1,353,860
128,319	1,069,326	3,421,845
0	25,986	138,593
0	52,500	2,997,598
0	0	137,574
0	0	101,607
0	283,064	3,782,334
0	575,299	575,299
\$1,980,748	\$11,520,714	\$46,970,573
\$0	\$176,377	\$539,990
17,731	222,159	912,435
2,508	4,703	30,110
107	203,292	651,450
1,800,000	1,002,500	2,802,500
0	0	366,836
0	263,204	421,455
1,820,346	1,872,235	5,724,776
0	280,597	3,752,572
76,623	1,196,445	3,703,180
76,623	1,477,042	7,455,752
0	0	239,181
83,779	8,028,929	20,306,750
0	878,748	981,103
0	36,294	2,748,253
0	(772,534)	9,514,758
83,779	8,171,437	33,790,045
\$1,980,748	\$11,520,714	\$46,970,573

City of Bowling Green
 Reconciliation of Total Governmental Fund Balance
 to Net Position of Governmental Activities
 December 31, 2024

Total Governmental Fund Balance \$33,790,045

Amounts reported for governmental activities on the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 62,039,655

Deferred outflows of resources include deferred charges on refundings which do not provide current financial resources and, therefore, are not reported in the funds. 56,695

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Accounts Receivable	801,515
Accrued Interest Receivable	141,724
Due from Other Governments	1,108,435
Municipal Income Taxes Receivable	1,533,345
Other Local Taxes Receivable	88,399
Delinquent Property Taxes Receivable	29,762
	3,703,180

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

Net Pension Asset	281,107
Deferred Outflows - Pension	11,628,438
Deferred Inflows - Pension	(4,095,353)
Net Pension Liability	(36,825,943)
Deferred Outflows - OPEB	1,521,173
Deferred Inflows - OPEB	(2,488,954)
Net OPEB Asset	352,249
Net OPEB Liability	(2,023,931)
	(31,651,214)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest Payable	(44,697)
General Obligation Bonds Payable	(18,385,000)
OWDA Loans Payable	(26,021,502)
Capital Loans Payable	(912,593)
Compensated Absences Payable	(4,227,346)
Financed Purchases Payable	(52,665)
Leases Payable	(295,993)
	(49,939,796)

(continued)

City of Bowling Green
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2024
(continued)

An internal service fund is used by management to charge the cost of engineering services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.

(\$58,318)

Net Position of Governmental Activities

\$17,940,247

See Accompanying Notes to the Basic Financial Statements

City of Bowling Green
 Statement of Revenues, Expenditures,
 and Change in Fund Balance
 Governmental Funds
 For the Year Ended December 31, 2024

	General	Playground and Recreation	American Rescue Plan	Sewer and Water Capital Improvement
<u>Revenues</u>				
Property Taxes	\$2,268,478	\$1,135,804	\$0	\$0
Municipal Income Taxes	9,777,375	677,807	0	6,778,080
Other Local Taxes	2,359,174	0	0	0
Special Assessments	0	0	0	0
Charges for Services	2,924,770	878,355	0	0
Fees, Licenses, and Permits	54,650	0	0	0
Fines, Forfeitures, and Settlements	289,416	1,240	0	0
Intergovernmental	2,032,161	57,677	2,078,806	537,235
Investment Earnings and Other Interest	2,936,157	0	0	0
Other	427,844	146,949	18	966,545
Total Revenues	23,070,025	2,897,832	2,078,824	8,281,860
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	5,918,294	0	0	0
Fire	3,636,191	0	0	0
Public Health	0	0	0	0
Leisure Time Activities	0	2,748,438	398,276	0
Community Environment	869,461	0	525,138	0
Basic Utility Services	1,079,264	0	0	0
Transportation	3,500,316	0	1,159,777	0
General Government				
Court	1,623,991	0	0	0
Other	3,906,944	26,331	0	369,683
Capital Outlay	0	0	0	5,162,485
Debt Service				
Principal Retirement	0	0	0	2,070,688
Interest	0	0	0	316,736
Total Expenditures	20,534,461	2,774,769	2,083,191	7,919,592
Excess of Revenues Over (Under) Expenditures	2,535,564	123,063	(4,367)	362,268
<u>Other Financing Sources (Uses)</u>				
OWDA Loans Issued	0	0	0	3,664,484
Inception of Capital Loan	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	(526,222)	(295,204)	0	0
Total Other Financing Sources (Uses)	(526,222)	(295,204)	0	3,664,484
Change in Fund Balance	2,009,342	(172,141)	(4,367)	4,026,752
Fund Balance Beginning of Year	11,331,445	1,213,936	337,093	6,792,769
Fund Balance End of Year	\$13,340,787	\$1,041,795	\$332,726	\$10,819,521

See Accompanying Notes to the Basic Financial Statements

Street Repair	Other Governmental	Total Governmental Funds
\$0	\$273,691	\$3,677,973
1,016,713	8,472,604	26,722,579
0	283,649	2,642,823
0	105,413	105,413
0	214,935	4,018,060
0	7,875	62,525
0	266,912	557,568
574,470	2,099,880	7,380,229
0	74,727	3,010,884
18	84,660	1,626,034
<hr/>	<hr/>	<hr/>
1,591,201	11,884,346	49,804,088

0	1,864,360	7,782,654
0	5,036,900	8,673,091
0	5,236	5,236
0	10,164	3,156,878
0	361,511	1,756,110
0	0	1,079,264
103,071	1,796,350	6,559,514
<hr/>	<hr/>	<hr/>
0	111,589	1,735,580
39,500	329,159	4,671,617
1,659,287	1,507,329	8,329,101
<hr/>	<hr/>	<hr/>
0	1,068,169	3,138,857
0	464,962	781,698
<hr/>	<hr/>	<hr/>
1,801,858	12,555,729	47,669,600
<hr/>	<hr/>	<hr/>
(210,657)	(671,383)	2,134,488
<hr/>	<hr/>	<hr/>

464,679	0	4,129,163
0	441,902	441,902
0	2,275,609	2,275,609
(513,989)	(940,194)	(2,275,609)
<hr/>	<hr/>	<hr/>
(49,310)	1,777,317	4,571,065
<hr/>	<hr/>	<hr/>
(259,967)	1,105,934	6,705,553
<hr/>	<hr/>	<hr/>
343,746	7,065,503	27,084,492
<hr/>	<hr/>	<hr/>
\$83,779	\$8,171,437	\$33,790,045

City of Bowling Green
 Reconciliation of Statement of Revenues, Expenditures,
 and Change in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2024

Change in Fund Balance - Total Governmental Funds \$6,705,553

Amounts reported for governmental activities on the statement of activities are different because of the following:

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

Capital Outlay	3,229,656
Depreciation/Amortization	<u>(3,204,887)</u>
	24,769

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital asset is removed from the capital asset account on the statement of net position and is offset against the proceeds from the sale of capital assets resulting in a gain or loss on disposal of capital assets on the statement of activities.

Loss on Disposal of Capital Assets	(9,967)
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Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Property Taxes	6,650
Municipal Income Taxes	(20,182)
Other Local Taxes	14,246
Special Assessments	(140)
Charges for Services	(198,635)
Fines, Forfeitures, and Settlements	(14,964)
Intergovernmental	(78,399)
Investment Earnings and Other Interest	<u>31,038</u>
	(260,386)

Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.

General Obligation Bonds Payable	950,000
OWDA Loans Payable	1,950,689
Capital Loans Payable	71,805
Financed Purchases Payable	16,185
Leases Payable	<u>150,178</u>
	3,138,857

The inception of a financed purchase and lease is reported as an other financing sources in the governmental funds but increases long-term liabilities on the statement of net position.

Capital Loan	(441,902)
OWDA Loans	<u>(4,129,163)</u>
	(4,571,065)

(continued)

City of Bowling Green
 Reconciliation of Statement of Revenues, Expenditures,
 and Change in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2024
 (continued)

Interest is reported as an expenditure when due in governmental funds but is accrued on outstanding debt on the statement of net position. Accounting losses are amortized over the life of the debt on the statement of activities.

Accrued Interest Payable	\$1,394
Amortization of Deferred Charge on Refunding	<u>(13,394)</u>
	(12,000)

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

Compensated Absences Payable	(295,482)
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Except for amounts reported as deferred outflows/inflows, changes in the net pension liability (asset) and net OPEB liability are reported as pension/OPEB expense on the statement of activities.

Pension Expense	(3,500,232)
OPEB Expense	<u>42,243</u>
	(3,457,989)

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

Contractually Required Contributions - Pension	2,911,363
Contractually Required Contributions - OPEB	<u>59,663</u>
	2,971,026

The internal service fund used by management to charge the cost of engineering services to individual funds is not reported on the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year.

(42,205)

The internal service fund used by management to charge the cost of engineering services to an external agency. The change for the external portion is reported for the year.

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Change in Net Position of Governmental Activities

\$4,191,323

See Accompanying Notes to the Basic Financial Statements

City of Bowling Green
 Statement of Revenues, Expenditures,
 and Change in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 General Fund
 For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<u>Revenues</u>				
Property Taxes	\$1,705,644	\$2,311,978	\$2,268,478	(\$43,500)
Other Local Taxes	2,122,986	2,324,300	2,300,696	(23,604)
Charges for Services	2,567,897	2,811,400	2,985,284	173,884
Fees, Licenses, and Permits	30,324	33,200	54,550	21,350
Fines, Forfeitures, and Settlements	225,607	247,000	310,009	63,009
Intergovernmental	1,404,207	1,798,362	1,973,826	175,464
Interest	1,552,758	1,700,000	2,296,962	596,962
Other	142,488	165,470	410,587	245,117
Total Revenues	<u>9,751,911</u>	<u>11,391,710</u>	<u>12,600,392</u>	<u>1,208,682</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	5,947,383	5,995,051	5,863,054	131,997
Fire	3,367,320	3,847,506	3,698,009	149,497
Community Environment	1,035,784	1,093,604	931,882	161,722
Basic Utility Services	1,262,821	1,303,672	1,075,398	228,274
Transportation	3,793,512	3,958,885	3,653,246	305,639
General Government				
Court	1,478,048	1,671,920	1,634,406	37,514
Other	<u>3,797,321</u>	<u>5,112,249</u>	<u>4,184,188</u>	<u>928,061</u>
Total Expenditures	<u>20,682,189</u>	<u>22,982,887</u>	<u>21,040,183</u>	<u>1,942,704</u>
Excess of Revenues Under Expenditures	<u>(10,930,278)</u>	<u>(11,591,177)</u>	<u>(8,439,791)</u>	<u>3,151,386</u>
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	19,259	21,085	6,221	(14,864)
Sale of Capital Assets	4,567	5,000	0	(5,000)
Transfers In	8,541,902	9,792,897	9,892,471	99,574
Transfers Out	0	0	(556,222)	(556,222)
Total Other Financing Sources (Uses)	<u>8,565,728</u>	<u>9,818,982</u>	<u>9,342,470</u>	<u>(476,512)</u>
Change in Fund Balance	(2,364,550)	(1,772,195)	902,679	2,674,874
Fund Balance Beginning of Year	9,211,487	9,211,487	9,211,487	0
Prior Year Encumbrances Appropriated	<u>1,016,219</u>	<u>1,016,219</u>	<u>1,016,219</u>	<u>0</u>
Fund Balance End of Year	<u>\$7,863,156</u>	<u>\$8,455,511</u>	<u>\$11,130,385</u>	<u>\$2,674,874</u>

See Accompanying Notes to the Basic Financial Statements

City of Bowling Green
 Statement of Revenues, Expenditures,
 and Change in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 Playground and Recreation Fund
 For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<u>Revenues</u>				
Property Taxes	\$1,119,025	\$1,153,273	\$1,135,804	(\$17,469)
Charges for Services	844,000	844,000	878,754	34,754
Fines, Forfeitures, and Settlements	0	0	1,240	1,240
Intergovernmental	16,000	16,000	36,759	20,759
Other	214,000	217,504	146,937	(70,567)
Total Revenues	<u>2,193,025</u>	<u>2,230,777</u>	<u>2,199,494</u>	<u>(31,283)</u>
<u>Expenditures</u>				
Current:				
Leisure Time Activities	2,932,337	2,924,962	2,772,699	152,263
Excess of Revenues Under Expenditures	<u>(739,312)</u>	<u>(694,185)</u>	<u>(573,205)</u>	<u>120,980</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	623,226	652,226	653,388	1,162
Transfers Out	<u>(295,204)</u>	<u>(295,204)</u>	<u>(295,204)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>328,022</u>	<u>357,022</u>	<u>358,184</u>	<u>1,162</u>
Change in Fund Balance	(411,290)	(337,163)	(215,021)	122,142
Fund Balance Beginning of Year - Restated	1,112,174	1,112,174	1,112,174	0
Prior Year Encumbrances Appropriated	<u>111,319</u>	<u>111,319</u>	<u>111,319</u>	<u>0</u>
Fund Balance End of Year	<u>\$812,203</u>	<u>\$886,330</u>	<u>\$1,008,472</u>	<u>\$122,142</u>

See Accompanying Notes to the Basic Financial Statements

City of Bowling Green
 Statement of Revenues, Expenditures,
 and Change in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 American Rescue Plan Fund
 For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<u>Revenues</u>				
Other	\$0	\$0	\$18	\$18
<u>Expenditures</u>				
Current:				
Public Health	880,923	880,923	0	880,923
Leisure Time Activities	0	0	423,787	(423,787)
Community Environment	310,761	410,761	542,895	(132,134)
Transportation	1,000,000	1,492,517	1,611,597	(119,080)
Total Expenditures	<u>2,191,684</u>	<u>2,784,201</u>	<u>2,578,279</u>	<u>205,922</u>
Change in Fund Balance	(2,191,684)	(2,784,201)	(2,578,261)	205,940
Fund Balance Beginning of Year	1,903,278	1,903,278	1,903,278	0
Prior Year Encumbrances Appropriated	<u>880,923</u>	<u>880,923</u>	<u>880,923</u>	<u>0</u>
Fund Balance End of Year	<u>\$592,517</u>	<u>\$0</u>	<u>\$205,940</u>	<u>\$205,940</u>

See Accompanying Notes to the Basic Financial Statements

City of Bowling Green
 Statement of Fund Net Position
 Proprietary Funds
 December 31, 2024

	Business-Type Activities			Total Enterprise Funds	Governmental Activity Internal Service Fund		
	Electric	Water	Sewer				
Assets							
Current Assets							
Equity in Pooled Cash and Cash Equivalents	\$32,671,727	\$9,439,316	\$4,209,918	\$46,320,961	\$68,035		
Accounts Receivable	9,480,422	894,591	753,654	11,128,667	0		
Due from Other Governments	367	0	0	367	0		
Other Local Taxes Receivable	118,699	0	0	118,699	0		
Interfund Receivable	15,120	6,896	538	22,554	0		
Prepaid Items	45,840	45,867	45,867	137,574	0		
Materials and Supplies Inventory	1,914,009	354,202	0	2,268,211	0		
Total Current Assets	<u>44,246,184</u>	<u>10,740,872</u>	<u>5,009,977</u>	<u>59,997,033</u>	<u>68,035</u>		
Non-Current Assets							
Asset Held for Resale	598,867	199,622	199,622	998,111	0		
Restricted Assets							
Net Pension Asset	134,697	81,989	81,989	298,675	5,856		
Net OPEB Asset	168,786	102,739	102,739	374,264	7,339		
Nondepreciable Capital Assets	4,277,263	7,915,593	3,925,327	16,118,183	0		
Depreciable Capital Assets, Net	22,311,635	56,421,965	59,285,972	138,019,572	0		
Equity Interest in Joint Venture	632,448	0	0	632,448	0		
Total Non-Current Assets	<u>28,123,696</u>	<u>64,721,908</u>	<u>63,595,649</u>	<u>156,441,253</u>	<u>13,195</u>		
Total Assets	<u>72,369,880</u>	<u>75,462,780</u>	<u>68,605,626</u>	<u>216,438,286</u>	<u>81,230</u>		
Deferred Outflows of Resources							
Pension	1,587,324	966,197	966,197	3,519,718	69,014		
OPEB	152,593	92,883	92,883	338,359	6,634		
Total Deferred Outflows of Resources	<u>1,739,917</u>	<u>1,059,080</u>	<u>1,059,080</u>	<u>3,858,077</u>	<u>75,648</u>		
Liabilities							
Current Liabilities							
Accrued Wages Payable	102,303	64,171	72,169	238,643	0		
Accounts Payable	4,523,152	133,922	158,020	4,815,094	0		
Contracts Payable	59,653	941	941	61,535	0		
Due to Other Governments	180,409	96,154	111,086	387,649	0		
Interfund Payable	195,685	6,188	15,779	217,652	0		
Accrued Interest Payable	0	0	2,009	2,009	0		
Compensated Absences Payable	161,996	42,290	101,618	305,904	0		
Financed Purchase Payable	0	0	32,452	32,452	0		
Leases Payable	5,868	13,503	7,693	27,064	0		
Total Current Liabilities	<u>5,229,066</u>	<u>357,169</u>	<u>501,767</u>	<u>6,088,002</u>	<u>0</u>		

(continued)

City of Bowling Green
 Statement of Fund Net Position
 Proprietary Funds
 December 31, 2024
 (continued)

	Business-Type Activities			Total Enterprise Funds	Governmental Activity Internal Service Fund
	Electric	Water	Sewer		
<u>Non-Current Liabilities</u>					
Compensated Absences Payable	763,694	199,368	479,054	1,442,116	0
Financed Purchase Payable	0	0	70,925	70,925	0
Leases Payable	10,189	30,436	16,099	56,724	0
Net Pension Liability	4,812,980	2,929,640	2,929,640	10,672,260	209,260
Total Non-Current Liabilities	5,586,863	3,159,444	3,495,718	12,242,025	209,260
Total Liabilities	10,815,929	3,516,613	3,997,485	18,330,027	209,260
<u>Deferred Inflows of Resources</u>					
Recovered Purchased Power	2,701,189	0	0	2,701,189	0
Pension	39,149	23,830	23,830	86,809	1,702
OPEB	97,377	59,273	59,273	215,923	4,234
Total Deferred Inflows of Resources	2,837,715	83,103	83,103	3,003,921	5,936
<u>Net Position</u>					
Net Investment in Capital Assets	26,572,841	64,293,619	63,084,130	153,950,590	0
Restricted for Pension Plans	303,483	184,728	184,728	672,939	13,195
Unrestricted (Deficit)	33,579,829	8,443,797	2,315,260	44,338,886	(71,513)
Total Net Position (Deficit)	<u>\$60,456,153</u>	<u>\$72,922,144</u>	<u>\$65,584,118</u>	<u>198,962,415</u>	<u>(\$58,318)</u>

See Accompanying Notes to the Basic Financial Statements

City of Bowling Green
 Statement of Revenues, Expenses,
 and Change in Fund Net Position
 Proprietary Funds
 For the Year Ended December 31, 2024

	Business-Type Activities			Governmental Activity	
	Electric	Water	Sewer	Total Enterprise Funds	Internal Service Fund
<u>Operating Revenues</u>					
Charges for Services	\$64,304,455	\$7,639,439	\$5,180,649	\$77,124,543	\$0
Other	692,894	205,895	469,523	1,368,312	0
Total Operating Revenues	64,997,349	7,845,334	5,650,172	78,492,855	0
<u>Operating Expenses</u>					
Purchased Power	51,288,449	0	0	51,288,449	0
Plant Operation	0	4,035,439	2,805,767	6,841,206	0
Geographical Information Systems	403,367	108,521	88,726	600,614	0
Distribution Operation	3,449,751	2,340,829	1,627,570	7,418,150	0
Administrative and General	6,098,132	614,182	544,030	7,256,344	0
Information and Technology	310,089	103,138	103,136	516,363	0
Sustainability	115,643	39,291	50,500	205,434	0
Engineering	0	164,791	164,791	329,582	0
Depreciation/Amortization	1,816,203	1,868,375	2,340,112	6,024,690	0
Other	0	0	0	0	(212)
Total Operating Expenses	63,481,634	9,274,566	7,724,632	80,480,832	(212)
Operating Income (Loss)	1,515,715	(1,429,232)	(2,074,460)	(1,987,977)	212
<u>Non-Operating Revenues (Expenses)</u>					
Gain on Sale of Capital Assets	15,000	0	8,000	23,000	0
Excise Taxes	1,450,355	0	0	1,450,355	0
Excise Taxes Expense	(1,450,355)	0	0	(1,450,355)	0
Interest Expense	(5,707)	(5,492)	(11,129)	(22,328)	0
Investment in Joint Venture	(558,474)	0	0	(558,474)	0
Total Non-Operating Revenues (Expenses)	(549,181)	(5,492)	(3,129)	(557,802)	0
Income (Loss) before Contributions	966,534	(1,434,724)	(2,077,589)	(2,545,779)	212
Capital Contributions	0	3,544,029	1,392,135	4,936,164	0
Change in Net Position	966,534	2,109,305	(685,454)	2,390,385	212
<i>Net Position (Deficit) Beginning of Year, as Previously Reported</i>	59,467,070	70,578,387	66,363,342	196,408,799	(58,530)
Implementation of Accounting Changes (See Note 3)	(141,422)	180,259	(147,963)	(109,126)	0
Correction of an Error - Capital Assets (See Note 3)	163,971	54,193	54,193	272,357	0
<i>Net Position (Deficit) Beginning of Year as Restated</i>	59,489,619	70,812,839	66,269,572	196,572,030	(58,530)
Net Position (Deficit) End of Year	\$60,456,153	\$72,922,144	\$65,584,118	\$198,962,415	(\$58,318)

See Accompanying Notes to the Basic Financial Statements

City of Bowling Green
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-Type Activities			Total Enterprise Funds	Governmental Activity Internal Service Fund		
	Electric	Water	Sewer				
Increases (Decreases) in Cash and Cash Equivalents							
<u>Cash Flows from Operating Activities</u>							
Cash Received from Customers	\$63,979,834	\$7,610,929	\$5,168,996	\$76,759,759	\$0		
Cash Payments for Purchased Power	(51,099,047)	0	0	(51,099,047)	0		
Cash Payments for Plant Operation	0	(4,011,206)	(2,670,666)	(6,681,872)	0		
Cash Payments for Geographical Information Systems	(399,585)	(107,271)	(86,325)	(593,181)	0		
Cash Payments for Distribution Operation	(3,784,733)	(2,505,783)	(1,652,487)	(7,943,003)	0		
Cash Payments for Administrative and General	(6,143,449)	(642,954)	(570,700)	(7,357,103)	0		
Cash Payments for Information and Technology	(308,600)	(102,698)	(102,697)	(513,995)	0		
Cash Payments for Sustainability	(115,727)	(38,875)	(50,397)	(204,999)	0		
Cash Payments for Engineering	0	(164,632)	(164,631)	(329,263)	0		
Cash Received from Other Revenues	690,292	205,895	469,523	1,365,710	0		
Cash Payments for Other Expenses	0	0	0	0	(246)		
Net Cash Provided by Operating Activities	2,818,985	243,405	340,616	3,403,006	(246)		
<u>Cash Flows from Noncapital Financing Activities</u>							
Cash Received from Excise Taxes	1,450,355	0	0	1,450,355	0		
Cash Payments for Excise Tax Distribution	(1,450,355)	0	0	(1,450,355)	0		
Net Cash Provided by Noncapital Financing Activities	0	0	0	0	0		
<u>Cash Flows from Capital and Related Financing Activities</u>							
Principal Paid on Long-Term Obligations	(126,976)	(52,981)	(78,224)	(258,181)	0		
Interest Paid on Long-Term Obligations	(11,707)	(7,492)	(13,724)	(32,923)	0		
Sale of Capital Assets	15,000	0	8,000	23,000	0		
Acquisition of Capital Assets	(3,535,953)	(715,958)	(954,628)	(5,206,539)	0		
Net Cash Used for Capital and Related Financing Activities	(3,659,636)	(776,431)	(1,038,576)	(5,474,643)	0		
Net Decrease in Cash and Cash Equivalents	(840,651)	(533,026)	(697,960)	(2,071,637)	(246)		
Cash and Cash Equivalents Beginning of Year	33,512,378	9,972,342	4,907,878	48,392,598	68,281		
Cash and Cash Equivalents End of Year	<u>\$32,671,727</u>	<u>\$9,439,316</u>	<u>\$4,209,918</u>	<u>\$46,320,961</u>	<u>\$68,035</u>		

(continued)

City of Bowling Green
 Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2024
 (continued)

	Business-Type Activities			Total Enterprise Funds	Governmental Activity Internal Service Fund
	Electric	Water	Sewer		
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</u>					
Operating Income (Loss)	\$1,515,715	(\$1,429,232)	(\$2,074,460)	(\$1,987,977)	\$212
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities</u>					
Depreciation/Amortization	1,816,203	1,868,375	2,340,112	6,024,690	0
Changes in Assets and Liabilities:					
(Increase) in Accounts Receivable	(1,152,943)	(26,973)	(10,415)	(1,190,331)	0
(Increase) in Other Local Taxes Receivable	(10,765)	0	0	(10,765)	0
(Increase) in Interfund Receivable	(296)	(135)	(11)	(442)	0
(Increase) in Prepaid Items	(7,905)	(7,909)	(7,909)	(23,723)	0
(Increase) Decrease in Materials and Supplies Inventory	(459,244)	62,787	0	(396,457)	0
Decrease in Recovered Purchased Power Receivable	443,348	0	0	443,348	0
(Increase) in Net Pension Asset	(35,033)	(21,322)	(21,323)	(77,678)	(1,523)
(Increase) in Net OPEB Asset	(286,035)	(174,107)	(174,107)	(634,249)	(12,436)
Increase in Accrued Wages Payable	39,706	22,824	30,404	92,934	0
Increase (Decrease) in Accounts Payable	148,404	(291,183)	10,281	(132,498)	0
Increase (Decrease) in Contracts Payable	(40,064)	941	941	(38,182)	0
Increase in Due to Other Governments	35,414	22,256	27,190	84,860	0
Increase in Interfund Payable	11,421	121	309	11,851	0
Increase in Compensated Absences Payable	100,660	27,263	31,724	159,647	0
(Decrease) in AMP-Ohio Payable	(443,348)	0	0	(443,348)	0
Increase in Recovered Purchased Power Payable	835,425	0	0	835,425	0
(Decrease) in Net Pension Liability	(609,140)	(370,782)	(370,782)	(1,350,704)	(26,485)
Decrease in Deferred Outflows - Pension	698,237	426,846	427,057	1,552,140	30,452
Decrease in Deferred Outflows - OPEB	201,242	122,496	122,496	446,234	8,750
(Decrease) in Deferred Inflows - Pension	(39,854)	(24,065)	(26,094)	(90,013)	(1,732)
Increase in Deferred Inflows - OPEB	57,837	35,204	35,203	128,244	2,516
Net Cash Provided by Operating Activities	<u>\$2,818,985</u>	<u>\$243,405</u>	<u>\$340,616</u>	<u>\$3,403,006</u>	<u>(\$246)</u>

Non-Cash Capital Financing Activities:

At December 31, 2023, the Electric enterprise fund had payables related to the acquisition of capital assets, in the amount of \$257,639. At December 31, 2024, the Electric enterprise fund had payables related to the acquisition of capital assets, in the amount of \$59,653.

During 2024, the Water and Sewer enterprise funds received capital assets that were constructed in the City's governmental funds, in the amount of \$3,544,029 and \$1,392,135, respectively.

See Accompanying Notes to the Basic Financial Statements

City of Bowling Green
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024

Assets

Cash and Cash Equivalents in Segregated Accounts	\$224,643
Special Assessments Receivable	<u>103,771</u>
Total Assets	<u>328,414</u>

Liabilities

Accounts Payable	105,510
Due to Other Governments	<u>74,634</u>
Total Liabilities	<u>180,144</u>

Net Position

Restricted for Individuals, Organizations, and Other Governments	<u>\$148,270</u>
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See Accompanying Notes to the Basic Financial Statements

City of Bowling Green
 Statement of Change in Fiduciary Net Position
 Custodial Funds
 For the Year Ended December 31, 2024

Additions

Fines and Forfeitures for Other Governments	\$2,154,255
Special Assessments Collections for Others	<u>101,483</u>
Total Additions	<u>2,255,738</u>

Deductions

Fines and Forfeitures Distributions to Other Governments	2,137,046
Special Assessments Distributions to Others	<u>101,483</u>
Total Deductions	<u>2,238,529</u>

Net Increase in Fiduciary Net Position	17,209
Net Position Beginning of Year	<u>131,061</u>
Net Position End of Year	<u>\$148,270</u>

See Accompanying Notes to the Basic Financial Statements

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 1 - DESCRIPTION OF THE CITY OF BOWLING GREEN AND THE REPORTING ENTITY

A. The City

The City of Bowling Green is a charter municipal corporation founded on November 9, 1855, with the charter adopted by the electors on October 31, 1972. The City may exercise all powers of home rule granted under Article XVIII, Section 3, of the Ohio Constitution not in conflict with applicable general laws of Ohio.

The City operates under a Mayor/Administrator/Council form of government. Services provided include police, fire, street maintenance, planning and zoning, parks and recreation, electric, water, sewer, and general administrative services.

B. Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City of Bowling Green consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City of Bowling Green, this includes all departments and activities that are directly operated by the elected City officials.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Bowling Green in 2024.

The City participates in two insurance pools, three joint ventures, and a jointly governed organization. These organizations are the Buckeye Ohio Risk Management Agency (BORMA), the Ohio Rural Water Association Workers' Compensation Group Rating Plan (Plan), the Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2), the Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5), the Ohio Municipal Electric Generation Agency Joint Venture 6 (JV6), and the Bowling Green Central Business Special Improvement District, Inc. (SID). These organizations are presented in Notes 22, 23, and 24 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Bowling Green have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the City's accounting policies.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

The City's basic financial statements consist of government-wide financial 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 in nature and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

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 business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned 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 governmental program or business activity is self-financing or draws 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. The internal service fund is presented in a single column on the proprietary fund financial statements. Fiduciary funds are reported by type.

B. 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. The funds of the City are reported in three categories: governmental, proprietary, and fiduciary.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the City 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 purpose 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 and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

General Fund - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Playground and Recreation Fund - The Playground and Recreation Fund accounts for charges for services, property taxes, and income taxes restricted to maintaining parks and playgrounds and to providing recreation activities for the citizens of the City.

American Rescue Plan Fund - The American Rescue Plan Fund accounts for resources received from the federal government under the American Rescue Plan Act Program restricted for costs associated with the City's response and recovery from the COVID-19 pandemic.

Sewer and Water Capital Improvement Fund - The Sewer and Water Capital Improvement Fund accounts for municipal income taxes and debt proceeds that are restricted for various water and sewer improvements.

Street Repair Fund - The Street Repair Fund accounts for municipal income taxes, grants and federal aid that are restricted for major street repair of primary and secondary streets within the City.

The other governmental funds of the City account for grants and other resources whose use is restricted, committed, or assigned for a particular purpose.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, change in net position, financial position, and cash flows. The City reports two types of proprietary funds, enterprise and internal service:

Enterprise Funds - 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:

Electric Fund - The Electric Fund accounts for the provision of electricity to residential and commercial users within the City.

Water Fund - The Water Fund accounts for the provision of water treatment and distribution to residential and commercial users within the City.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sewer Fund - The Sewer Fund accounts for the provision of sanitary sewer service to residential and commercial users within the City.

Internal Service Fund - The internal service fund accounts for engineering services that are provided to the other departments of the City or to other governmental units.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications; pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary funds are custodial funds. Custodial funds are used to account for special assessments levied and paid to the Bowling Green Central Business Special Improvement District, Inc., monies collected from a fundraising project for the Bowling Green Central Business Special Improvement District, Inc., and fines and fees collected by the Bowling Green Municipal Court (excluding those due to the City of Bowling Green).

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total 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 are generally included on the balance sheet. The statement of revenues, expenditures, and change in fund balance reflects 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 financial statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary and fiduciary funds are accounted for using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For proprietary funds, the statement of revenues, expenses, and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of change in fiduciary net position which reports additions to and deductions from custodial funds.

D. 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 and fiduciary 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 outflows and deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means 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-one days after year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from income taxes is recognized in the year in which the income is earned. 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 the 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 both measurable and available at year end: income taxes, charges for services, fines, forfeitures and settlements, state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), grants, and investment earnings and other interest.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met because these amounts have not yet been earned.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report 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 that time. For the City, deferred outflows of resources includes deferred charges on refundings, pension, and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the life of the old debt or the life of the new debt, whichever is shorter. These amounts have been recorded as deferred outflows of resources on both the government-wide statement of net position and the proprietary fund financial statements. Deferred outflows of resources related to pension and OPEB are reported on the government-wide and proprietary funds statement of net position and explained in Notes 16 and 17 to the basic financial statements.

In addition to liabilities, the statement of financial position may report 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 until that time. For the City, deferred inflows of resources include property taxes, unavailable revenue, recovered purchased power, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2024, but which were levied to finance 2025 operations. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes accrued interest, intergovernmental revenues including grants, municipal income taxes, delinquent property taxes, special assessments, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. Recovered purchased power represents recovered costs of a regulated business-type activity applicable to a future period. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 22. Deferred inflows of resources related to pension and OPEB are reported on the government-wide and proprietary funds statement of net position and explained in Notes 16 and 17 to the basic financial statements.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Process

All funds, except custodial funds, are required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations ordinance is City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by City Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by City Council during the year.

F. Cash and Investments

To improve cash management, cash received by the City is pooled and invested. Individual fund integrity is maintained through City records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held separately within departments of the City are recorded as "Cash and Cash Equivalents in Segregated Accounts".

During 2024, the City invested in mutual funds, negotiable certificates of deposit, federal agency securities, Tennessee Valley Authority Bonds, private export funding corporation securities, U.S. Treasury securities, commercial paper, and STAR Ohio. Investments are reported at fair value. Fair value is based on quoted market price or current share price. Commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board Statement No. 79, "Certain External Investment Pools and Pool Participants". The City measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV that approximates fair value.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Under existing Ohio statutes all investment earnings and other interest are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings and other interest credited to the general fund during 2024 amounted to \$2,936,157 which includes \$2,440,525 assigned from other City funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Inventory

Inventory is presented at cost on a first-in, first-out basis and is expensed when used. Inventory consists of expendable supplies held for consumption.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the General Fund represent money set aside for unclaimed monies. Restricted assets in the proprietary funds represent amounts held in trust by the pension plans for future benefits.

J. Asset Held for Resale

Assets held for resale include land purchased by the City in 2019 to promote economic development. The City plans to sell the land to businesses wanting to build in the Woodbridge Business Park. The proceeds of this sale will be recorded in the Electric, Water, and Sewer enterprise funds.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column on the government-wide statement of net position and in the respective funds. Capital assets used by the internal service fund are reported in both the governmental activities column on the government-wide statement of net position and in the fund.

All capital assets (except for intangible right-to-use lease assets which are discussed below) are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated. The City maintains a capitalization threshold of fifteen thousand dollars. 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 capitalized.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. The City reports all infrastructure, including that acquired prior to 1980.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	25 years	N/A
Buildings	15-50 years	15-50 years
Equipment	1-20 years	1-20 years
Vehicles	3-10 years	3-10 years
Streets	15-40 years	N/A
Electric, Water, Sewer, and Storm Sewer Lines	N/A	15-50 years
Intangible Right to Use Lease - Vehicles	26-59 months	30-60 months

The City is reporting intangible right to use assets related to lease assets. The lease assets include vehicles and represent nonfinancial assets which are being utilized for a period of time through lease from another entity. These intangible right to use assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Deferred Charge on Refunding

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

M. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as “Interfund Receivables/Payables.” Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as “Internal Balances”.

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension/OPEB items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column on the government-wide statement of net position.

N. Compensated Absences

For the City, compensated absences include leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The City does not offer noncash settlements. The City uses a first-in first-out flow assumption for compensated absences.

Liabilities should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates and is allowed to be carried over to subsequent years, and the leave is more likely than not to be used for time off or otherwise paid in cash. For the City, this leave includes sick, comp and vacation time. However, the City also has certain compensated absences that are dependent upon the occurrence of a sporadic events that affects a relatively small proportion of employees. A liability for these types of leave is recognized when the leave commences. For the City this type of leave includes bereavement leave, military leave, personal leave, on-the-job injury leave, and court leave. Holiday leave taken on a specific date, not at the discretion of the employee is recognized as a liability when used. The liability for compensated absences includes salary related payments, where applicable.

Liabilities for compensated absences are recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the 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, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. The 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 to pay those benefits. General obligation bonds, OWDA loans, capital loans, financed purchases, and leases are recognized as liabilities on the governmental fund financial statements when due.

P. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance 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 constitutional provisions or enabling legislation adopted by the City, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for maintenance of state highways, cemetery maintenance, and various municipal court operations. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted net position for pension plans represent the corresponding restricted asset amounts held in trust by the pension plan for future benefits.

Q. Leases

The City serves as lessee for various noncancelable leases which are accounted for as follows:

Lessee - At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. 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 governmental funds. The classifications are as follows:

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

Restricted - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council. The committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by City Council. Fund balance policy of City Council has authorized the Safety Director and the Service Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The City Council has also assigned fund balance for debt retirement, future severance payments, and to cover a gap between estimated resources and appropriations in the 2025 budget.

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 used only to report a deficit balance.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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 can be used.

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for electric, water, and sewer services, and charges for engineering services in the internal service fund. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

T. Capital Contributions

Capital contributions arise from contributions of capital assets from other governments and from other funds.

U. Interfund Transactions

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

V. Pension/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pension/OPEB, 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 retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement systems report investments at fair value.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

W. Estimates

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

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES & RESTATEMENT OF FUND BALANCES AND NET POSITION

Change in Accounting Principles

For 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*. The City also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021* and GASB Statement No. 101, *Compensated Absences*.

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections. The City noted amounts related to the construction of the new City building and related furnishings that were not included in the addition of these items in the prior year and elected to have beginning balances restated to account for this activity. The effects of implementing the GASB pronouncement are shown in the table below.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the City.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The City reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of GASB Statement No. 100 and GASB Implementation Guides 2021-1 and 2023-1 did not have any effect on beginning net position/fund balance.

GASB 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The effects of implementing the GASB pronouncement are shown on the table below.

City of Bowling Green
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES & RESTATEMENT OF FUND BALANCES AND NET POSITION (continued)

Restatement of Fund Balances/Net Position

For the City, GASB Statement No. 100 restated the prior ending balance of capital assets for both governmental and business-type activities due to amounts being omitted from the prior year asset additions related to the City's new building and related furnishings, while GASB Statement No. 101 increased the compensated absences liability and the cumulative effects of compensated absence related expense on beginning fund balances and net position as shown on the following table:

	Change in Accounting Principles		Correction of an Error	12/31/2023 As Restated
	12/31/2023 As Previously Reported	GASB 101	Capital Assets	
Government Wide Net Position				
Governmental Activities	\$15,131,745	(\$1,683,758)	\$300,937	\$13,748,924
Business-Type Activities	196,396,198	(109,126)	284,958	196,572,030
Total Primary Government	\$211,527,943	(\$1,792,884)	\$585,895	\$210,320,954
Proprietary Funds Net Position				
Enterprise Funds:				
Electric	59,467,070	(141,422)	163,971	59,489,619
Water	70,578,387	180,259	54,193	70,812,839
Sewer	66,363,342	(147,963)	54,193	66,269,572
Total Business-Type Activities	\$196,408,799	(\$109,126)	\$272,357	\$196,572,030

Budget Basis – The Playground and Recreation Major Special Revenue fund was restated on a budget (cash) basis from \$1,145,758 to \$1,112,174, at December 31, 2023. The correction was made to remove the portion of income tax fund that is only included on a GAAP basis, under GASB 54.

NOTE 4 - ACCOUNTABILITY

At December 31, 2024, the Facility Capitalization and Aquatic Facility Capital Improvement capital projects funds and Interlock & Alcohol Monitoring special revenue fund had deficit fund balances in the amount of \$732,972, \$36,168, and \$3,394 respectively, resulting from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur

At December 31, 2024, the internal service fund had a deficit net position, in the amount of \$58,318, due to recording the net pension liability. This amount will be paid by the pension systems in future years as individuals retire.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and change 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, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Change in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual - for the General Fund and the Playground and Recreation and American Rescue Plan special revenue funds 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:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).

Adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis are as follows:

	Change in Fund Balance		
	General	Playground and Recreation	American Rescue Plan
GAAP Basis	\$2,009,342	(\$172,141)	(\$4,367)
Net Adjustment for Revenue Accruals	(655,104)	(61,089)	(2,079,022)
Net Adjustment for Expenditure Accruals	436,064	34,415	4,385
Beginning Unrecorded Cash	(430,246)	29,734	216
Ending Unrecorded Cash	477,322	(13,245)	0
Net Adjustment for Funds Budgeted Elsewhere	37,087	(350)	0
Encumbrances Outstanding at Year End	<u>(971,786)</u>	<u>(32,345)</u>	<u>(499,473)</u>
Budget Basis	<u><u>\$902,679</u></u>	<u><u>(\$215,021)</u></u>	<u><u>(\$2,578,261)</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

The City follows State statutes regarding its deposit and investment activity. State statutes classify monies held by the City into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the City treasury. Active deposits 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.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Inactive deposits are public deposits 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.

Protection of the City's 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.

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

1. United States Treasury bills, bonds, notes, 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 obligation or security 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily and 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 division (1) or (2) 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 (STAR Ohio); and

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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).

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, none of the City's bank balance of \$19,629,679 was exposed to custodial credit risk. The City's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured or by participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

Investments are reported at fair value or amortized cost. At December 31, 2024, the City had the following investments:

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Measurement/Investment	Measurement Amount	Less Than	One Year	Two Years	More Than Three Years
		One Year	to Two Years	to Three Years	Three Years
Fair Value - Level One Inputs					
Mutual Funds	\$296,873	\$296,873	\$0	\$0	\$0
Fair Value - Level Two Inputs					
Negotiable Certificates of Deposit	4,349,846	734,772	0	718,782	2,896,292
Federal Agricultural Mortgage Corporation Notes	2,532,265	1,305,415	898,255	328,595	0
Federal Farm Credit Bank Notes	12,564,826	1,432,400	1,293,527	3,907,923	5,930,976
Federal Home Loan Bank Notes	5,188,589	1,182,267	1,343,813	1,250,690	1,411,819
Federal Home Loan Mortgage Corporation Notes	958,704	958,704	0	0	0
Federal National Mortgage Association Notes	822,610	822,610	0	0	0
Private Export Funding Corporation Notes	1,548,325	0	0	600,277	948,048
Tennessee Valley Authority Bonds	1,068,870	0	0	1,068,870	0
United States Treasury Bonds	1,426,521	383,670	1,042,851	0	0
United States Treasury Bills	9,343,187	996,302	1,856,442	2,814,601	3,675,842
Total Fair Value -					
Level Two Inputs	39,803,743	7,816,140	6,434,888	10,689,738	14,862,977
Amortized Cost					
Commercial Paper	741,472	741,472	0	0	0
Net Value Per Share					
STAR Ohio	24,979,471	24,979,471	0	0	0
Total Investments	\$65,821,559	\$33,833,956	\$6,434,888	\$10,689,738	\$14,862,977

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2024. The mutual funds are measured at fair value using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications.

Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Finance Director from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within three years from the date of investment unless they are matched to a specific obligation or debt of the City.

The negotiable certificates of deposit are generally covered by FDIC insurance. The mutual funds, federal agency securities, private export funding corporation securities, and U.S. Treasury securities carry a rating of Aaa and Aaam by Moody's. The commercial paper carries a rating of P-1 by Moody's. STAR Ohio carries a rating of AAA by Standard and Poor's. The City has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization, commercial paper must be rated in the highest category at the time of purchase by two nationally recognized statistical rating organization, and STAR Ohio must maintain the highest rating provided by at least one nationally recognized statistical rating organization.

The following table indicates the percentage of each investment to the City's total portfolio.

	Fair Value	Percentage of Portfolio
STAR Ohio	\$24,979,471	37.95%
Negotiable Certificates of Deposit	4,349,846	6.61
Federal Agricultural Mortgage Corporation	2,532,265	3.85
Federal Farm Credit Bank	12,564,826	19.09
Federal Home Loan Bank	5,188,589	7.88
Federal Home Loan Mortgage Corporation	958,704	1.46
Federal National Mortgage Association	822,610	1.25
Private Export Funding Corporation	1,548,325	2.35
Tennessee Valley Authority Bonds	1,068,870	1.62
United States Treasury (Bonds & Notes)	10,769,708	16.36
Commercial Paper	741,472	1.13
Mutual Funds	<u>296,873</u>	0.45
	<u><u>\$65,821,559</u></u>	

NOTE 7 - RECEIVABLES

Receivables at December 31, 2024, consisted of accounts (billings for user charged services, including unbilled utility services and Opioid settlement monies); accrued interest; intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; other local taxes; interfund; property taxes; notes; and special assessments. Municipal income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Notes receivable, in the amount of \$377,331, will not be received within one year. At December 31, 2024, the amount of delinquent special assessments was \$9,211.

City of Bowling Green
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 7 – RECEIVABLES (continued)

Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the City reported \$133,973 as a receivable related to opioid settlement monies in the OneOhio Opioid special revenue fund in the accompanying financial statements. Collections of these settlement monies are expected to extend through 2038 with \$15,448 expected to be collected in 2025.

A summary of the principal items of intergovernmental receivables for governmental activities follows:

	Amount
Gasoline tax	\$505,546
Local Government	460,168
Homestead and Rollback	131,015
Auto Registration	64,289
Motor Vehicle License Tax	26,857
ODOT Grant	71,784
Other Grants	52,885
Other Miscellaneous	41,316
Total	\$1,353,860

NOTE 8 - NOTES RECEIVABLE

Notes receivable represent low interest loans for development projects and home improvements granted to eligible City residents and businesses under the Federal Community Development Block Grant and Home Investment Partnership Program. The notes have an annual interest rate of 0 to 4.75 percent and are to be repaid over periods ranging from three to twenty years. A summary of the changes in notes receivable during 2024 follows:

	Balance		Balance	
	December 31, 2023	New Loans	December 31, 2024	Due Within One Year
Special Revenue Fund				
CDBG				
Revolving Loan Program	\$533,204	\$215,000	\$182,648	\$565,556
Home Program	14,980	0	5,237	9,743
Total Notes Receivable	<u>\$548,184</u>	<u>\$215,000</u>	<u>\$187,885</u>	<u>\$575,299</u>
				<u>\$197,968</u>

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 9 - MUNICIPAL INCOME TAXES

The City levies and collects an income tax of 2 percent on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 50 percent of the tax paid to another municipality, not to exceed 50 percent of the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and individual taxpayers are also required to pay their estimated taxes at least quarterly and file a final return annually.

The City, by ordinance, allocates 1.5 percent of income taxes as follows: to the General Fund (.75); Playground and Recreation (.05) special revenue fund; and the Capital Improvement (.13), Sewer and Water Capital Improvement (.50), and Street Repair Capital Improvement (.07) capital projects funds. The remaining .5 percent is split between the Police Levy (.14) and Fire Levy (.36) special revenue funds.

NOTE 10 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2024 represent the collection of 2023 taxes. Real property taxes received in 2024 were levied after October 1, 2023, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2024 represent the collection of 2023 taxes. Public utility real and tangible personal property taxes received in 2024 became a lien on December 31, 2022, were levied after October 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Bowling Green. The County Auditor periodically remits to the City its portion of the taxes collected.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2024, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2024 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been reported as deferred inflows of resources - unavailable revenue.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 10 - PROPERTY TAXES (continued)

The full tax rate for all City operations for the year ended December 31, 2024, was \$6.20 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2024 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Agricultural/Residential	\$448,797,120
Commercial/Industrial	226,942,700
Public Utility real	31,900
Public Utility Personal	13,964,400
Total	<u><u>\$689,736,120</u></u>

NOTE 11 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	(Restated) Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$4,422,948	\$0	\$0	\$4,422,948
Construction in Progress	2,251,642	373,128	0	2,624,770
Total Nondepreciable Capital Assets	<u>6,674,590</u>	<u>373,128</u>	<u>0</u>	<u>7,047,718</u>
Depreciable Capital Assets				
Land Improvements	4,625,177	0	0	4,625,177
Buildings	35,265,071	165,107	0	35,430,178
Equipment	3,164,868	608,145	0	3,773,013
Vehicles	9,698,381	632,320	(112,743)	10,217,958
Streets	77,555,380	1,450,956	(89,682)	78,916,654
Intangible Right to Use Lease - Vehicles	705,312	0	0	705,312
Total Depreciable Capital Assets	<u>131,014,189</u>	<u>2,856,528</u>	<u>(202,425)</u>	<u>133,668,292</u>
Less Accumulated Depreciation/Amortization for				
Land Improvements	(2,411,725)	(131,103)	0	(2,542,828)
Buildings	(13,072,521)	(760,989)	0	(13,833,510)
Equipment	(2,646,572)	(208,593)	0	(2,855,165)
Vehicles	(7,800,445)	(398,673)	111,744	(8,087,374)
Streets	(49,459,276)	(1,583,631)	80,714	(50,962,193)
Intangible Right to Use Lease - Vehicles	(273,387)	(121,898)	0	(395,285)
Total Accumulated Depreciation/Amortization	<u>(75,663,926)</u>	<u>(3,204,887)</u>	<u>192,458</u>	<u>(78,676,355)</u>
Total Depreciable Capital Assets, Net	<u>55,350,263</u>	<u>(348,359)</u>	<u>(9,967)</u>	<u>54,991,937</u>
Governmental Activities				
Capital Assets, Net	<u>\$62,024,853</u>	<u>\$24,769</u>	<u>(\$9,967)</u>	<u>\$62,039,655</u>

City of Bowling Green
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 11 - CAPITAL ASSETS (continued)

	(Restated)			
	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$5,937,635	\$429,128	\$0	\$6,366,763
Construction in Progress	10,422,450	7,546,091	(8,217,121)	9,751,420
Total Nondepreciable Capital Assets	<u>16,360,085</u>	<u>7,975,219</u>	<u>(8,217,121)</u>	<u>16,118,183</u>
Depreciable Capital Assets				
Buildings	126,911,985	3,139,407	0	130,051,392
Equipment	5,412,419	744,007	0	6,156,426
Vehicles	9,574,855	1,243,343	(259,397)	10,558,801
Electric, Water, Sewer, and				
Storm Sewer Lines	127,655,771	5,099,926	0	132,755,697
Intangible Right to Use Lease - Vehicles	<u>145,571</u>	<u>0</u>	<u>0</u>	<u>145,571</u>
Total Depreciable Capital Assets	<u>269,700,601</u>	<u>10,226,683</u>	<u>(259,397)</u>	<u>279,667,887</u>
Less Accumulated Depreciation/Amortization for				
Buildings	(53,156,947)	(2,193,705)	0	(55,350,652)
Equipment	(4,635,412)	(549,778)	0	(5,185,190)
Vehicles	(7,869,429)	(694,785)	259,397	(8,304,817)
Electric, Water, Sewer, and				
Storm Sewer Lines	(70,182,388)	(2,558,284)	0	(72,740,672)
Intangible Right to Use Lease - Vehicles	<u>(38,846)</u>	<u>(28,138)</u>	<u>0</u>	<u>(66,984)</u>
Total Accumulated Depreciation/Amortization	<u>(135,883,022)</u>	<u>(6,024,690)</u>	<u>259,397</u>	<u>(141,648,315)</u>
Total Depreciable Capital Assets, Net	<u>133,817,579</u>	<u>4,201,993</u>	<u>0</u>	<u>138,019,572</u>
Business-Type Activities				
Capital Assets, Net	<u><u>\$150,177,664</u></u>	<u><u>\$12,177,212</u></u>	<u><u>(\$8,217,121)</u></u>	<u><u>\$154,137,755</u></u>

The Water and Sewer enterprise funds accepted contributions of capital assets from governmental activities with a fair value of \$3,544,029 and \$1,392,135, respectively.

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

	Depreciation	Amortization	Total
Security of Persons and Property - Police	\$22,088	\$82,376	\$104,464
Security of Persons and Property - Fire	278,069	7,597	285,666
Public Health	3,352	0	3,352
Leisure Time Activities	485,831	4,979	490,810
Community Environment	51,568	0	51,568
Basic Utility Services	35,354	0	35,354
Transportation	1,873,212	21,936	1,895,148
General Government - Court	101,492	0	101,492
General Government - Other	232,023	5,010	237,033
Total Depreciation Expense - Governmental Activities	<u>\$3,082,989</u>	<u>\$121,898</u>	<u>\$3,204,887</u>

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 12 - INTERFUND BALANCES

Interfund balances at December 31, 2024, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Electric	\$195,098
Other Governmental	50,000
Total General Fund	<u>\$245,098</u>

Due to Sewer and Water Improvement Fund from:

Street Repair	\$1,800,000
Other Governmental	900,000
Total Sewer and Water Improvement Fund	<u>\$2,700,000</u>

Due to Other Governmental Funds from:

Other Governmental	<u>\$52,500</u>
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Due to Electric Fund from:

Water	\$6,188
Sewer	8,932
Total Electric Fund	<u>\$15,120</u>

Due to Water Fund from:

Electric	\$49
Sewer	6,847
Total Water Fund	<u>\$6,896</u>

Due to Sewer Fund from:

Electric	<u>\$538</u>
Total Sewer Fund	<u>\$538</u>

The balances due to the General, Sewer and Water Improvement, Other Governmental, Electric, Water, and Sewer funds resulted from the time lag between dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All of these amounts, except \$1,500,000 in the Street Repair and \$952,500 in Other Governmental funds, are expected to be received within one year.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 13 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the City contracted with the Buckeye Ohio Risk Management Agency (BORMA) for property, liability, and crime insurance. The BORMA program is subject to a \$25,000 deductible for any property or liability loss. Coverage provided by BORMA is as follows:

Property	
Building and Contents	\$500,000,000
Flood Annual Aggregate	10,000,000
Earthquake Annual Aggregate	10,000,000
Boiler and Machinery	100,000,000
General Liability	
Per Occurrence	2,000,000
Employee Benefit Liability	2,000,000
Ohio Stop Gap Liability	2,000,000
Public Official Liability	2,000,000
Law Enforcement Professional Liability	2,000,000
Automobile Liability	2,000,000
Crime	
Employee Dishonesty and Faithful Performance	500,000
Depositor's Forgery	500,000
Money and Securities	500,000
Excess Liability	
Per Occurrence	8,000,000
Annual Aggregate	8,000,000

Settled claims have not exceeded this coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

The City participates in the Buckeye Ohio Risk Management Agency (BORMA), a public entity shared risk pool among several cities in Northern Ohio. BORMA is responsible for the management and operations of the program. Member cities agree to share in the coverage of losses and pay all premiums necessary for the specified insurance coverage provided under the program. Upon withdrawal from BORMA, a participant is responsible for the payment of all liabilities accruing as a result of withdrawal from the program.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 13 - RISK MANAGEMENT (continued)

For 2024, the City participated in the Ohio Rural Water Association Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan. To maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to participants that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the City pays an enrollment fee to the Plan to cover the costs of administering the program.

The City may withdraw from the plan if written notice is provided sixty days prior to the prescribed application deadline to the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation.

NOTE 14 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The City has several outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2024:

Vendor	Contract Amount	Amount Paid as of 12/31/24	Outstanding Balance
Underground Utilities	\$3,466,996	\$1,837,796	\$1,629,200
Energy Land & Infrastrucure LLC	1,274,962	591,637	683,325
DGL Consulting Engineers	929,960	500,848	429,112
Precision Industries, Inc.	880,000	438,098	441,902
Jones & Henry Engineers	635,000	365,205	269,795
Horton	488,000	0	488,000
Tank Industry Consultants	353,830	35,602	318,228
F.E.T.	170,380	7,962	162,418
Scannell Properties, LLC	160,415	0	160,415
Mannik & Smith	89,800	13,470	76,330
Collaborative	72,360	12,320	60,040
Kimley & Horn	67,800	44,365	23,435
	<u>8,589,503</u>	<u>3,847,303</u>	<u>4,742,200</u>

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 14 - SIGNIFICANT CONTRACTUAL COMMITMENTS (continued)

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2025 are as follows:

General Fund	\$984,562
Playground and Recreation	33,197
American Rescue Plan	499,473
Sewer and Water Capital Improvement	2,650,409
Street Repair	685,245
Other Governmental Funds	1,405,119

NOTE 15 - ASSET RETIREMENT OBLIGATION

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible for addressing any public safety issues associated with their waste-water treatment facilities. Any ARO associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

NOTE 16 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset) /Net OPEB Liability (Asset)

The net pension liability (asset) and the net OPEB liability reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions-between an employer and its employees of salaries and benefits for employee services. Pensions/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.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

The net pension/OPEB liability (asset) 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) calculations are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

GASB 68/75 assumes the liability 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 (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension asset* or a long-term *net pension/OPEB liability* 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 *intergovernmental payable*. The remainder of this note includes the required pension disclosures. See Note 17 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2024, the Combined Plan was consolidated into the traditional pension plan, as approved by the legislature in House Bill 33. The traditional pension plan includes members of the legacy combined plan, a hybrid defined benefit/defined contribution plan which was closed to new members effective January 1, 2022. New members are no longer able to select the combined plan, and current members are no longer able to make a plan change to the combined plan. The combined plan was consolidated into the traditional pension plan effective January 1, 2024, as a separate division. No changes were made to the benefit design features of the combined plan as part of this consolidation so that members in this plan will experience no changes.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

The City's 2024 net pension liability (asset) for OPERS is measured as of December 31, 2023, and reflects the traditional plan and the combined plan as two separate plans. The City's 2025 financial statements will reflect the effects of the combined plan being consolidated into the traditional pension 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. 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):

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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

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.

City of Bowling Green
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

	State and Local		Public Safety	Law Enforcement
	Traditional	Combined		
2024 Statutory Maximum Contribution Rates				
Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	10.0 %	**	***
2024 Actual Contribution Rates				
Employer:				
Pension ****	14.0 %	12.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	2.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- *** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- **** 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 within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2024, the City's contractually required contribution was \$2,036,852 for the traditional plan, \$124,089 for the combined plan and \$40,103 for the member-directed plan. Of these amounts, \$240,981 is reported as an intergovernmental payable for the traditional plan, \$13,748 for the combined plan, and \$4,226 for the member-directed plan.

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 that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, 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 3.0 percent of the member's base pension benefit.

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

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.

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

	Police	Firefighters
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2024 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	<u>12.25 %</u>	<u>12.25 %</u>

City of Bowling Green
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,874,111 for 2024. Of this amount, \$252,887 is reported as an intergovernmental payable.

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability (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 of the City's defined benefit pension plans:

	OPERS	OPERS		
	Traditional Plan	Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.07993000%	0.19052500%	0.27720120%	
Prior Measurement Date	<u>0.07980500%</u>	<u>0.18385600%</u>	<u>0.32244690%</u>	
Change in Proportionate Share	<u>0.00012500%</u>	<u>0.00666900%</u>	<u>-0.04524570%</u>	
Proportionate Share of the:				
Net Pension Liability	\$20,926,001	\$0	\$26,781,462	\$47,707,463
Net Pension Asset	0	585,638	0	585,638
Pension Expense	\$2,187,404	\$44,917	\$2,426,257	\$4,658,578

2024 pension expense for the member-directed defined contribution plan was \$16,041. The aggregate pension expense for all pension plans was \$4,674,619 for 2024.

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

City of Bowling Green
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$342,018	\$23,732	\$859,766	\$1,225,516
Changes of assumptions	0	21,731	1,692,559	1,714,290
Net difference between projected and actual earnings on pension plan investments	4,223,759	95,247	3,034,903	7,353,909
Changes in proportion and differences between City contributions and proportionate share of contributions	12,493	21,490	854,420	888,403
City contributions subsequent to the measurement date	<u>2,036,852</u>	<u>124,089</u>	<u>1,874,111</u>	<u>4,035,052</u>
Total Deferred Outflows of Resources	<u>\$6,615,122</u>	<u>\$286,289</u>	<u>\$8,315,759</u>	<u>\$15,217,170</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$0	\$57,919	\$299,521	\$357,440
Changes of assumptions	0	0	406,709	406,709
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>89,434</u>	<u>22,860</u>	<u>3,307,421</u>	<u>3,419,715</u>
Total Deferred Inflows of Resources	<u>\$89,434</u>	<u>\$80,779</u>	<u>\$4,013,651</u>	<u>\$4,183,864</u>

\$4,035,052 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability or increase to the net pension asset in 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
2025	\$974,715	\$16,439	\$701,694	\$1,692,848
2026	1,420,204	28,105	966,464	2,414,773
2027	2,695,365	56,738	1,764,650	4,516,753
2028	(601,446)	(16,644)	(523,517)	(1,141,607)
2029	0	(247)	(467,278)	(467,525)
Thereafter	0	(2,970)	(14,015)	(16,985)
Total	<u>\$4,488,838</u>	<u>\$81,421</u>	<u>\$2,427,998</u>	<u>\$6,998,257</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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, 2023, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	2.3 percent, simple through 2024, then 2.05 percent, simple	2.3 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

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

City of Bowling Green
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

	Current		
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$32,943,150	\$20,926,001	\$10,931,227
OPERS Combined Plan	(354,377)	(585,638)	(767,816)

Actuarial Assumptions - OP&F

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. 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 life of the participants, which was 6.03 years at December 31, 2023.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2023, are presented as follows:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustment	2.2 percent simple per year

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

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

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

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

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

Note: Assumptions are geometric.

* levered 2.5x

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$35,474,041	\$26,781,462	\$19,552,737

NOTE 17 - DEFINED BENEFIT OPEB PLANS

See Note 16 for a description of the net pension liability.

Ohio Public Employees Retirement System (OPERS)

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

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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

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

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

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

Age 65 or Older Retirees Minimum of 20 years of qualifying service credit.

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

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

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

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

Age 59 or Younger Retirees Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

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

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

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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, as summarized in the following table:

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

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

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

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

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

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

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

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, 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 two percent allocation to health care for the Combined Plan which continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which continued through 2024.

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$33,795 for 2024. Of this amount, \$4,828 is reported as an intergovernmental payable.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

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

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

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

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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

The 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 \$43,441 for 2024. Of this amount, \$5,958 is reported as an intergovernmental payable.

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

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

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.08131100%	0.27720120%	
Prior Measurement Date	0.08085100%	0.32244690%	
Change in Proportionate Share	<u>0.00046000%</u>	<u>-0.04524570%</u>	
Proportionate Share of the:			
Net OPEB Liability (Asset)	(\$733,852)	\$2,023,931	\$1,290,079
OPEB Expense	(\$83,407)	(\$2,208)	(\$85,615)

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

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$97,324	\$97,324
Changes of assumptions	188,931	696,449	885,380
Net difference between projected and actual earnings on OPEB plan investments	440,722	149,455	590,177
Changes in proportion and differences between City contributions and proportionate share of contributions	0	216,049	216,049
City contributions subsequent to the measurement date	<u>33,795</u>	<u>43,441</u>	<u>77,236</u>
Total Deferred Outflows of Resources	<u><u>\$663,448</u></u>	<u><u>\$1,202,718</u></u>	<u><u>\$1,866,166</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$104,449	\$371,935	\$476,384
Changes of assumptions	315,462	1,303,364	1,618,826
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>3,467</u>	<u>610,434</u>	<u>613,901</u>
Total Deferred Inflows of Resources	<u><u>\$423,378</u></u>	<u><u>\$2,285,733</u></u>	<u><u>\$2,709,111</u></u>

\$77,236 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2025	(\$21,060)	(\$130,566)	(\$151,626)
2026	33,089	(151,196)	(118,107)
2027	343,063	(100,887)	242,176
2028	(148,817)	(213,889)	(362,706)
2029	0	(212,549)	(212,549)
Thereafter	<u>0</u>	<u>(317,369)</u>	<u>(317,369)</u>
Total	<u><u>\$206,275</u></u>	<u><u>(\$1,126,456)</u></u>	<u><u>(\$920,181)</u></u>

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

Actuarial Assumptions - OPERS

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

Projections of 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 the System and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation
Single Discount Rate	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

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

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

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by 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, 2023, 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	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u><u>100.00%</u></u>	

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

Discount Rate - A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent (Fidelity Index's "20-Year Municipal GO AA Index"). 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 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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

	Current	1% Decrease	Discount Rate	1% Increase
		(4.70%)	(5.70%)	(6.70%)
City's proportionate share of the net OPEB liability (asset)		\$403,019	(\$733,852)	(\$1,675,978)

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

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

City of Bowling Green
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$764,522)	(\$733,852)	(\$699,142)

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of 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.

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

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	4.07 percent
Prior measurement date	4.27 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2038

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 17 - DEFINED BENEFIT OPEB PLANS (continued)

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

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

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

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

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

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 16.

Discount Rate - For 2023, the total OPEB liability was calculated using the discount rate of 4.07 percent. For 2022, the total OPEB liability was calculated using a discount rate of 4.27 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

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

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$2,492,922	\$2,023,931	\$1,628,949

City of Bowling Green
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 18 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. City employees earn vacation at varying rates depending upon length of service and standard work week. Current policy permits vacation leave to be carried forward with supervisory approval. Employees are paid for 100 percent of earned unused vacation leave upon termination. Sick leave is earned at a rate of four and six-tenths hours for every eighty hours worked, except for those employees under the International Association of Firefighters who earn five and ninety-eight hundredths hours for every one hundred four regular hours worked. Each employee, at the time of retirement from active service with the City, is paid for 25 percent of their earned unused sick leave, with a maximum payment limit of two hundred forty hours for any employee hired after May 1, 2011, under the International Association of Firefighters, June 18, 2014, under the Bowling Green Police Patrolman's Association, July 1, 2014, under the Bowling Green Municipal Employees Association or the Bowling Green Employees Organization, and September 1, 2014, under Administration or the Bowling Green Police Command Officers Association. Any employee hired prior to these dates, and all municipal court employees, have no maximum payment limit with the exception of the employees under the Police Command Officers' Association who will be paid for 25 percent of their earned unused sick leave up to 1,500 hours and 50 percent of earned unused sick leave in excess of 1,500 hours.

NOTE 19 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2024, was as follows:

	Interest Rate	Balance December 31, 2023		Additions	Reductions	Balance December 31, 2024		Due Within One Year				
Governmental Activities												
General Obligation Bonds												
2021 Various Purpose Improvement												
(Original Issue - \$9,140,000)	1.5 - 4%	\$8,390,000		\$0	\$235,000	\$8,155,000		\$240,000				
General Obligation Bonds from Direct Placements												
2012 Refunding Various Purpose Improvement												
(Original Issue - \$3,850,000)	.75 - 3	1,125,000		0	215,000	910,000		220,000				
2013 Refunding Various Purpose Improvement												
(Original Issue - \$7,095,000)	1.5 - 4	1,735,000		0	205,000	1,530,000		175,000				
2018 Various Purpose Improvement												
(Original Issue - \$9,815,000)	3 - 4	8,085,000		0	295,000	7,790,000		300,000				
Total General Obligation Bonds from Direct Placements		10,945,000		0	715,000	10,230,000		695,000				
Total General Obligation Bonds		19,335,000		0	950,000	18,385,000		935,000				

(continued)

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance			Balance		
		December 31, 2023	Additions	Reductions	December 31, 2024	Due Within One Year	
Governmental Activities (continued)							
Ohio Water Development Authority Loans from Direct Borrowings							
2008 Intake and Pump Station (Original Issue - \$4,107,626)	3.52	\$1,544,567	\$0	\$235,504	\$1,309,063	\$243,867	
2009 WWTP Tertiary Filtration (Original Issue - \$2,541,205)	4.14	916,700	0	151,682	765,018	158,027	
2009 Microfiltration/Low Pressure Reverse Osmosis (Original Issue - \$4,319,545)	0.00	1,511,841	0	215,977	1,295,864	215,977	
2010 WWTP Ultraviolet Disinfection Project (Original Issue - \$961,095)	3.70	366,721	0	55,658	311,063	57,737	
2012 Poe and Mercer Roads Pump Station Upgrades (Original Issue - \$1,228,015)	3.08	614,325	0	64,268	550,057	66,263	
2013 Manville Tower Replacement (Original Issue - \$3,227,489)	2.59	2,055,094	0	155,556	1,899,538	159,611	
2015 Water Treatment Reservoir Pump Station (Original Issue - \$3,332,996)	0.00	2,249,772	0	166,650	2,083,122	166,650	
2017 Grit Removal System Improvements (Original Issue - \$5,225,256)	0.00	4,049,574	0	261,263	3,788,311	261,263	
2018 Conneaut Avenue Pump Station & Force Main (Original Issue - \$1,935,893)	1.84	1,472,125	0	89,457	1,382,668	91,111	
2018 WTP Rapid Sand Filter (Original Issue - \$2,231,035)	0.00	1,673,276	0	111,552	1,561,724	111,552	
2019 Microfiltration Membrane Expansion	0.00	2,067,261	0	133,374	1,933,887	133,372	
2019 Wooster and Main Water Main Replacement (Original Issue - \$1,113,173)	2.35	905,985	0	49,076	856,909	50,236	
2019 Aeration and Biosolids Improvements	0.00	4,377,432	0	260,672	4,116,760	0	
2023 Village Subdivision Waterline Improvements	3.43	38,355	2,228,672	0	2,267,027	0	
2024 South Main Street Waterline Improvements	2.60	0	1,900,491	0	1,900,491	0	
Total Ohio Water Development Authority Loan		23,843,028	4,129,163	1,950,689	26,021,502	1,715,666	

(continued)

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024	Due Within One Year
<u>Governmental Activities</u> (continued)						
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employee						
Retirement System		\$11,551,470	\$0	\$1,297,729	\$10,253,741	\$0
Ohio Police and Fire Pension		30,629,330	0	3,847,868	26,781,462	0
Total Net Pension Liability		<u>42,180,800</u>	<u>0</u>	<u>5,145,597</u>	<u>37,035,203</u>	<u>0</u>
Net OPEB Liability (Asset)						
Ohio Public Employee						
Retirement System		249,796	0	609,384	(359,588)	0
Ohio Police and Fire Pension		2,295,728	0	271,797	2,023,931	0
Total Net OPEB Liability (Asset)		<u>2,545,524</u>	<u>0</u>	<u>881,181</u>	<u>1,664,343</u>	<u>0</u>
Capital Loan from Direct Borrowing		542,496	441,902	71,805	912,593	129,448
Compensated Absences Payable (restated)		3,931,864	295,482	0	4,227,346	1,035,700
Financed Purchases Payable						
from Direct Borrowing	7.86	68,850	0	16,185	52,665	16,852
Leases Payable	3.65 - 6	446,171	0	150,178	295,993	117,461
Total Other Long-Term Obligations		<u>49,715,705</u>	<u>737,384</u>	<u>6,264,946</u>	<u>44,188,143</u>	<u>1,299,461</u>
Total Governmental Activities		<u><u>\$92,893,733</u></u>	<u><u>\$4,866,547</u></u>	<u><u>\$9,165,635</u></u>	<u><u>\$88,594,645</u></u>	<u><u>\$3,950,127</u></u>

	Interest Rate	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024	Due Within One Year
<u>Business-Type Activities</u>						
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employee						
Retirement System		\$12,022,964	\$0	\$1,350,704	\$10,672,260	\$0
Net OPEB Liability (Asset)						
Ohio Public Employee						
Retirement System		259,985	0	634,249	(374,264)	0
Loans Payable from Direct Borrowing						
Real Estate Acquisition	5.00	200,000	0	200,000	0	0
Compensated Absences Payable (Restated)		1,588,373	159,647	0	1,748,020	305,904
Financed Purchases Payable						
from Direct Borrowing	5.90	133,974	0	30,597	103,377	32,452
Leases Payable	5.21 - 7.98	111,372	0	27,584	83,788	27,064
AMP Ohio Payable		443,348	22,780	466,128	0	0
Total Other Long-Term Obligations		<u>14,760,016</u>	<u>182,427</u>	<u>2,709,262</u>	<u>12,233,181</u>	<u>365,420</u>
Total Business-Type Activities		<u><u>\$14,760,016</u></u>	<u><u>\$182,427</u></u>	<u><u>\$2,709,262</u></u>	<u><u>\$12,233,181</u></u>	<u><u>\$365,420</u></u>

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

2012 Refunding Various Purpose Improvement General Obligation Bonds - On June 20, 2012, the City issued \$6,045,000 in unvoted general obligation bonds through a direct placement to refund bonds previously issued in 2004 for the following: a new Municipal Court (\$1,420,000), the Community Center (\$2,430,000), the Water System Improvement (\$485,000), the Wastewater Treatment Plant (\$555,000), and the Sanitary Sewerage System (\$1,155,000). The bonds were issued for a twenty-six year period with maturity beginning December 1, 2012. The interest rate of the bonds ranges from .75 to 3 percent over the remaining life of the bonds. The bonds will be paid from the Debt Service Fund, and the Water and Sewer enterprise funds.

The bonds maturing on or after December 1, 2026, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2025	\$220,000
2026	\$225,000

The bonds maturing on or after December 1, 2028, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2027	\$230,000
2028	\$235,000

At December 31, 2024, none of the refunded debt was still outstanding.

2013 Refunding Various Purpose Improvement General Obligation Bonds - On March 6, 2013, the City issued \$8,375,000 in unvoted general obligation bonds through a direct placement to currently refund bonds previously issued in 2004 (\$2,525,000), to retire notes previously issued (\$4,850,000), and for improvements to the municipal swimming pool and related recreational facilities (\$1,000,000). The bonds were issued for a twenty year period with maturity beginning December 1, 2013. The interest rate of the bonds ranges from 1.5 to 4 percent over the remaining life of the bonds. The bonds will be paid from the Debt Service Fund, and the Electric, Water, and Sewer enterprise funds.

The bonds maturing on December 1, 2028, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2027	\$180,000
2028	\$190,000

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2029	\$195,000
2030	\$200,000

The bonds maturing on December 1, 2032, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2031	\$205,000
2032	\$210,000

At December 31, 2024, none of the refunded debt was still outstanding.

2018 Various Purpose Improvement General Obligation Bonds - On March 7, 2018, the City issued \$9,815,000 in unvoted general obligation bonds through a direct placement for the construction of a new park building (\$3,705,000) and for street and utility improvements (\$6,110,000). The bonds were issued for a twenty-nine year period with maturity beginning December 1, 2018. The interest rate of the bonds ranges from 3 to 4 percent over the remaining life of the bonds. The bonds will be paid from the Debt Service Fund and Sewer and Water Capital Improvement capital projects fund.

The bonds maturing on December 1, 2036, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2035	\$395,000
2036	\$410,000

The bonds maturing on December 1, 2038, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2037	\$420,000
2038	\$430,000

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on December 1, 2040, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2039	\$445,000
2040	\$465,000

The bonds maturing on December 1, 2042, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2041	\$480,000
2042	\$495,000

The bonds maturing on December 1, 2047, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2043	\$165,000
2044	\$170,000
2045	\$175,000
2046	\$180,000
2047	\$185,000

The bonds are subject to prior redemption on or after December 1, 2024, by and at the sole option of the City, either in whole or in part on any interest payment date, and in integral multiples of \$5,000, at 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

At December 31, 2024, all of the bond proceeds have been spent and \$1,487,228 has not been capitalized.

2021 Various Purpose Improvement General Obligation Bonds - On May 26, 2021, the City issued \$9,140,000 in unvoted general obligation bonds for the construction of a new city hall (\$8,120,000) and to retire notes issued in 2020 for the construction of a park building (\$1,020,000). The bonds were issued for a twenty-nine year period with maturity beginning December 1, 2021. The interest rate of the bonds ranges from 1.5 to 4 percent over the remaining life of the bonds. The bonds will be paid from the Debt Service Fund and Sewer and Water Capital Improvement capital projects fund.

The bonds maturing on December 1, 2031, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2030	\$270,000
2031	\$275,000

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on December 1, 2033, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2032	\$275,000
2033	\$280,000

The bonds maturing on December 1, 2035, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2034	\$285,000
2035	\$295,000

The bonds maturing on December 1, 2037, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2036	\$300,000
2037	\$305,000

The bonds maturing on December 1, 2039, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2038	\$310,000
2039	\$320,000

The bonds maturing on December 1, 2041, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2040	\$325,000
2041	\$330,000

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on December 1, 2044, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2042	\$340,000
2043	\$345,000
2044	\$350,000

The bonds maturing on December 1, 2046, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2045	\$360,000
2046	\$365,000

The bonds maturing on December 1, 2048, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2047	\$370,000
2048	\$380,000

The bonds maturing on December 1, 2050, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2049	\$390,000
2050	\$400,000

The bonds are subject to prior redemption on or after December 1, 2025, by and at the sole option of the City, either in whole or in part on any interest payment date, and in integral multiples of \$5,000, at 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

At December 31, 2024 \$2,129,893 has not been capitalized.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

OWDA Loans Payable - The OWDA loans from direct borrowings represent amounts borrowed from the Ohio Water Development Authority for construction of water and sewer system improvements. The intention is to repay the loans with income tax revenues of the Sewer and Water Capital Improvement capital projects fund. Annual principal and interest payments on the loans are expected to require less than 100 percent of these revenues. The total principal and interest remaining to be paid on the OWDA loans (on completed projects for which amortization schedules are available) are \$17,737,224 and \$891,065, respectively. The 2019 Aeration and Biosolids Improvements, 2023 Village Subdivision Waterline Improvements, and 2024 South Main Street Waterline Improvements projects loans have not yet been finalized. Principal and interest paid on the OWDA loans in the Sewer and Water Capital Improvement capital projects fund for the current year were \$2,070,688 and \$316,736, respectively. Total revenue for the Sewer and Water Capital Improvement capital projects fund was \$8,281,860.

In the event of default on the loans, (1) the amount of the default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within thirty days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to OWDA, and (3) for each additional thirty days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

Net Pension/OPEB Liability - There is no repayment schedule for the net pension/OPEB liability; however, employer pension contributions are made from the General Fund, the Playground and Recreation, Street Maintenance and Repair, ODOT Transportation, Community Development Block Grant, Police Levy, Fire Levy, and Municipal Probation Services special revenue funds, and the Electric, Water, and Sewer enterprise funds.

Capital Loans Payable - On June 1, 2020, the City entered into a loan for the purchase of a new fire truck, in the amount of \$743,615. The loan has an interest rate of 2.5 percent. The City is paying the loan in equal annual payments over a ten year period with final maturity on June 1, 2030. The loan is being repaid from resources of the Capital Improvement capital projects fund.

On December 4, 2024, the City entered into a loan for the purchase of a new fire truck, in the amount of \$441,902. The loan has an interest rate of 4.39 percent. The City is paying the loan in equal annual payments over a seven year period with final maturity on November 15, 2031. The loan is being repaid from resources of the Capital Improvement capital projects fund.

Loan Payable - The City obtained a loan through a direct borrowing, in the amount of \$200,000, for the acquisition of real estate for future development and reported as an asset held for resale. The loan does not require any principal payments until its maturity on December 29, 2027, however the loan was paid in full during 2024.

Compensated Absences - The compensated absences liability will be paid from the General Fund, the Playground and Recreation, Street Maintenance and Repair, Police Levy, Fire Levy, and Municipal Probation Services special revenue funds, and the Electric, Water, and Sewer enterprise funds.

Financed Purchases Payable - In 2023, the City entered into financed purchase agreements for equipment in the amount of \$87,574 and \$172,692, to be paid from the Capital Improvement capital projects fund and the Sewer enterprise fund. The agreements have an interest rate of 7.43 and 5.9 percent, respectively.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

Leases Payable - The City has outstanding agreement to leases vehicles. The future lease payments were discounted based on the interest rate implicit in the lease or using the City's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. The leases will be paid from the General Capital Improvement capital projects fund and Electric, Water, and Sewer enterprise funds.

A summary of the principal and interest amounts for the remaining leases is as follows:

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$117,461	\$17,807	\$27,064	\$5,566
2026	80,594	11,120	29,226	2,958
2027	67,702	5,566	25,803	1,130
2028	30,236	865	1,695	16
	<u>\$295,993</u>	<u>\$35,358</u>	<u>\$83,788</u>	<u>\$9,670</u>

AMP Ohio Payable - The City of Bowling Green is a member of American Municipal Power (AMP) and a participant in the American Municipal Power Generating Station Project (AMPGS). This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share of the project was 21,000 kW of a total capacity of 771,281 kW, giving the City a 2.72 percent share of the project.

The AMPGS project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS project due to projected escalating costs. These costs were therefore deemed impaired and participants were obligated to pay costs already incurred. As a result of a March 31, 2014, legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability.

The City's estimated share of the impaired costs at March 31, 2014, was \$3,625,332. The City received a credit of \$949,722 related to the AMPGS costs deemed to have future benefit for the project participants, and had made payments of \$1,679,000 leaving a net impaired cost estimate of \$996,610. The City has since incurred additional costs of \$190,982 (in total) for interest and legal fees and has made payments of \$1,187,593 (in total), resulting in a net impaired cost estimate at December 31, 2024, of \$0. AMP financed these costs in its revolving line of credit. Any additional costs (including line of credit interest and legal fees) or amounts received related to the project may result in a future liability to the City. These amounts will be recorded as they become estimable.

City of Bowling Green
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

The City's legal debt margin was \$54,073,587 at December 31, 2024.

The Aeration and Biosolids Improvements, Village Subdivision Waterline Improvement, and South Main Street Waterline projects funded by OWDA loans have not been completed. Amortization schedules for the repayment of these loans will not be available until the projects are completed and, therefore, are not included in the following schedule.

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2024, were as follows:

Year	General Obligation Bonds		From Direct Placement	
	Principal	Interest	Principal	Interest
2025	\$240,000	\$162,905	\$695,000	\$324,938
2026	255,000	153,305	705,000	306,168
2027	260,000	149,480	725,000	286,894
2028	265,000	145,580	745,000	266,044
2029	265,000	141,605	525,000	244,644
2030 to 2034	1,385,000	645,050	2,420,000	986,431
2035 to 2039	1,530,000	510,213	2,100,000	629,607
2040 to 2044	1,690,000	350,399	1,775,000	253,879
2045 to 2049	1,865,000	168,310	540,000	39,512
2050	400,000	9,001	0	0
	\$8,155,000	\$2,435,848	\$10,230,000	\$3,338,117

Year	Direct Borrowings			
	OWDA Loans		Capital Loans	
Principal	Interest	Principal	Interest	
2025	\$1,715,666	\$177,186	\$129,448	\$18,753
2026	1,742,180	154,232	133,107	16,948
2027	1,769,590	130,521	137,540	14,418
2028	1,797,927	106,028	142,130	11,777
2029	1,733,186	80,721	146,888	9,019
2030 to 2034	5,547,905	208,739	223,480	9,278
2035 to 2039	3,430,770	33,638	0	0
	\$17,737,224	\$891,065	\$912,593	\$80,193

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 19 - LONG-TERM OBLIGATIONS (continued)

Year	Financed Purchases from Direct Borrowings	
	Principal	Interest
2025	\$16,852	\$2,168
2026	17,545	1,475
2027	18,268	752
	<u><u>\$52,665</u></u>	<u><u>\$4,395</u></u>

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2024, from the enterprise funds were as follows:

Year	Financed Purchases from Direct Borrowings	
	Principal	Interest
2025	\$32,452	\$6,266
2026	34,419	4,299
2027	36,506	2,212
	<u><u>\$103,377</u></u>	<u><u>\$12,777</u></u>

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 20 - 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 the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Playground and Recreation	American Rescue Plan	Water Capital Improvement	Sewer and	
					Street Repair	Other Governmental Funds
Nonspendable for:						
Prepaid Items	\$137,574	\$0	\$0	\$0	\$0	\$0
Unclaimed Monies	101,607	0	0	0	0	0
Total Nonspendable	239,181	0	0	0	0	0
Restricted for:						
American Rescue Plan	0	0	332,726	0	0	0
Capital Improvements	0	0	0	10,819,521	0	1,362,270
Cemetery Operations and Maintenance	0	0	0	0	0	21,379
Community Development	0	0	0	0	0	940,602
Court Operations	0	0	0	0	0	325,734
Debt Retirement	0	0	0	0	0	43,406
Playground and Recreation	0	1,041,795	0	0	0	13,985
Police and Fire Operations	0	0	0	0	0	2,781,967
Street Construction and Maintenance	0	0	0	0	83,779	2,539,586
Total Restricted	0	1,041,795	332,726	10,819,521	83,779	8,028,929
Committed to:						
Equipment Replacement	0	0	0	0	0	151,241
Facility Replacement	0	0	0	0	0	95,000
Greenspace Enhancements	102,355	0	0	0	0	0
Roadway Replacement	0	0	0	0	0	632,507
Total Committed	102,355	0	0	0	0	878,748
Assigned for:						
Debt Retirement	0	0	0	0	0	36,294
Future Severance	120,000	0	0	0	0	0
Projected Budget Shortage	1,679,636	0	0	0	0	0
Unpaid Obligations	912,323	0	0	0	0	0
Total Assigned	2,711,959	0	0	0	0	36,294
Unassigned (Deficit)	10,287,292	0	0	0	0	(772,534)
Total Fund Balance	\$13,340,787	\$1,041,795	\$332,726	\$10,819,521	\$83,779	\$8,171,437

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 21 - INTERNAL BALANCES AND TRANSFERS

During 2024, the General Fund made transfers to other governmental funds, in the amount of \$526,222, for transit operations and capital improvements. The Playground and Recreation special revenue fund made transfers to other governmental funds, in the amount of \$295,204; \$245,204 as debt payments came due and \$50,000 to fund equipment capital maintenance. The Street Repair capital project fund made transfers to other governmental funds, in the amount of \$513,989 as debt payments came due. Other governmental funds made transfers to other governmental funds, in the amount of \$50,000, \$39,900, \$600,975, and \$249,319; \$284,875 as debt payments came due, and \$406,000 to fund facility and roadway capital maintenance, and other capital improvements.

The City uses an internal proportionate share to allocate its net pension/OPEB liability (asset) and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the government-wide statement of net position thus allowing the total column to present the change in proportionate share for the City as a whole.

Eliminations made in the business-type activities column related to pension include deferred outflows of resources and deferred inflows of resources.

NOTE 22 - INSURANCE POOLS

A. Buckeye Ohio Risk Management Agency (BORMA)

The Buckeye Ohio Risk Management Agency (BORMA) is a public entity shared risk pool among several cities in Northern Ohio. BORMA was formed as an Ohio not-for-profit corporation and operates a health insurance program and a property, crime, and liability insurance program. Each member appoints one person to represent the city on the Board of Directors for a term of one year for participation in the health insurance program and three years for participation in the property, crime, and liability insurance program. Each member city's control over the budgeting and financing of BORMA is limited to its voting authority and any representation it may have on the Board of Directors.

Participation in BORMA is by written application subject to approval of the Board of Directors and the payment of premiums. Member cities must remain members for cycles of three years. A member may withdraw from a program by giving a forty-day notice prior to the beginning of the next cycle. BORMA did not have any outstanding debt obligations as of December 31, 2024. Audited financial statements are maintained separately by each pool.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 22 - INSURANCE POOLS (Continued)

A. Ohio Rural Water Association Workers' Compensation Group Rating Plan

The City participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Rural Water Association Workers' Compensation Group Rating Plan is an insurance purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating members. Financial information may be obtained from the Ohio Rural Water Association Workers' Compensation Group Rating Plan, 55 Whites Road, Zanesville, Ohio 43701.

NOTE 23 - JOINT VENTURES

A. Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2)

The City is a participant, with thirty-five other subdivisions within the State of Ohio, in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis, the Ohio Municipal Electric Generation Agency Joint Venture (JV2). The City is both a financing participant and an owner participant with percentages of liability and ownership of 18.27 percent and 14.32 percent, respectively. Owner participants own undivided interests, as tenants in common, in JV2 in the amount of their respective project shares. Purchaser participants agree to purchase the output associated with their respective project shares, ownership of which is held in trust for such purchaser participants.

In accordance with the JV2 Agreement (Agreement), the participants jointly undertook (as either financing participants or non-financing participants and as either owner participants or purchaser participants) the acquisition, construction, and equipping of JV2, including such portions of JV2 as have been acquired, constructed, or equipped by AMP-Ohio and to pay or incur the costs of the same in accordance with the Agreement.

JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The project consists of 138.65 MW of distributed generation (of which 134.081 MW is the participant's entitlement and 4.569 MW are held in reserve). Upon dissolution of JV2, the net position will be shared by the participants on a percentage of ownership basis. JV2 is managed by AMP-Ohio, which acts as the joint venture's agent.

The City's net investment and its share of the operating results of JV2 are reported in the City's Electric enterprise fund. The City's net investment in JV2 was (\$360,102) at December 31, 2024. Complete financial statements for JV2 may be obtained from AMP-Ohio or from the Auditor of State of Ohio website at www.ohioauditor.gov.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 23 - JOINT VENTURES (continued)

B. Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5)

The City is a participant, with forty-one other subdivisions within the State of Ohio, in a joint venture to construct a hydroelectric plant and associated transmission facilities in West Virginia (on the Ohio River at the Belleville Locks and Dam) and receive electricity from its operation, the Ohio Municipal Electric Generation Agency Joint Venture (JV5). The City is a financing participant with an ownership percentage of 15.73 percent. Financing participants own undivided interests, as tenants in common, without right of partition in JV5.

In accordance with the JV5 Agreement (Agreement), the participants jointly undertook, as financing participants, the acquisition, construction, and equipping of JV5, including such portions of JV5 as have been acquired, constructed, or equipped by AMP-Ohio.

Pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of operation and maintenance expenses of each participant's system, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes, or other indebtedness payable from any revenues of the system. Under the terms of the Agreement, each participant is to fix, charge, and collect rates, fees, and charges at least sufficient enough to maintain a debt coverage ratio equal to 110 percent of the sum of JV5 debt service and any other outstanding senior lien electric system revenue obligations. Upon dissolution of JV5, the net position will be shared by the participants on a percentage of ownership basis. As of December 31, 2024, the City had met its debt coverage obligation.

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

JV5 was created to construct a 42 MW run-of-the-river hydroelectric plant (including 40 MW of backup generation) and associated transmission facilities and sells electricity from its operations to JV5 participants.

JV5 is managed by AMP-Ohio, which acts as the joint venture's agent. During 1993 and 2001, AMP-Ohio issued \$153,415,000 and \$13,899,981, respectively, of thirty-year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the financing participants of JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds were used to construct the JV5 project. On February 17, 2004, the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates, in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from 2005 through 2024. On February 15, 2014, all of the 2004 Certificates were redeemed from funds held under the trust agreement securing the 2004 Certificates and the proceeds of a promissory note issued to AMP-Ohio by JV5. This was accomplished with a draw on AMP-Ohio's revolving credit facility.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 23 - JOINT VENTURES (continued)

The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, JV5 issued Beneficial Interest Refunding Certificates, in the amount of \$49,745,000, for the purpose of refunding the promissory note to AMP-Ohio in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015, of \$49,803,187. AMP will continue to collect debt service from the JV5 participants until the note is paid in full.

The City's net investment and its share of operating results of JV5 are reported in the City's Electric enterprise fund. The City's net investment in JV5 was \$470,094 at December 31, 2024. Complete financial statements for JV5 may be obtained from AMP-Ohio or from the Auditor of State of Ohio website at www.ohioauditor.gov.

C. Ohio Municipal Electric Generation Agency Joint Venture 6 (JV6)

The City is a participant, with nine other subdivisions within the State of Ohio, in a joint venture to provide low-polluting capacity electricity to the participants, the Ohio Municipal Electric Generation Agency Joint Venture (JV6). The City is a financing participant with a percentage of ownership of 56.94 percent. Financing participants own undivided interests, as tenants in common, in JV6 in the amount of their respective project shares.

In accordance with the JV6 Agreement (Agreement), the participants jointly undertook (as either financing participants or non-financing participants) the acquisition, construction, and equipping of JV6, including such portions of JV6 as have been acquired, constructed, or equipped by AMP-Ohio and to pay or incur the costs of the same in accordance with the Agreement.

The Agreement provides that the failure of any JV6 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, JV6 may take certain actions, including the termination of a defaulting participant's entitlement to power. Each participant may purchase a pro rata share of the defaulting participant's entitlement to power, which together with the share of the other non-defaulting participants, is equal to the defaulting participant's ownership share of the project in kilowatts ("Step Up Power"), provided that the sum of any such increases shall not exceed, without consent of the non-defaulting participants, an accumulated maximum kilowatts equal to 25 percent of such non-defaulting participant's ownership share of the project prior to any such increases.

JV6 was created to provide for low-polluting capacity electricity through wind energy. The project consists of four wind turbines with a nominal capacity of 1.8 MW and related facilities. Upon dissolution of JV6, the net position will be shared by the participants on a percentage of ownership basis. JV6 is managed by AMP-Ohio, which acts as the joint venture's agent.

The City's net investment and its share of the operating results of JV6 are reported in the City's Electric enterprise fund. The City's net investment in JV6 was \$522,456 at December 31, 2024. Complete financial statements for JV6 may be obtained from AMP-Ohio or from the Auditor of State of Ohio website at www.ohioauditor.gov.

City of Bowling Green
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 24 - JOINTLY GOVERNED ORGANIZATION

The City participates in the Bowling Green Central Business Special Improvement District, Inc. (SID), a 501(c)(3) not-for-profit corporation established under Chapter 1710 of the Ohio Revised Code. The SID was created to encourage and participate in programs which maintain, improve, and expand the central business district as a viable business, cultural, and recreational community, to provide programming which will preserve the economic well-being and employment opportunities in the central business district, and to encourage and participate in programs to preserve the aesthetic, architectural, and historic character of the central business district.

The SID is governed by an eight member board of trustees consisting of the Chief Executive of the City of Bowling Green and seven members representing businesses within the SID. Financial information can be obtained from the Bowling Green Central Business Special Improvement District, Inc., 217 South Church Street, Bowling Green, Ohio 43402.

NOTE 25 - CONTINGENT LIABILITIES

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

For the period January 1, 2024, to December 31, 2024, the City received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

NOTE 26 – SUBSEQUENT EVENTS

The City of Bowling Green levied an additional 0.15% income tax, which was approved by voters at the November 2025 general election. The income tax increase was to fund the construction, reconstruction, renovation, and outfitting of new safety buildings for fire and police. The City will also be issuing bonds in the amount of \$27,720,000 for the construction, reconstruction, furnishing and equipping and otherwise improving City fire stations and acquiring certain real estate, together with related site improvements. Additionally, the City will be issuing bonds in the amount of \$4,950,000 for the purpose of acquiring a fire truck and related equipment and other fire department apparatus and equipment for use by the City's Fire Division. The bonds will be issued in early 2026. The construction of the new fire stations is to begin in May of 2026, with an estimated completion of October 2027, while the police station renovations are to begin in July 2027, with estimated completion of October 2028. As part of this process, the City purchased land on Newton Road; the land had an appraised value of \$639,000 and was sold to the City in October 2025 in the amount of \$240,000, with the balance of the value being gifted to the City by the property owners.

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Required Supplementary Information

City of Bowling Green
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Ohio Public Employees Retirement System - Traditional
 Last Ten Years

	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.07993300%	0.07980500%	0.08242800%	0.08219500%
City's Proportionate Share of the Net Pension Liability	\$20,926,001	\$23,574,434	\$7,171,569	\$12,171,289
City's Covered Payroll	\$13,155,850	\$12,374,171	\$11,960,250	\$11,578,364
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	159.06%	190.51%	59.96%	105.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017	2016	2015
0.08427800%	0.08596700%	0.08982300%	0.08548100%	0.08537300%	0.08296200%
\$16,658,119	\$23,544,619	\$14,091,487	\$19,411,281	\$14,787,680	\$10,006,145
\$11,857,814	\$11,611,364	\$11,875,777	\$11,044,408	\$10,625,493	\$10,171,425
140.48%	202.77%	118.66%	175.76%	139.17%	98.38%
82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

City of Bowling Green
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Asset
Ohio Public Employees Retirement System - Combined
Last Seven Years (1)

	2024	2023	2022	2021
City's Proportion of the Net Pension Asset	0.19052500%	0.18385600%	0.18585000%	0.18844900%
City's Proportionate Share of the Net Pension Asset	\$585,638	\$433,329	\$732,257	\$543,984
City's Covered Payroll	\$874,867	\$854,436	\$847,286	\$830,493
City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	66.94%	50.72%	86.42%	65.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	144.55%	137.14%	169.88%	157.67%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018
0.18381500%	0.19183900%	0.22387400%
\$383,297	\$214,519	\$304,765
\$818,257	\$820,486	\$916,869
46.84%	26.15%	33.24%
145.28%	126.64%	137.28%

City of Bowling Green
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Ten Years

	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.27720120%	0.32244690%	0.30628550%	0.30249110%
City's Proportionate Share of the Net Pension Liability	\$26,781,462	\$30,629,330	\$19,134,947	\$20,621,089
City's Covered Payroll	\$8,701,783	\$8,012,886	\$8,522,251	\$6,394,260
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	307.77%	382.25%	224.53%	322.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.63%	62.90%	75.03%	70.65%

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017	2016	2015
0.31840570%	0.32735000%	0.34593100%	0.32490000%	0.32843900%	0.32675040%
\$21,449,510	\$26,720,411	\$21,231,346	\$20,578,841	\$21,128,711	\$16,927,033
\$7,462,630	\$7,318,902	\$6,569,201	\$6,885,486	\$7,119,120	\$6,391,680
287.43%	365.09%	323.20%	298.87%	296.79%	264.83%
69.89%	63.07%	70.91%	68.36%	66.77%	71.71%

City of Bowling Green
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)
 Ohio Public Employees Retirement System
 Last Eight Years (1)

	2024	2023	2022	2021
City's Proportion of the Net OPEB Liability (Asset)	0.08131100%	0.08085100%	0.08327100%	0.08365700%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$733,852)	\$509,781	(\$2,608,176)	(\$1,490,416)
City's Covered Payroll	\$14,353,683	\$13,460,132	\$12,982,611	\$12,653,382
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-5.11%	3.79%	-20.09%	-11.78%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017
0.08549700%	0.08731900%	0.09189000%	0.08756000%
\$11,809,358	\$11,384,337	\$9,978,577	\$8,843,857
\$12,916,771	\$12,665,425	\$13,021,671	\$12,094,350
91.43%	89.89%	76.63%	73.12%
47.80%	46.33%	54.14%	54.04%

City of Bowling Green
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Eight Years (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
City's Proportion of the Net OPEB Liability	0.27720120%	0.32244690%	0.30628550%	0.30249110%
City's Proportionate Share of the Net OPEB Liability	\$2,023,931	\$2,295,728	\$3,357,152	\$3,204,942
City's Covered Payroll	\$8,701,783	\$8,012,886	\$8,522,251	\$6,394,260
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	23.26%	28.65%	39.39%	50.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	51.89%	52.59%	46.90%	45.40%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017
0.31840570%	0.32735000%	0.34593100%	0.32900000%
\$3,145,126	\$2,981,025	\$19,599,966	\$15,616,890
\$7,462,630	\$7,318,902	\$6,569,201	\$6,885,486
42.15%	40.73%	298.36%	226.81%
47.08%	46.57%	14.13%	15.96%

City of Bowling Green
 Required Supplementary Information
 Schedule of the City's Contributions
 Ohio Public Employees Retirement System
 Last Ten Years (1)

	2024	2023	2022	2021
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$2,036,852	\$1,841,819	\$1,732,384	\$1,674,435
Contributions in Relation to the Contractually Required Contribution	<u>(2,036,852)</u>	<u>(1,841,819)</u>	<u>(1,732,384)</u>	<u>(1,674,435)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$14,548,943	\$13,155,850	\$12,374,171	\$11,960,250
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Asset - Combined Plan				
Contractually Required Contribution	\$124,089	\$104,984	\$119,621	\$118,620
Contributions in Relation to the Contractually Required Contribution	<u>(124,089)</u>	<u>(104,984)</u>	<u>(119,621)</u>	<u>(118,620)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$1,034,075	\$874,867	\$854,436	\$847,286
Pension Contributions as a Percentage of Covered Payroll	<u>12.00%</u>	<u>12.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability/Asset - OPEB Plan (1)				
Contractually Required Contribution	\$33,795	\$10,561	\$9,261	\$7,003
Contributions in Relation to the Contractually Required Contribution	<u>(33,795)</u>	<u>(10,561)</u>	<u>(9,261)</u>	<u>(7,003)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll (2)	\$15,984,047	\$14,353,683	\$13,460,132	\$12,982,611
OPEB Contributions as a Percentage of Covered Payroll	<u>0.04%</u>	<u>0.04%</u>	<u>0.04%</u>	<u>0.04%</u>

(1) Beginning in 2016, OPERS used one trust as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(2) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017	2016	2015
\$1,620,971	\$1,660,094	\$1,625,591	\$1,543,851	\$1,325,329	\$1,275,059
(1,620,971)	(1,660,094)	(1,625,591)	(1,543,851)	(1,325,329)	(1,275,059)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$11,578,364	\$11,857,814	\$11,611,364	\$11,875,777	\$11,044,408	\$10,625,493
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>
 \$116,269	 \$114,556	 \$114,868	 \$119,193	 \$105,131	 \$105,612
(116,269)	(114,556)	(114,868)	(119,193)	(105,131)	(105,612)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$830,493	\$818,257	\$820,486	\$916,869	\$876,092	\$880,100
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>
 \$9,781	 \$9,628	 \$9,343	 \$137,088		
(9,781)	(9,628)	(9,343)	(137,088)		
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		
\$12,653,382	\$12,916,771	\$12,665,425	\$13,021,671		
<u>0.04%</u>	<u>0.04%</u>	<u>0.04%</u>	<u>1.02%</u>		

City of Bowling Green
 Required Supplementary Information
 Schedule of the City's Contributions
 Ohio Police and Fire Pension Fund
 Last Ten Years

	2024	2023	2022	2021
Net Pension Liability				
Contractually Required Contribution	\$1,874,111	\$1,868,466	\$1,715,654	\$1,827,401
Contributions in Relation to the Contractually Required Contribution	<u>(1,874,111)</u>	<u>(1,868,466)</u>	<u>(1,715,654)</u>	<u>(1,827,401)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$8,688,200	\$8,701,783	\$8,012,886	\$8,522,251
Contributions as a Percentage of Covered Payroll	21.57%	21.47%	21.41%	21.44%
Net OPEB Liability				
Contractually Required Contribution	\$43,441	\$43,509	\$40,064	\$42,611
Contributions in Relation to the Contractually Required Contribution	<u>(43,441)</u>	<u>(43,509)</u>	<u>(40,064)</u>	<u>(42,611)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$8,688,200	\$8,701,783	\$8,012,886	\$8,522,251
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

(1) The City's Covered payroll is the same for pension and OPEB.

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017	2016	2015
\$1,369,607	\$1,600,173	\$1,567,203	\$1,410,554	\$1,479,130	\$1,528,568
(1,369,607)	(1,600,173)	(1,567,203)	(1,410,554)	(1,479,130)	(1,528,568)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,394,260	\$7,462,630	\$7,318,902	\$6,569,201	\$6,885,486	\$7,119,120
21.42%	21.44%	21.41%	21.47%	21.48%	21.47%
\$31,972	\$37,314	\$36,595	\$32,846	\$34,428	\$35,595
(31,972)	(37,314)	(36,595)	(32,846)	(34,428)	(35,595)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,394,260	\$7,462,630	\$7,318,902	\$6,569,201	\$6,885,486	\$7,119,119
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

City of Bowling Green
 Notes to the Required Supplementary Information
 For the Year Ended December 31, 2024

Changes in Assumptions - OPERS Pension - Traditional Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019 through 2021	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2024	2.3 percent, simple through 2024 then 2.05 percent, simple
2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions.

City of Bowling Green
Notes to the Required Supplementary Information
For the Year Ended December 31, 2024

For all 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 these tables.

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions - OPERS Pension - Combined Plan

	2022	2019 through 2021	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

Since 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

Changes in Assumptions - OP&F Pension

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

City of Bowling Green
Notes to the Required Supplementary Information
For the Year Ended December 31, 2024

	Beginning in 2018	2017 and Prior
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	See Below	See Below
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Beginning in 2023, projected salary increases changed to 3.50 percent to 10.5 percent.

For 2017 and prior the investment rate of return was 8.25 percent. Beginning in 2018, the OP&F Board adopted a change in the investment rate of return, changing it from 8.25 percent for 2017 and prior to 8 percent. Beginning in 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022 and forward.

Beginning in 2023, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, 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.

Prior to 2023, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

City of Bowling Green
 Notes to the Required Supplementary Information
 For the Year Ended December 31, 2024

Prior to 2023, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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

Changes in Assumptions - OPERS OPEB

Wage Inflation:	
Beginning in 2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
Beginning in 2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2024	3.77 percent
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2024	5.70 percent
2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent

City of Bowling Green
Notes to the Required Supplementary Information
For the Year Ended December 31, 2024

Health Care Cost Trend Rate:

2024	5.5 percent, initial
2023	3.5 percent, ultimate in 2038 5.5 percent, initial
2022	3.5 percent, ultimate in 2036 5.5 percent, initial
2021	3.5 percent, ultimate in 2034 8.5 percent, initial
2020	3.5 percent, ultimate in 2035 10.5 percent, initial
2019	3.5 percent, ultimate in 2030 10.0 percent, initial
2018	3.25 percent, ultimate in 2029 7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions - OP&F OPEB

Projected Salary Increases:

2023	3.50 percent to 10.5 percent
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Blended Discount Rate:

2024	4.07 percent
2023	4.27 percent
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022 and 2023.

Changes in Benefit Terms - OPERS OPEB

On January 15, 2020, 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 2021.

Changes in Benefit Terms - OP&F OPEB

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

Comparative Enterprise Fund Financial Statements

City of Bowling Green
 Comparative Statement of Fund Net Position
 Enterprise Funds
 December 31, 2024, and 2023

	Electric		Water	
	2024	2023	2024	2023
<u>Current Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$32,671,727	\$33,512,378	\$9,439,316	\$9,972,342
Accounts Receivable	9,480,422	8,327,479	894,591	867,618
Due from Other Governments	367	367	0	0
Other Local Taxes Receivable	118,699	107,934	0	0
Interfund Receivable	15,120	14,824	6,896	6,761
Prepaid Items	45,840	37,935	45,867	37,958
Materials and Supplies Inventory	1,914,009	1,454,765	354,202	416,989
Total Current Assets	44,246,184	43,455,682	10,740,872	11,301,668
<u>Non-Current Assets</u>				
Asset Held for Resale	598,867	598,867	199,622	199,622
Recovered Purchased Power Receivable	0	443,348	0	0
Restricted Assets				
Net Pension Asset	134,697	99,664	81,989	60,667
Net OPEB Asset	168,786	0	102,739	0
Nondepreciable Capital Assets	4,277,263	3,111,740	7,915,593	6,681,117
Depreciable Capital Assets, Net	22,311,635	21,751,359	56,421,965	55,210,636
Equity Interest in Joint Venture	632,448	1,190,922	0	0
Total Non-Current Assets	28,123,696	27,195,900	64,721,908	62,152,042
Total Assets	72,369,880	70,651,582	75,462,780	73,453,710
<u>Deferred Outflows of Resources</u>				
Pension	1,587,324	2,285,608	966,197	1,393,043
OPEB	152,593	353,835	92,883	215,379
Total Deferred Outflows of Resources	1,739,917	2,639,443	1,059,080	1,608,422
<u>Current Liabilities</u>				
Accrued Wages Payable	102,303	62,597	64,171	41,347
Accounts Payable	4,523,152	4,374,748	133,922	425,105
Contracts Payable	59,653	99,717	941	0
Due to Other Governments	180,409	144,995	96,154	73,898
Interfund Payable	195,685	184,264	6,188	6,067
Retainage Payable	0	157,922	0	0
Accrued Interest Payable	0	6,000	0	2,000
Loan Payable	0	120,000	0	40,000
Compensated Absences Payable	161,996	239,674	42,290	160,034
Financed Purchase Payable	0	0	0	0
Leases Payable	5,868	6,976	13,503	12,981
AMP Ohio Payable	0	102,000	0	0
Total Current Liabilities	5,229,066	5,498,893	357,169	761,432

Sewer		Totals	
2024	2023	2024	2023
\$4,209,918	\$4,907,878	\$46,320,961	\$48,392,598
753,654	743,239	11,128,667	9,938,336
0	0	367	367
0	0	118,699	107,934
538	527	22,554	22,112
45,867	37,958	137,574	113,851
0	0	2,268,211	1,871,754
<u>5,009,977</u>	<u>5,689,602</u>	<u>59,997,033</u>	<u>60,446,952</u>
199,622	199,622	998,111	998,111
0	0	0	443,348
81,989	60,666	298,675	220,997
102,739	0	374,264	0
3,925,327	6,567,228	16,118,183	16,360,085
59,285,972	56,583,227	138,019,572	133,545,222
0	0	632,448	1,190,922
<u>63,595,649</u>	<u>63,410,743</u>	<u>156,441,253</u>	<u>152,758,685</u>
<u>68,605,626</u>	<u>69,100,345</u>	<u>216,438,286</u>	<u>213,205,637</u>
966,197	1,393,254	3,519,718	5,071,905
92,883	215,379	338,359	784,593
<u>1,059,080</u>	<u>1,608,633</u>	<u>3,858,077</u>	<u>5,856,498</u>
72,169	41,765	238,643	145,709
158,020	147,739	4,815,094	4,947,592
941	0	61,535	99,717
111,086	83,896	387,649	302,789
15,779	15,470	217,652	205,801
0	0	0	157,922
2,009	4,604	2,009	12,604
0	40,000	0	200,000
101,618	137,906	305,904	537,614
32,452	30,597	32,452	30,597
7,693	7,627	27,064	27,584
0	0	0	102,000
<u>501,767</u>	<u>509,604</u>	<u>6,088,002</u>	<u>6,769,929</u>

(continued)

City of Bowling Green
 Comparative Statement of Fund Net Position
 Enterprise Funds
 December 31, 2024, and 2023
 (continued)

	Electric		Water	
	2024	2023	2024	2023
<u>Non-Current Liabilities</u>				
Loan Payable	\$0	\$0	\$0	\$0
Compensated Absences Payable	763,694	443,934	199,368	234,620
Financed Purchase Payable	0	0	0	0
Leases Payable	10,189	16,057	30,436	43,939
AMP Ohio Payable	0	341,348	0	0
Net Pension Liability	4,812,980	5,422,120	2,929,640	3,300,422
Net OPEB Liability	0	117,249	0	71,368
Total Non-Current Liabilities	5,586,863	6,340,708	3,159,444	3,650,349
Total Liabilities	10,815,929	11,839,601	3,516,613	4,411,781
<u>Deferred Inflows of Resources</u>				
Recovered Purchases Power	2,701,189	1,865,764	0	0
Pension	39,149	79,050	23,830	47,895
OPEB	97,377	39,540	59,273	24,069
Total Deferred Inflows of Resources	2,837,715	1,984,354	83,103	71,964
<u>Net Position</u>				
Net Investment in Capital Assets	26,572,841	24,582,427	64,293,619	61,834,833
Restricted for				
Pension and OPEB Plans	303,483	99,664	184,728	60,667
Unrestricted (Deficit)	33,579,829	34,784,979	8,443,797	8,682,887
Total Net Position	\$60,456,153	\$59,467,070	\$72,922,144	\$70,578,387

Sewer		Totals	
2024	2023	2024	2023
\$0	\$0	\$0	\$0
479,054	263,079	1,442,116	941,633
70,925	103,377	70,925	103,377
16,099	23,792	56,724	83,788
0	0	0	341,348
2,929,640	3,300,422	10,672,260	12,022,964
0	71,368	0	259,985
<u>3,495,718</u>	<u>3,762,038</u>	<u>12,242,025</u>	<u>13,753,095</u>
<u>3,997,485</u>	<u>4,271,642</u>	<u>18,330,027</u>	<u>20,523,024</u>
0	0	2,701,189	1,865,764
23,830	49,924	86,809	176,869
59,273	24,070	215,923	87,679
83,103	73,994	3,003,921	2,130,312
63,084,130	62,985,062	153,950,590	149,402,322
184,728	60,666	672,939	220,997
2,315,260	3,317,614	44,338,886	46,785,480
<u>\$65,584,118</u>	<u>\$66,363,342</u>	<u>\$198,962,415</u>	<u>\$196,408,799</u>

City of Bowling Green
 Comparative Statement of Revenues, Expenses, and Change in Fund Net Position
 Enterprise Funds
 For the Years Ended December 31, 2024, and 2023

	Electric		Water	
	2024	2023	2024	2023
<u>Operating Revenues</u>				
Charges for Services	\$64,304,455	\$59,655,713	\$7,639,439	\$7,640,722
Other	<u>692,894</u>	<u>677,372</u>	<u>205,895</u>	<u>183,685</u>
Total Operating Revenues	<u>64,997,349</u>	<u>60,333,085</u>	<u>7,845,334</u>	<u>7,824,407</u>
<u>Operating Expenses</u>				
Purchased Power	51,288,449	49,774,479	0	0
Plant Operation	0	0	4,035,439	3,358,397
Geographical Information Systems	403,367	186,500	108,521	87,339
Distribution Operation	3,449,751	2,042,536	2,340,829	2,330,727
Administrative and General	6,098,132	6,364,319	614,182	704,689
Information and Technology	310,089	276,230	103,138	91,125
Sustainability	115,643	85,648	39,291	33,861
Engineering	0	0	164,791	151,946
Depreciation/Amortization	1,816,203	1,743,289	1,868,375	1,762,376
Total Operating Expenses	<u>63,481,634</u>	<u>60,473,001</u>	<u>9,274,566</u>	<u>8,520,460</u>
Operating Income (Loss)	<u>1,515,715</u>	<u>(139,916)</u>	<u>(1,429,232)</u>	<u>(696,053)</u>
<u>Non-Operating Revenues (Expenses)</u>				
Gain on Sale of Capital Assets	15,000	0	0	2,324
Loss on Disposal of Capital Assets	0	(2,754)	0	(894)
Excise Taxes	1,450,355	1,351,415	0	0
Excise Taxes Expense	(1,450,355)	(1,351,415)	0	0
Interest Expense	(5,707)	(7,885)	(5,492)	(13,849)
Investment in Joint Venture	(558,474)	(688,990)	0	0
Total Non-Operating Revenues (Expenses)	<u>(549,181)</u>	<u>(699,629)</u>	<u>(5,492)</u>	<u>(12,419)</u>
Income (Loss) Before Transfers and Contributions	966,534	(839,545)	(1,434,724)	(708,472)
Capital Contributions	0	0	3,544,029	2,993,264
Change in Net Position	966,534	(839,545)	2,109,305	2,284,792
Net Position Beginning of Year - Restated	<u>59,489,619</u>	<u>60,329,164</u>	<u>70,812,839</u>	<u>68,528,047</u>
Net Position End of Year	<u>\$60,456,153</u>	<u>\$59,489,619</u>	<u>\$72,922,144</u>	<u>\$70,812,839</u>

Sewer		Totals	
2024	2023	2024	2023
\$5,180,649	\$4,910,189	\$77,124,543	\$72,206,624
469,523	1,009,035	1,368,312	1,870,092
<u>5,650,172</u>	<u>5,919,224</u>	<u>78,492,855</u>	<u>74,076,716</u>
0	0	51,288,449	49,774,479
2,805,767	2,366,855	6,841,206	5,725,252
88,726	77,240	600,614	351,079
1,627,570	1,600,873	7,418,150	5,974,136
544,030	656,872	7,256,344	7,725,880
103,136	93,094	516,363	460,449
50,500	47,333	205,434	166,842
164,791	158,537	329,582	310,483
<u>2,340,112</u>	<u>2,050,284</u>	<u>6,024,690</u>	<u>5,555,949</u>
<u>7,724,632</u>	<u>7,051,088</u>	<u>80,480,832</u>	<u>76,044,549</u>
<u>(2,074,460)</u>	<u>(1,131,864)</u>	<u>(1,987,977)</u>	<u>(1,967,833)</u>
8,000	2,324	23,000	4,648
0	(894)	0	(4,542)
0	0	1,450,355	1,351,415
0	0	(1,450,355)	(1,351,415)
(11,129)	(31,642)	(22,328)	(53,376)
0	0	(558,474)	(688,990)
<u>(3,129)</u>	<u>(30,212)</u>	<u>(557,802)</u>	<u>(742,260)</u>
<u>(2,077,589)</u>	<u>(1,162,076)</u>	<u>(2,545,779)</u>	<u>(2,710,093)</u>
<u>1,392,135</u>	<u>5,397,751</u>	<u>4,936,164</u>	<u>8,391,015</u>
<u>(685,454)</u>	<u>4,235,675</u>	<u>2,390,385</u>	<u>5,680,922</u>
<u>66,269,572</u>	<u>62,033,897</u>	<u>196,572,030</u>	<u>190,891,108</u>
<u>\$65,584,118</u>	<u>\$66,269,572</u>	<u>\$198,962,415</u>	<u>\$196,572,030</u>

City of Bowling Green
 Comparative Statement of Cash Flows
 Enterprise Funds
 For the Years Ended December 31, 2024, and 2023

	Electric		Water	
	2024	2023	2024	2023
<u>Increases (Decreases) in Cash and Cash Equivalents</u>				
<u>Cash Flows from Operating Activities</u>				
Cash Received from Customers	\$63,979,834	\$61,430,056	\$7,610,929	\$7,581,172
Cash Payments for Purchased Power	(51,099,047)	(49,640,092)	0	0
Cash Payments for Plant Operation	0	0	(4,011,206)	(3,315,189)
Cash Payments for Geographical Information Systems	(399,585)	(207,152)	(107,271)	(94,155)
Cash Payments for Distribution Operation	(3,784,733)	(1,827,979)	(2,505,783)	(2,036,916)
Cash Payments for Administrative and General	(6,143,449)	(6,266,367)	(642,954)	(678,030)
Cash Payments for Information and Technology	(308,600)	(267,518)	(102,698)	(89,225)
Cash Payments for Sustainability	(115,727)	(76,342)	(38,875)	(31,204)
Cash Payments for Engineering	0	0	(164,632)	(147,026)
Cash Received from Other Revenues	690,292	687,626	205,895	184,206
Net Cash Provided by Operating Activities	<u>2,818,985</u>	<u>3,832,232</u>	<u>243,405</u>	<u>1,373,633</u>
<u>Cash Flows from Non-Capital Financing Activities</u>				
Cash Received from Excise Taxes	1,450,355	1,351,415	0	0
Cash Payments for Excise Tax Distribution	(1,450,355)	(1,351,415)	0	0
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Principal Paid on Long-Term Obligations	(126,976)	(7,576)	(52,981)	(102,754)
Interest Paid on Long-Term Obligations	(11,707)	(1,885)	(7,492)	(7,098)
Grants	0	0	0	37,500
Sale of Capital Assets	15,000	0	0	13,577
Acquisition of Capital Assets	(3,535,953)	(5,315,925)	(715,958)	(1,794,925)
Net Cash Used for Capital and Related Financing Activities	<u>(3,659,636)</u>	<u>(5,325,386)</u>	<u>(776,431)</u>	<u>(1,853,700)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(840,651)</u>	<u>(1,493,154)</u>	<u>(533,026)</u>	<u>(480,067)</u>
Cash and Cash Equivalents Beginning of Year	<u>33,512,378</u>	<u>35,005,532</u>	<u>9,972,342</u>	<u>10,452,409</u>
Cash and Cash Equivalents End of Year	<u>\$32,671,727</u>	<u>\$33,512,378</u>	<u>\$9,439,316</u>	<u>\$9,972,342</u>

Sewer		Totals	
2024	2023	2024	2023
\$5,168,996	\$4,972,557	\$76,759,759	\$73,983,785
0	0	(51,099,047)	(49,640,092)
(2,670,666)	(2,407,183)	(6,681,872)	(5,722,372)
(86,325)	(78,936)	(593,181)	(380,243)
(1,652,487)	(1,522,460)	(7,943,003)	(5,387,355)
(570,700)	(616,042)	(7,357,103)	(7,560,439)
(102,697)	(89,225)	(513,995)	(445,968)
(50,397)	(43,448)	(204,999)	(150,994)
(164,631)	(147,024)	(329,263)	(294,050)
469,523	1,009,604	1,365,710	1,881,436
<hr/>	<hr/>	<hr/>	<hr/>
340,616	1,077,843	3,403,006	6,283,708
<hr/>	<hr/>	<hr/>	<hr/>
0	0	1,450,355	1,351,415
0	0	(1,450,355)	(1,351,415)
<hr/>	<hr/>	<hr/>	<hr/>
0	0	0	0
<hr/>	<hr/>	<hr/>	<hr/>
(78,224)	(347,332)	(258,181)	(457,662)
(13,724)	(9,921)	(32,923)	(18,904)
0	0	0	37,500
8,000	13,577	23,000	27,154
(954,628)	(156,563)	(5,206,539)	(7,267,413)
<hr/>	<hr/>	<hr/>	<hr/>
(1,038,576)	(500,239)	(5,474,643)	(7,679,325)
<hr/>	<hr/>	<hr/>	<hr/>
(697,960)	577,604	(2,071,637)	(1,395,617)
<hr/>	<hr/>	<hr/>	<hr/>
4,907,878	4,330,274	48,392,598	49,788,215
<hr/>	<hr/>	<hr/>	<hr/>
\$4,209,918	\$4,907,878	\$46,320,961	\$48,392,598
<hr/>	<hr/>	<hr/>	<hr/>

(continued)

City of Bowling Green
 Comparative Statement of Cash Flows
 Enterprise Funds
 For the Years Ended December 31, 2024, and 2023
 (continued)

	Electric		Water	
	2024	2023	2024	2023
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$1,515,715	(\$139,916)	(\$1,429,232)	(\$696,053)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation/Amortization	1,816,203	1,743,289	1,868,375	1,762,376
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(1,152,943)	(81,430)	(26,973)	(59,119)
(Increase) Decrease in Due from Other Governments	0	624	0	521
(Increase) Decrease in Other Local Taxes Receivable	(10,765)	904	0	0
(Increase) in Interfund Receivable	(296)	(361)	(135)	(431)
(Increase) Decrease in Prepaid Items	(7,905)	42,752	(7,909)	29,983
(Increase) Decrease in Materials and Supplies Inventory	(459,244)	(156,549)	62,787	128,132
Decrease in Recovered Purchased Power Receivable	443,348	644,419	0	0
(Increase) Decrease in Net Pension Asset	(35,033)	9,042	(21,322)	5,504
(Increase) in Net OPEB Asset	(286,035)	0	(174,107)	0
Increase (Decrease) in Accrued Wages Payable	39,706	1,199	22,824	2,572
Increase (Decrease) in Accounts Payable	148,404	(205,485)	(291,183)	173,413
Increase (Decrease) in Contracts Payable	(40,064)	(249)	941	0
Increase in Due to Other Governments	35,414	37,045	22,256	35,148
Increase (Decrease) in Interfund Payable	11,421	(1,128)	121	(1,044)
Increase (Decrease) in Compensated Absences Payable	100,660	46,187	27,263	25,848
Decrease in AMP-Ohio Payable	(443,348)	(28,841)	0	0
Increase in Recovered Purchased Power Payable	835,425	1,865,764	0	0
(Increase) Decrease in Net Pension Liability	(609,140)	175,307	(370,782)	106,709
Decrease in Net OPEB Liability	0	(4,015)	0	(2,444)
Decrease in Deferred Outflows - Pension	698,237	961,827	426,846	585,819
Decrease in Deferred Outflows - OPEB	201,242	233,343	122,496	142,034
Decrease in Deferred Inflows - Pension	(39,854)	(851,988)	(24,065)	(557,646)
Decrease in Deferred Inflows - OPEB	57,837	(459,508)	35,204	(307,689)
Net Cash Provided by Operating Activities	<u><u>\$2,818,985</u></u>	<u><u>\$3,832,232</u></u>	<u><u>\$243,405</u></u>	<u><u>\$1,373,633</u></u>

Sewer		Totals	
2024	2023	2024	2023
(\$2,074,460)	(\$1,131,864)	(\$1,987,977)	(\$1,967,833)
2,340,112	2,050,284	6,024,690	5,555,949
(10,415)	60,046	(1,190,331)	(80,503)
0	2,969	0	4,114
0	0	(10,765)	904
(11)	(78)	(442)	(870)
(7,909)	32,404	(23,723)	105,139
0	0	(396,457)	(28,417)
0	0	443,348	644,419
(21,323)	5,504	(77,678)	20,050
(174,107)	0	(634,249)	0
30,404	(288)	92,934	3,483
10,281	(31,745)	(132,498)	(63,817)
941	0	(38,182)	(249)
27,190	28,951	84,860	101,144
309	(532)	11,851	(2,704)
31,724	(38,462)	159,647	33,573
0	0	(443,348)	(28,841)
0	0	835,425	1,865,764
(370,782)	106,709	(1,350,704)	388,725
0	(2,444)	0	(8,903)
427,057	611,475	1,552,140	2,159,121
122,496	161,591	446,234	536,968
(26,094)	(505,409)	(90,013)	(1,915,043)
35,203	(271,268)	128,244	(1,038,465)
<u>\$340,616</u>	<u>\$1,077,843</u>	<u>\$3,403,006</u>	<u>\$6,283,708</u>

**CITY OF BOWLING GREEN
WOOD COUNTY**

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE, FOREST SERVICE <i>Passed Through American Forests</i> Inflation Reduction Act Urban & Community Forestry Program	10.727	24-CA-11132544-010-001		<u>\$1,725</u>
Total U.S. Department of Agriculture, Forest Service				<u>1,725</u>
U.S. DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE <i>Passed Through Ohio History Connection</i> Historic Preservation Fund Grants-In-Aid	15.904	DEV-GR-2023-52608		<u>18,000</u>
Total U.S. Department of the Interior, National Park Service				<u>18,000</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT <i>Direct Assistance</i> CDBG - Entitlement/Special Purpose Grants Cluster Community Development Block Grants/Entitlement Grants	14.218			<u>\$4,830</u> <u>273,875</u>
Total CDBG - Entitlement/Special Purpose Grants Cluster				<u>4,830</u> <u>273,875</u>
Total U.S. Department of Housing and Urban Development				<u>4,830</u> <u>273,875</u>
U.S. DEPARTMENT OF TRANSPORTATION <i>Passed Through Ohio Department of Transportation</i> Formula Grants for Rural Areas and Tribal Transit Program	20.509	112531		<u>287,134</u>
Highway Planning and Construction	20.205	101104		<u>92,842</u>
Highway Planning and Construction	20.205	108441		<u>22,708</u>
Highway Planning and Construction	20.205	117184		<u>80,620</u>
Highway Planning and Construction	20.205	118120		<u>370,113</u>
Highway Planning and Construction	20.205	119952		<u>7,166</u>
Total Highway Planning and Construction				<u>573,449</u>
Total U.S. Department of Transportation				<u>860,583</u>
U.S. DEPARTMENT OF TREASURY <i>Direct Assistance</i> COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027			<u>2,078,806</u>
<i>Passed Through Ohio Office of Budget and Management</i> COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Ohio Ambulance Transportation Impacted Industry Program	21.027			<u>260,999</u>
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds				<u>2,339,805</u>
Total U.S. Department of Treasury				<u>2,339,805</u>
U.S. DEPARTMENT OF ENERGY <i>Passed Through Ohio Department of Development</i> Energy Efficiency and Conservation Block Grant Program (EECBG) - EECBG Brightening Ohio Communities	81.128	DEV-GR-2023-52608		<u>90,000</u>
Total U.S. Department of Energy				<u>90,000</u>
Total Expenditures of Federal Awards				<u>\$4,830</u> <u>\$3,583,988</u>

The accompanying notes are an integral part of this schedule.

**CITY OF BOWLING GREEN
WOOD COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The City has elected not to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – SUBRECIPIENTS

The City passes certain federal awards received from the U.S. Department of Housing and Urban Development to not-for-profit agencies (subrecipients). As Note B describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a pass-through entity, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The current cash balances on the City's local program income accounts as of December 31, 2024 are \$215,561 and \$166,597, respectively.

NOTE F – MATCHING REQUIREMENTS

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



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

City of Bowling Green
Wood County
305 North Main Street
Bowling Green, Ohio 43402-2399

To the City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bowling Green, Wood County, Ohio (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

City of Bowling Green
Wood County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

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

City's Response to Finding

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

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



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

January 29, 2026



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

City of Bowling Green
Wood County
305 North Main Street
Bowling Green, Ohio 43402-2399

To the City Council:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Bowling Green, Wood County, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City of Bowling Green's major federal program for the year ended December 31, 2024. The City of Bowling Green's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Bowling Green complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

City of Bowling Green
Wood County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control Over
Compliance Required by the Uniform Guidance
Page 3

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

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

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

KEITH FABER
Ohio Auditor of State



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

January 29, 2026

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**CITY OF BOWLING GREEN
WOOD COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

Material Weakness – Financial Reporting

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

We noted the following errors on the Statements of Revenues, Expenditures, and Change in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:

- Amended certificate of estimated resources was not used for the original amounts for the General fund, instead relying on amounts posted in the accounting system, which did not agree to the approved amended certificate. The General fund budgetary statement was updated to reflect the proper amounts, reducing original budgeted revenues in the amount of \$1,736,989.
- Original budgeted appropriations as approved by City Council did not include prior year carryover encumbrances. As a result, these amounts were not reflected in the original budgeted appropriations for the American Rescue Plan fund, in the amount of \$880,923.
- Prior year carryover encumbrances were improperly allocated to budgeted expenditures in the American Rescue Plan fund final budgeted appropriations, overstating leisure time activities, community environment, and transportation appropriations, and understating public health appropriations, in the total amount of \$880,923.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements and notes to the financial statements could lead to the Council making misinformed decisions. The accompanying financial statements have been adjusted to correct these errors.

In addition to the errors noted above, we also identified additional misstatements ranging from \$214 to \$777,083 that we have brought to the City's attention.

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

Officials' Response:

See corrective action plan.

3. FINDINGS FOR FEDERAL AWARDS

None.



FINANCE DEPARTMENT
CITY OF BOWLING GREEN

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

Finding Number: 2024-001
Planned Corrective Action: The City will review the annual financial report for completeness and accuracy prior to the IPA filing the report on the HINKLE system
Anticipated Completion Date: May 2026
Responsible Contact Person: Dana Pinkert, Finance Director

OHIO AUDITOR OF STATE KEITH FABER



CITY OF BOWLING GREEN

WOOD 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 2/17/2026

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Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
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