



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CITY OF PERRYSBURG, OHIO
WOOD COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024



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City Council
City of Perrysburg
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Perrysburg, OH 43551

We have reviewed the *Independent Auditors' Report* of the City of Perrysburg, Wood County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh".

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

July 28, 2025

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Perrysburg, Ohio:

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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.

Auditors' 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 auditors' 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, required pension and OPEB schedules and budgetary comparison information, as listed in the table of contents, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2025, on our consideration of the City's internal control over financial reporting and on 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.

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 4, 2025

CITY OF PERRYSBURG, OHIO
Management's Discussion and Analysis
Year Ended December 31, 2024
(*Unaudited*)

The discussion and analysis of the City of Perrysburg's (the "City") financial performance provides an overall review 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 performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2024 are as follows:

- In total, net position increased \$10,859,616 from 2023. Net position for governmental activities increased \$7,755,292, while net position for business-type activities increased \$3,104,324.
- General revenue accounted for \$38,076,752, or 57%, of total revenue. Program specific revenue in the form of charges for services, grants and contributions accounted for \$28,862,618, or 43%, of total revenue of \$66,939,370.
- The City had \$37,950,719 in expenses related to governmental activities. Program revenue of \$7,754,977 reduced the net cost of the City's functions to be financed from the City's general revenue to \$30,195,742.
- The City's unassigned fund balance in the General Fund was \$31,370,656 at year end, or 118% of General Fund expenditures.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City's financial situation as a whole and also give a detailed view of the City's fiscal condition.

The statement of net position and statement of activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. The fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as the amount of funds available for future spending. The fund financial statements focus on the City's most significant funds, with all other nonmajor funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

Statement of Net Position and the Statement of Activities

The analysis of the City as a whole begins with the statement of net position and the statement of activities. These statements provide information that will help the reader to determine if the City is financially better or worse off because of the year's activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by private sector companies. All current year revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the City's net position and changes to that position. These changes inform the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to consider non-financial factors that also impact the City's financial well-being. Some of these factors include the City's tax base and the condition of capital assets.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

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

The City maintains several governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenue, expenditures and changes in fund balances for the general, police & fire pension, and capital improvement tax funds, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation.

Proprietary Funds – There are two types of proprietary funds: enterprise and internal service funds. The City uses enterprise funds to account for its sewer, water and utility collections operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City uses internal service funds for health and welfare self-insurance and postage. The proprietary fund financial statements provide separate information for the sewer and water operations, both of which are considered to be major funds of the City.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

THE CITY AS A WHOLE

As stated previously, the Statement of Net Position looks at the City as a whole. The table below provides a summary of the City's net position for 2024 compared to 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 62,142,579	\$ 54,700,827	\$ 43,299,126	\$ 43,432,157	\$ 105,441,705	\$ 98,132,984
Capital assets	125,826,028	119,223,086	80,198,781	78,483,806	206,024,809	197,706,892
Total assets	<u>187,968,607</u>	<u>173,923,913</u>	<u>123,497,907</u>	<u>121,915,963</u>	<u>311,466,514</u>	<u>295,839,876</u>
Total deferred outflows of resources	<u>11,006,872</u>	<u>13,966,253</u>	<u>1,394,685</u>	<u>2,068,086</u>	<u>12,401,557</u>	<u>16,034,339</u>
Liabilities						
Long-term liabilities:						
Net pension liability	31,940,744	32,660,936	3,358,198	3,728,117	35,298,942	36,389,053
Net OPEB liability	1,652,472	1,843,871	-	80,256	1,652,472	1,924,127
Other long-term liabilities	7,934,087	1,663,512	12,488,315	13,544,483	20,422,402	15,207,995
Current and other liabilities	<u>2,533,923</u>	<u>2,449,063</u>	<u>2,100,712</u>	<u>2,430,732</u>	<u>4,634,635</u>	<u>4,879,795</u>
Total liabilities	<u>44,061,226</u>	<u>38,617,382</u>	<u>17,947,225</u>	<u>19,783,588</u>	<u>62,008,451</u>	<u>58,400,970</u>
Total deferred inflows of resources	<u>7,618,120</u>	<u>8,003,136</u>	<u>71,967</u>	<u>29,098</u>	<u>7,690,087</u>	<u>8,032,234</u>
Net position						
Net investment in capital assets	121,712,083	119,006,752	68,645,492	65,429,249	190,357,575	184,436,001
Restricted	9,394,646	9,312,253	117,425	-	9,512,071	9,312,253
Unrestricted	<u>16,189,404</u>	<u>12,950,643</u>	<u>38,110,483</u>	<u>38,742,114</u>	<u>54,299,887</u>	<u>51,692,757</u>
Total net position	<u>\$147,296,133</u>	<u>\$141,269,648</u>	<u>\$106,873,400</u>	<u>\$104,171,363</u>	<u>\$254,169,533</u>	<u>\$245,441,011</u>

The net pension liability is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*, and the net other postemployment benefits (OPEB) asset and liability are reported pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, and the net pension and OPEB liabilities to the reported net position and subtracting the net OPEB asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board (GASB) standards are national 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 liability* or *net OPEB liability*. GASB Statement No. 68 and GASB Statement 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 Statement No. 68 and GASB Statement No. 75 require the net pension liability and the net OPEB asset and liability to equal the City's proportionate share of each plan's collective:

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

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

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension and net OPEB liabilities. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. If contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion.

Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statement No. 68 and GASB Statement 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 and net OPEB asset and liabilities, respectively, not accounted for as deferred inflows/outflows.

The largest portion of the City's net position (\$190,357,575) reflects its investment in capital assets, less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$9,512,071) represents resources that are subject to external restrictions on how they may be used.

The City's total assets increased during the year, primarily driven by increases in cash and investments and capital assets. The increase in cash and investments was driven by positive operating results. Capital asset activity for the year is discussed later on under the *Capital Assets and Debt Administration* section.

The City's total liabilities increased during the year, primarily due to the issuance of debt. Debt activity for the year is discussed later on under the *Capital Assets and Debt Administration* section. The total liabilities were also impacted by a decrease in net pension liability, due to the state-wide retirement systems experiencing positive investment gains during the measurement period, compared to investment losses in the prior measurement period.

The table below shows the changes in net position for the years ended December 31, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenue:						
Charges for services	\$ 2,753,915	\$ 2,785,342	\$ 20,046,323	\$ 17,969,997	\$ 22,800,238	\$ 20,755,339
Operating grants	3,496,112	2,088,013	6,468	-	3,502,580	2,088,013
Capital grants	1,504,950	473,643	1,054,850	-	2,559,800	473,643
Total program revenue	7,754,977	5,346,998	21,107,641	17,969,997	28,862,618	23,316,995
General revenue:						
Property and other taxes	5,441,946	3,943,735	-	-	5,441,946	3,943,735
Income taxes	27,167,607	25,649,217	-	-	27,167,607	25,649,217
Unrestricted grants and entitlements	1,036,653	2,482,532	-	-	1,036,653	2,482,532
Investment earnings	3,795,944	3,273,497	-	-	3,795,944	3,273,497
Miscellaneous	583,884	426,114	50,718	-	634,602	426,114
Total general revenue	38,026,034	35,775,095	50,718	-	38,076,752	35,775,095
Total revenues	45,781,011	41,122,093	21,158,359	17,969,997	66,939,370	59,092,090
Expenses						
Security of persons and property	16,989,909	15,514,157	-	-	16,989,909	15,514,157
Public health services	26,275	25,941	-	-	26,275	25,941
Leisure time activities	2,433,076	1,592,045	-	-	2,433,076	1,592,045
Community development	590,632	564,539	-	-	590,632	564,539
Basic utility services	1,848,571	1,502,957	-	-	1,848,571	1,502,957
Transportation	5,969,117	7,077,642	-	-	5,969,117	7,077,642
General government	9,975,930	7,932,476	-	-	9,975,930	7,932,476
Interest and fiscal charges	117,209	7,636	-	-	117,209	7,636
Sewer	-	-	9,117,426	6,713,684	9,117,426	6,713,684
Water	-	-	8,999,037	7,995,414	8,999,037	7,995,414
Utility collections	-	-	12,572	5,911	12,572	5,911
Total expenses	37,950,719	34,217,393	18,129,035	14,715,009	56,079,754	48,932,402
Increase (decrease) in net position before transfers	7,830,292	6,904,700	3,029,324	3,254,988	10,859,616	10,159,688
Transfers	(75,000)	(75,000)	75,000	75,000	-	-
Change in net position	7,755,292	6,829,700	3,104,324	3,329,988	10,859,616	10,159,688
Beginning net position, as previously presented	141,269,648	134,439,948	104,171,363	100,841,375	245,441,011	235,281,323
GASBS No. 101 restatement	(1,728,807)	-	(402,287)	-	(2,131,094)	-
Beginning net position, as restated	139,540,841	134,439,948	103,769,076	100,841,375	243,309,917	235,281,323
Ending net position	\$147,296,133	\$141,269,648	\$106,873,400	\$104,171,363	\$254,169,533	\$245,441,011

Governmental Activities

The funding for the governmental activities comes from several different sources, the most significant being the municipal income tax. The City levies and collects a 1.5% income tax on all income earned within the City, as well as on incomes of residents earned outside the City. The increase in income taxes is attributable to better economic conditions, despite a slight increase in unemployment rates (3.9% in 2024 compared to 3.3% in 2023).

In addition to income taxes, general revenues include property taxes and grants and entitlements, such as local government funds, and investment earnings, which experienced some growth during 2024. The City monitors its sources of revenue very closely for fluctuations.

The City experienced an increase in program revenue, driven primarily by growth in operating and capital grants, as the City received grant funding for bulletproof vests, community development and donation of capital infrastructure from developers.

Total expenses increased by \$3.7 million, or 11%. Factors contributing to the increase was a change to the compensated absences liability due to the implementation of GASB Statement No. 101 in 2024. Additionally, collectively bargained salary step raises, a notable rise in health insurance premiums, an increase in overtime and personnel for police and firefighters, and general inflationary increases also contributed to the growth in expenses.

The table below for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges of services and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by general revenues.

	Total Cost of Service 2024	Net Cost of Service 2024	Total Cost of Service 2023	Net Cost of Service 2023
Security of persons and property	\$16,989,909	\$15,143,207	\$15,514,157	\$14,244,269
Public health services	26,275	26,275	25,941	25,941
Leisure time activities	2,433,076	2,236,987	1,592,045	1,277,000
Community Development	590,632	585,702	564,539	267,882
Basic utility services	1,848,571	1,803,888	1,502,957	1,438,897
Transportation	5,969,117	1,763,683	7,077,642	5,066,787
General government	9,975,930	8,518,791	7,932,476	6,541,983
Interest on long-term debt	117,209	117,209	7,636	7,636
 Total expenses	 <u>\$37,950,719</u>	 <u>\$30,195,742</u>	 <u>\$34,217,393</u>	 <u>\$28,870,395</u>

Business-Type Activities

Business-type activities include sewer, water operations, and utilities collections, with revenues generated mainly from service charges. Water rates increased by 3%, and sewer rates by 2% from 2023. In 2024, the change in net position for business activities was \$3,104,324, compared to \$3,329,988 in 2023. If the 2023 restatement for GASB Statement No. 101 is factored in, 2023's net change is \$2,927,701, resulting in a comparable change in net position.

The table below for business-type activities indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges of services and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by general revenues.

	Total Cost of Service 2024	Net Cost of Service 2024	Total Cost of Service 2023	Net Cost of Service 2023
Sewer	\$ 9,117,426	\$ (1,341,460)	\$ 6,713,684	\$ (2,361,438)
Water	8,999,037	(1,646,068)	7,995,414	(881,300)
Utility collections	<u>12,572</u>	<u>8,922</u>	<u>5,911</u>	<u>(12,250)</u>
Total expenses	<u>\$18,129,035</u>	<u>\$ (2,978,606)</u>	<u>\$14,715,009</u>	<u>\$ (3,254,988)</u>

THE CITY'S FUNDS

As noted earlier, the City's governmental funds are accounted for using the modified accrual method of accounting. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of the fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

The following table provides a summary of the City's governmental funds' net change in fund balances at December 31, 2024:

	Fund Balance at 12/31/2024	Fund Balance at 12/31/2023	Net Change in Fund Balance
General	\$ 36,596,044	\$ 32,009,840	\$ 4,586,204
Police & Fire Pension	1,358,820	1,357,952	868
Capital Improvement	4,547,606	2,495,429	2,052,177
Nonmajor Governmental	<u>7,354,420</u>	<u>7,818,682</u>	<u>(464,262)</u>
	<u>\$ 49,856,890</u>	<u>\$ 43,681,903</u>	<u>\$ 6,174,987</u>

The general fund is the City's main operating fund. The balance increased by \$4,474,008 this fiscal year, compared to an increase of \$10,105,640 last year. The decrease in the net change is due to higher personnel costs and transfers out for capital improvements.

The police & fire pension fund remained stable throughout the year, with an increase of \$868. The capital improvement fund saw a rise of \$2.1 million, in contrast to a \$2.0 million decrease in the previous year. This change was attributed to the issuance of \$4 million in bond anticipation notes for the acquisition and renovation of a vacant office building intended to accommodate various City departments and divisions.

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

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2024, the City amended its general fund budget on various occasions. All recommendations for appropriation changes come to Council from the Finance Department.

The City increased its initial revenue budget by \$1.6 million to account for better than anticipated income tax collections. Actual revenue came in higher than budgeted by \$3.2 million due to conservative estimates for investment performance, which performed significantly better than budgeted.

The City reduced its initial expenditure budget by \$327,213 based on conservative estimates. Actual expenditures were \$3.8 million under budget due to cautious budgeting for personnel costs and unused business grants.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2024, the City's capital assets increased \$8,317,917.

Capital Assets at Year-End
(Net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 10,586,544	\$ 10,586,544	\$ 268,733	\$ 268,733	\$ 10,855,277	\$ 10,855,277
Construction in progress	2,405,748	3,376,292	4,066,050	1,296,821	6,471,798	4,673,113
Buildings	20,146,731	16,565,702	21,334,497	22,116,702	41,481,228	38,682,404
Improvements other than buildings	10,426,295	10,729,683	47,036,797	47,149,375	57,463,092	57,879,058
Machinery and equipment	9,859,187	9,704,484	7,471,628	7,610,837	17,330,815	17,315,321
Leased assets	26,399	9,577	-	-	26,399	9,577
Subscription-based IT assets	172,086	233,420	21,076	41,338	193,162	274,758
Infrastructure	72,203,038	68,017,384	-	-	72,203,038	68,017,384
	<u>\$125,826,028</u>	<u>\$119,223,086</u>	<u>\$80,198,781</u>	<u>\$78,483,806</u>	<u>\$206,024,809</u>	<u>\$197,706,892</u>

The City continued to invest in capital assets during 2024. The projects the City worked on during the year included the purchase and renovation of an existing building to move various City departments and divisions. Additionally, the City worked on the downtown revitalization improvements, Courthouse roof replacement, fire station storage building and purchased heavy duty street vehicles, fire equipment, police vehicles.

For business-type activities, the City activity entailed watermain replacements and sanitary sewer improvements.

See Note 8 for additional information about the capital assets of the City.

Debt

At December 31, 2024, the City's outstanding debt increased \$2,397,937.

Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ -	\$ -	\$ 2,850,000	\$ 3,760,000	\$ 2,850,000	\$ 3,760,000
General obligation notes	4,000,000	-	-	-	4,000,000	-
Financing obligations	26,646	13,278	-	-	26,646	13,278
OWDA loan	-	-	8,891,510	9,515,123	8,891,510	9,515,123
IT subscriptions payable	148,171	202,593	9,796	37,192	157,967	239,785
	<u>\$ 4,174,817</u>	<u>\$ 215,871</u>	<u>\$11,751,306</u>	<u>\$13,312,315</u>	<u>\$ 15,926,123</u>	<u>\$ 13,528,186</u>

During 2024, the City issued a \$4,000,000 building acquisition note to finance the purchase of the office building discussed previously. This note was refinanced with a new note in May 2025.

See Note 9 for additional details.

ECONOMIC FACTORS

The City of Perrysburg continues to be a vibrant, growing community. Business and industry have established offices and plants in the City due in part to its proximity to major east/west and north/south highways, as well as major rail systems and airports. The City is home to the Owens-Illinois World Headquarters and Levis Commons Towne Center, a 400+ acre open air lifestyle shopping center. During 2024 the City has continued to see steady development in both the residential and commercial areas. The City looks forward to continued development in future years.

The City uses many economic development tools to encourage economic growth. The City currently has a JEDZ with the City of Toledo, a TIF within the area of the Owens-Illinois /Levis Towne Center, and multiple Community Reinvestment Areas (CRA) Enterprise Zones (EZ). These tools have been used judiciously to encourage specific industries which provide the types of employment that mesh with the existing development in the City. As a means of fostering business growth without sacrificing school district revenues through tax abatement, the City initiated in 2005, a Job Creation and Retention Grant program. The Program rebates 1/3 of annual withholdings for a period of 5 years. Businesses must meet certain job creation and payroll criteria to be eligible for the program.

Some of the largest employers in the City of Perrysburg include: Owens Illinois, Owens Brockway, First Solar, ProMedica, Bon Secours Mercy, Perrysburg Schools and Costco Wholesale.

The City of Perrysburg has taken a conservative approach to budgeting for many years. The City's largest source of revenue is an income tax of 1.5% levied by the City. On a cash basis, the City's income tax revenue increased by 2.9% in 2024. In 2023 income tax collections increased by 2.3% from 2022. The City continues to monitor tax collections. Perrysburg is a thriving community, experiencing growth in both residential and commercial construction. The City remains vigilant in containing its operational costs. To support the growth of the community and improve accessibility to the public, in 2025 the City plans to renovate a recently purchased building to house various City departments and divisions.

The City has been able to balance its tax burden between residents and business/commercial taxpayers and continues to experience significant growth in both of these sectors. There are several potential projects on the horizon. The City continues work on several large projects related to its water and sewer facilities.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Department by calling 419-872-8030, or writing to the City of Perrysburg Finance Department, 201 West Indiana Avenue, Perrysburg, Ohio 43551.

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CITY OF PERRYSBURG, OHIO

Statement of Net Position

December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in pooled cash and investments	\$ 48,715,958	\$ 39,309,703	\$ 88,025,661
Cash in segregated accounts	40,814	-	40,814
Cash and equivalents with fiscal agent	759,590	-	759,590
Receivables:			
Property taxes	5,144,662	-	5,144,662
Income taxes	3,512,244	-	3,512,244
Accounts	541,297	2,350,618	2,891,915
Intergovernmental	1,677,022	-	1,677,022
Interest	376,578	-	376,578
Special assessments	287,067	212,141	499,208
Leases	297,351	-	297,351
Internal balances	(278,592)	278,592	-
Prepaid items	604,119	90,782	694,901
Materials and supplies inventory	112,196	939,865	1,052,061
Net OPEB asset	352,273	117,425	469,698
Nondepreciable capital assets	12,992,292	4,334,783	17,327,075
Depreciable capital assets, net	112,833,736	75,863,998	188,697,734
Total assets	<u>187,968,607</u>	<u>123,497,907</u>	<u>311,466,514</u>
Deferred Outflows of Resources			
Deferred charges on refunding	-	220,831	220,831
Pensions	9,756,322	1,066,848	10,823,170
OPEB	1,250,550	107,006	1,357,556
Total deferred outflows of resources	<u>11,006,872</u>	<u>1,394,685</u>	<u>12,401,557</u>
Liabilities			
Accounts payable	1,006,930	1,706,615	2,713,545
Accrued wages and benefits payable	837,271	114,733	952,004
Intergovernmental payable	373,567	274,672	648,239
Claims payable	199,488	-	199,488
Accrued interest payable	116,667	4,692	121,359
Noncurrent liabilities:			
Due within one year	4,812,032	1,758,413	6,570,445
Due in more than one year:			
Net pension liability	31,940,744	3,358,198	35,298,942
Net OPEB liability	1,652,472	-	1,652,472
Other amounts due in more than one year	3,122,055	10,729,902	13,851,957
Total liabilities	<u>44,061,226</u>	<u>17,947,225</u>	<u>62,008,451</u>
Deferred Inflows of Resources			
Property taxes levied for next year	5,071,254	-	5,071,254
Pensions	576,612	-	576,612
OPEB	1,684,016	71,967	1,755,983
Leases	286,238	-	286,238
Total deferred inflows of resources	<u>7,618,120</u>	<u>71,967</u>	<u>7,690,087</u>
Net Position			
Net investment in capital assets	121,712,083	68,645,492	190,357,575
Restricted for:			
Street, construction, maintenance and repair	4,495,071	-	4,495,071
Garbage and refuse	331,911	-	331,911
Public transportation	407,914	-	407,914
Public safety	2,125,760	-	2,125,760
Municipal court	475,445	-	475,445
Community development	759,590	-	759,590
Post retirement benefits	352,273	117,425	469,698
Other purposes	446,682	-	446,682
Unrestricted	<u>16,189,404</u>	<u>38,110,483</u>	<u>54,299,887</u>
Total net position	<u>\$ 147,296,133</u>	<u>\$ 106,873,400</u>	<u>\$ 254,169,533</u>

See accompanying notes to the basic financial statements.

CITY OF PERRYSBURG, OHIO
 Statement of Activities
 Year Ended December 31, 2024

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental activities:							
Security of persons and property	\$ 16,989,909	\$ 1,336,037	\$ 510,665	\$ -	\$ (15,143,207)	\$ -	\$ (15,143,207)
Public health services	26,275	-	-	-	(26,275)	-	(26,275)
Leisure time activities	2,433,076	196,089	-	-	(2,236,987)	-	(2,236,987)
Community development	590,632	4,930	-	-	(585,702)	-	(585,702)
Basic utility services	1,848,571	7,121	37,562	-	(1,803,888)	-	(1,803,888)
Transportation	5,969,117	140,954	2,559,530	1,504,950	(1,763,683)	-	(1,763,683)
General government	9,975,930	1,068,784	388,355	-	(8,518,791)	-	(8,518,791)
Interest on long-term debt	117,209	-	-	-	(117,209)	-	(117,209)
Total governmental activities	<u>37,950,719</u>	<u>2,753,915</u>	<u>3,496,112</u>	<u>1,504,950</u>	<u>(30,195,742)</u>	<u>-</u>	<u>(30,195,742)</u>
Business-type activities:							
Sewer	9,117,426	9,736,052	3,234	719,600	-	1,341,460	1,341,460
Water	8,999,037	10,306,621	3,234	335,250	-	1,646,068	1,646,068
Utility collections	12,572	3,650	-	-	-	(8,922)	(8,922)
Total business-type activities	<u>18,129,035</u>	<u>20,046,323</u>	<u>6,468</u>	<u>1,054,850</u>	<u>-</u>	<u>2,978,606</u>	<u>2,978,606</u>
Total	<u>\$ 56,079,754</u>	<u>\$ 22,800,238</u>	<u>\$ 3,502,580</u>	<u>\$ 2,559,800</u>	<u>(30,195,742)</u>	<u>2,978,606</u>	<u>(27,217,136)</u>
General revenues:							
Property and other taxes				5,441,946	-	5,441,946	
Municipal income taxes				27,167,607	-	27,167,607	
Grants and contributions not restricted to specific programs				1,036,653	-	1,036,653	
Investment earnings				3,795,944	-	3,795,944	
Miscellaneous				583,884	50,718	634,602	
Transfers				(75,000)	75,000	-	
Total general revenues and transfers				<u>37,951,034</u>	<u>125,718</u>	<u>38,076,752</u>	
Change in net position				7,755,292	3,104,324	10,859,616	
Net position, beginning of year, <i>as previously presented</i>				141,269,648	104,171,363	245,441,011	
Implementation of GASB No. 101				(1,728,807)	(402,287)	(2,131,094)	
Net position, beginning of year, <i>as restated</i>				<u>139,540,841</u>	<u>103,769,076</u>	<u>243,309,917</u>	
Net position end of year				<u>\$ 147,296,133</u>	<u>\$ 106,873,400</u>	<u>\$ 254,169,533</u>	

See accompanying notes to the basic financial statements.

CITY OF PERRYSBURG, OHIO

Balance Sheet

Governmental Funds

December 31, 2024

	General	Police & Fire Pension	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 34,299,727	\$ 1,491,773	\$ 4,749,307	\$ 6,395,597	\$ 46,936,404
Cash in segregated accounts	27,651	-	-	13,163	40,814
Cash and equivalents with fiscal agent	-	-	-	759,590	759,590
Receivables:					
Property and other local taxes	1,958,438	1,717,992	-	1,468,232	5,144,662
Income taxes	3,512,244	-	-	-	3,512,244
Accounts	440,148	-	-	1,836	441,984
Intergovernmental	495,996	54,773	-	1,126,253	1,677,022
Interest	376,578	-	-	-	376,578
Special assessments	215,932	-	-	71,135	287,067
Leases	297,351	-	-	-	297,351
Interfund loans	3,074	-	-	-	3,074
Prepaid items	515,861	-	2,375	24,738	542,974
Materials and supplies inventory	112,196	-	-	-	112,196
Total assets	<u>\$ 42,255,196</u>	<u>\$ 3,264,538</u>	<u>\$ 4,751,682</u>	<u>\$ 9,860,544</u>	<u>\$ 60,131,960</u>

Liabilities, Deferred Inflows of Resources and Fund Balances:

Liabilities:					
Accounts payable	\$ 415,262	\$ -	\$ 204,076	\$ 360,630	\$ 979,968
Accrued wages and benefits payable	685,005	132,953	-	19,313	837,271
Intergovernmental payable	373,567	-	-	-	373,567
Interfund loans payable	-	-	-	3,074	3,074
Total liabilities	<u>1,473,834</u>	<u>132,953</u>	<u>204,076</u>	<u>383,017</u>	<u>2,193,880</u>

Deferred Inflows of Resources:

Property taxes levied for next year	1,949,807	1,711,267	-	1,410,180	5,071,254
Unavailable revenue	1,949,273	61,498	-	712,927	2,723,698
Leases	286,238	-	-	-	286,238
Total deferred inflows of resources	<u>4,185,318</u>	<u>1,772,765</u>	<u>-</u>	<u>2,123,107</u>	<u>8,081,190</u>

Fund Balances:

Nonspendable	745,225	-	2,375	24,738	772,338
Restricted	-	1,358,820	-	6,880,238	8,239,058
Committed	-	-	4,545,231	452,833	4,998,064
Assigned	4,480,163	-	-	763	4,480,926
Unassigned (deficit)	31,370,656	-	-	(4,152)	31,366,504
Total fund balances	<u>36,596,044</u>	<u>1,358,820</u>	<u>4,547,606</u>	<u>7,354,420</u>	<u>49,856,890</u>

Total liabilities, deferred inflows of resources and fund balances	<u>\$ 42,255,196</u>	<u>\$ 3,264,538</u>	<u>\$ 4,751,682</u>	<u>\$ 9,860,544</u>	<u>\$ 60,131,960</u>
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See accompanying notes to the basic financial statements.

CITY OF PERRYSBURG, OHIO
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2024

Total governmental fund balances \$ 49,856,890

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds. 125,826,028

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds. 2,723,698

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

General obligation notes	(4,000,000)
Financing obligations	(26,646)
Subscription liabilities	(148,171)
Accrued interest payable	(116,667)
Compensated absences	<u>(3,759,270)</u> (8,050,754)

The net pension and OPEB liabilities are not due and payable in the current period; net OPEB assets are not available to pay for current period expenditures, therefore, the liabilities, assets, and related deferred inflows/outflows are not reported in the funds:

Deferred outflows - pension	9,756,322
Deferred inflows - pension	(576,612)
Net pension liability	(31,940,744)
Deferred outflows - OPEB	1,250,550
Deferred inflows - OPEB	(1,684,016)
Net OPEB asset	352,273
Net OPEB liability	<u>(1,652,472)</u> (24,494,699)

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

1,434,970

Net position of governmental activities \$ 147,296,133

See accompanying notes to the basic financial statements.

CITY OF PERRYSBURG, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2024

	General	Police & Fire Pension	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property and other local taxes	\$ 1,718,437	\$ 1,576,973	\$ -	\$ 2,144,645	\$ 5,440,055
Income taxes	26,470,715	-	-	-	26,470,715
Intergovernmental	1,157,988	107,855	-	3,442,881	4,708,724
Charges for services	1,842,924	-	-	77,708	1,920,632
Licenses and permits	177,469	-	-	68,880	246,349
Investment earnings	3,531,398	-	-	151,278	3,682,676
Special assessments	214,828	-	-	68,232	283,060
Fines and forfeitures	407,219	-	-	233,055	640,274
All other revenue	624,685	-	-	18,536	643,221
Total revenues	<u>36,145,663</u>	<u>1,684,828</u>	<u>-</u>	<u>6,205,215</u>	<u>44,035,706</u>
Expenditures:					
Current:					
Security of persons and property	12,881,733	1,683,960	-	51,030	14,616,723
Public health and welfare services	26,275	-	-	-	26,275
Leisure time activities	2,290,139	-	-	-	2,290,139
Community development	519,033	-	-	25,512	544,545
Basic utility services	315,079	-	-	1,269,842	1,584,921
Transportation	2,263,172	-	-	656,370	2,919,542
General government	7,943,381	-	-	1,228,410	9,171,791
Capital outlay	294,927	-	6,334,203	3,922,490	10,551,620
Debt service:					
Principal retirement	157,751	-	-	14,959	172,710
Interest and fiscal charges	5,081	-	-	1,155	6,236
Issuance costs	-	-	53,620	-	53,620
Total expenditures	<u>26,696,571</u>	<u>1,683,960</u>	<u>6,387,823</u>	<u>7,169,768</u>	<u>41,938,122</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,449,092</u>	<u>868</u>	<u>(6,387,823)</u>	<u>(964,553)</u>	<u>2,097,584</u>
Other financing sources (uses):					
Inception of software subscriptions	111,110	-	-	-	111,110
Inception of financing obligations	-	-	-	20,546	20,546
Issuance of general obligation notes	-	-	4,000,000	-	4,000,000
Sale of capital assets	31,081	-	-	-	31,081
Transfers in	262,728	-	4,440,000	985,003	5,687,731
Transfers out	(5,380,003)	-	-	(382,728)	(5,762,731)
Total other financing sources (uses)	<u>(4,975,084)</u>	<u>-</u>	<u>8,440,000</u>	<u>622,821</u>	<u>4,087,737</u>
Net change in fund balance	4,474,008	868	2,052,177	(341,732)	6,185,321
Fund balance, beginning of year	32,009,840	1,357,952	2,495,429	7,818,682	43,681,903
Change in inventory reserve	112,196	-	-	(122,530)	(10,334)
Fund balance, end of year	<u>\$ 36,596,044</u>	<u>\$ 1,358,820</u>	<u>\$ 4,547,606</u>	<u>\$ 7,354,420</u>	<u>\$ 49,856,890</u>

See accompanying notes to the basic financial statements.

CITY OF PERRYSBURG, OHIO
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Year Ended December 31, 2024

Net change in fund balances - total governmental funds \$ 6,185,321

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital asset additions	11,798,603
Depreciation expense	(5,180,408)
Loss on capital assets	<u>(15,253)</u>

6,602,942

Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. 663,788

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

Compensated absences	(585,940)
Interest on long-term debt	(110,973)
Change in inventory	<u>(10,334)</u>

(707,247)

The repayment of the principal on financing obligations and subscription liabilities consumes current financial resources of governmental funds, but has not effect on net position. 172,710

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

Pension	2,563,298
OPEB	<u>56,921</u>

2,620,219

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

Pension	(3,690,210)
OPEB	<u>70,870</u>

(3,619,340)

Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (31,465)

The issuance of long-term obligations are recorded as other financing sources individual funds. The net revenue (expense) of the internal service funds in the governmental funds, but are used to increase long-term obligations in the statement of net position. (4,131,656)

Change in net position of governmental activities \$ 7,755,272

See accompanying notes to the basic financial statements.

CITY OF PERRYSBURG, OHIO

Statement of Net Position

Proprietary Funds

December 31, 2024

	Enterprise Funds				Governmental Activities	
	Nonmajor Enterprise Fund		Totals	Internal Service Funds		
	Sewer	Water				
Assets						
Current assets:						
Equity in pooled cash and investments	\$ 27,560,044	\$ 11,412,479	\$ 337,180	\$ 39,309,703	\$ 1,779,554	
Receivables:						
Accounts	1,000,978	1,113,685	235,955	2,350,618	99,313	
Special assessments	190,093	22,048	-	212,141	-	
Prepaid items	47,636	43,146	-	90,782	61,145	
Materials and supplies inventory	-	939,865	-	939,865	-	
Total current assets	<u>28,798,751</u>	<u>13,531,223</u>	<u>573,135</u>	<u>42,903,109</u>	<u>1,940,012</u>	
Noncurrent assets:						
Net OPEB asset	77,970	39,455	-	117,425	-	
Nondepreciable capital assets	2,496,820	1,837,963	-	4,334,783	-	
Depreciable capital assets, net	<u>59,564,255</u>	<u>16,299,743</u>	-	<u>75,863,998</u>	-	
Total noncurrent assets	<u>62,139,045</u>	<u>18,177,161</u>	-	<u>80,316,206</u>	-	
Total assets	<u>90,937,796</u>	<u>31,708,384</u>	<u>573,135</u>	<u>123,219,315</u>	<u>1,940,012</u>	
Deferred outflows of resources						
Deferred charge on refunding	220,831	-	-	220,831	-	
Pensions	708,576	358,272	-	1,066,848	-	
OPEB	<u>71,056</u>	<u>35,950</u>	-	<u>107,006</u>	-	
Total deferred outflows of resources	<u>1,000,463</u>	<u>394,222</u>	-	<u>1,394,685</u>	-	
Liabilities						
Current liabilities:						
Accounts payable	303,043	1,255,649	147,923	1,706,615	26,962	
Accrued wages and benefits payable	75,806	38,927	-	114,733	-	
Intergovernmental payable	-	-	274,672	274,672	-	
Claims payable	-	-	-	-	199,488	
Accrued interest payable	4,692	-	-	4,692	-	
Compensated absences payable	120,554	53,218	-	173,772	-	
Subscription liabilities payable	2,416	2,416	-	4,832	-	
General obligation bonds payable	935,000	-	-	935,000	-	
OWDA loans payable	<u>644,809</u>	-	-	<u>644,809</u>	-	
Total current liabilities	<u>2,086,320</u>	<u>1,350,210</u>	<u>422,595</u>	<u>3,859,125</u>	<u>226,450</u>	
Noncurrent liabilities:						
Compensated absences payable	364,483	175,940	-	540,423	-	
Subscription liabilities payable	2,482	2,482	-	4,964	-	
General obligation bonds payable	<u>1,937,814</u>	-	-	<u>1,937,814</u>	-	
OWDA loans payable	8,246,701	-	-	8,246,701	-	
Net pension liability	<u>2,229,843</u>	<u>1,128,355</u>	-	<u>3,358,198</u>	-	
Total noncurrent liabilities	<u>12,781,323</u>	<u>1,306,777</u>	-	<u>14,088,100</u>	-	
Total liabilities	<u>14,867,643</u>	<u>2,656,987</u>	<u>422,595</u>	<u>17,947,225</u>	<u>226,450</u>	
Deferred Inflows of Resources						
OPEB	47,786	24,181	-	71,967	-	
Net Position						
Net investment in capital assets	50,512,684	18,132,808	-	68,645,492	-	
Restricted for postretirement benefits	77,970	39,455	-	117,425	-	
Unrestricted	<u>26,432,176</u>	<u>11,249,175</u>	<u>150,540</u>	<u>37,831,891</u>	<u>1,713,562</u>	
Total net position	<u>\$ 77,022,830</u>	<u>\$ 29,421,438</u>	<u>\$ 150,540</u>	<u>\$ 1,713,562</u>		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				278,592		
Total net position from above				<u>106,594,808</u>		
Net position of business-type activities				<u>\$ 106,873,400</u>		

See accompanying notes to the basic financial statements.

CITY OF PERRYSBURG, OHIO

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2024

	Enterprise Funds				Governmental Activities
	Sewer	Water	Nonmajor Enterprise Fund	Totals	Internal Service Funds
Operating revenues:					
Charges for services	\$ 9,736,052	\$ 10,306,621	\$ 3,650	\$ 20,046,323	\$ 5,007,411
Other operating revenue	27,572	23,146	-	50,718	-
Total operating revenues	9,763,624	10,329,767	3,650	20,097,041	5,007,411
Operating expenses:					
Personnel services	2,505,313	1,297,666	-	3,802,979	-
Contractual services	1,285,800	6,144,480	12,572	7,442,852	5,120,194
Materials and supplies	2,686,821	770,541	-	3,457,362	-
Depreciation	2,215,891	784,007	-	2,999,898	-
Total operating expenses	8,693,825	8,996,694	12,572	17,703,091	5,120,194
Operating income (loss)	1,069,799	1,333,073	(8,922)	2,393,950	(112,783)
Non-operating expenses:					
Investment earnings	-	-	-	-	75,476
Interest expense and fiscal charges	(419,752)	(350)	-	(420,102)	-
Intergovernmental revenue	3,234	3,234	-	6,468	-
Total non-operating revenues (expenses)	(416,518)	2,884	-	(413,634)	75,476
Income (loss) before contributions and transfers	653,281	1,335,957	(8,922)	1,980,316	(37,307)
Capital contribution	719,600	335,250	-	1,054,850	-
Transfers in	75,000	-	-	75,000	-
Change in net position	1,447,881	1,671,207	(8,922)	3,110,166	(37,307)
Net position, beginning of year, <i>as previously presented</i>	75,862,936	27,864,531	159,462		1,750,869
Implementation of GASB No. 101	(287,987)	(114,300)	-		-
Net position, beginning of year, <i>as restated</i>	75,574,949	27,750,231	159,462		1,750,869
Net position, end of year	\$ 77,022,830	\$ 29,421,438	\$ 150,540		\$ 1,713,562
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(5,842)	
Changes in net position of business-type activities				\$ 3,104,324	

See accompanying notes to the basic financial statements.

CITY OF PERRYSBURG, OHIO

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2024

	Enterprise Funds				Governmental Activities
	Sewer	Water	Nonmajor Enterprise Fund	Totals	Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 9,684,020	\$ 10,123,569	\$ 9,743	\$ 19,817,332	\$ -
Cash receipts from interfund services provided	-	-	-	-	4,941,127
Cash payments to suppliers for goods and services	(4,529,886)	(6,756,849)	-	(11,286,735)	(5,148,343)
Cash payments for employee services and benefits	(2,370,875)	(1,210,947)	-	(3,581,822)	-
Net cash from operating activities	<u>2,783,259</u>	<u>2,155,773</u>	<u>9,743</u>	<u>4,948,775</u>	<u>(207,216)</u>
Cash flows from noncapital financing activities:					
Intergovernmental revenue	3,234	3,234	-	6,468	-
Repayment of advances to other funds	343,000	-	-	343,000	-
Transfers from other funds	75,000	-	-	75,000	-
Net cash from noncapital financing activities	<u>421,234</u>	<u>3,234</u>	<u>-</u>	<u>424,468</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(2,354,795)	(1,305,228)	-	(3,660,023)	-
Principal payments on long-term obligations	(1,547,311)	(13,698)	-	(1,561,009)	-
Interest payments on long-term obligations	(355,669)	(700)	-	(356,369)	-
Net cash from capital and related financing activities	<u>(4,257,775)</u>	<u>(1,319,626)</u>	<u>-</u>	<u>(5,577,401)</u>	<u>-</u>
Cash flows from investing activities:					
Interest	-	-	-	-	75,476
Proceeds from sale of investments	-	-	-	-	-
Net cash from investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,476</u>
Net change	(1,053,282)	839,381	9,743	(204,158)	(131,740)
Cash and investments beginning of year	28,613,326	10,573,098	327,437	39,513,861	1,911,294
Cash and investments end of year	<u>\$ 27,560,044</u>	<u>\$ 11,412,479</u>	<u>\$ 337,180</u>	<u>\$ 39,309,703</u>	<u>\$ 1,779,554</u>
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 1,069,799	\$ 1,333,073	\$ (8,922)	\$ 2,393,950	\$ (112,783)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	2,215,891	784,007	-	2,999,898	-
Changes in assets, liabilities and deferred outflows and inflows:					
Receivables	(79,604)	(206,198)	(3,650)	(289,452)	(66,284)
Prepaid items	12,328	5,597	-	17,925	(61,092)
Supplies inventory	-	(31,017)	-	(31,017)	-
Accounts payable	(569,593)	183,592	147,923	(238,078)	25,962
Accrued wages payable	23,247	12,694	-	35,941	-
Claims payable	-	-	-	-	6,981
Intergovernmental payable	-	-	(125,608)	(125,608)	-
Compensated absences payable	63,931	46,227	-	110,158	-
Deferred outflows - pensions and OPEB	400,106	199,683	-	599,789	-
Deferred inflows - pensions and OPEB	28,418	14,451	-	42,869	-
Net pension and OPEB liabilities and assets	<u>(381,264)</u>	<u>(186,336)</u>	<u>-</u>	<u>(567,600)</u>	<u>-</u>
Net cash from operating activities	<u>\$ 2,783,259</u>	<u>\$ 2,155,773</u>	<u>\$ 9,743</u>	<u>\$ 4,948,775</u>	<u>\$ (207,216)</u>

See accompanying notes to the basic financial statements.

CITY OF PERRYSBURG, OHIO
 Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2024

	Custodial Funds
Assets:	
Cash in segregated accounts	\$ 99,705
Receivables:	
Property taxes	333,351
Intergovernmental	22,528
Payments in lieu of taxes	2,089,910
Special assessments	77,382
Total assets	<u>2,622,876</u>
Liabilities:	
Intergovernmental payable	<u>201,084</u>
Deferred Inflows of Resources:	
Property taxes and payments in lieu of taxes levied for next year	<u>2,421,792</u>
Net Position:	
Restricted for other governments and individuals	\$ -
Total net position	<u>\$ -</u>

See accompanying notes to the basic financial statements.

CITY OF PERRYSBURG, OHIO

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2024

	<u>Custodial Funds</u>
<i>Additions:</i>	
Property taxes collected for distribution	\$ 345,901
Payments in lieu of taxes collected for distribution	2,176,261
Special assessments collected for distribution	77,382
Fines, licenses and permits collected for distribution	1,975,857
Total additions	<u>4,575,401</u>
<i>Deductions:</i>	
Distributions to other governments	<u>4,575,401</u>
Change in net position	-
Net position, beginning of year	-
Net position, end of year	<u>\$ -</u>

See accompanying notes to the basic financial statements.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 1—DESCRIPTION OF THE ENTITY AND REPORTING ENTITY

The City of Perrysburg, Ohio (the "City") was incorporated in 1816 under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Mayor/Council form of government, was adopted in 1960 and has been amended several times, most recently in 2018.

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*, in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which includes the following services: public safety, highways and streets, water, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services. In addition, the City maintains water, sewer and utility collections operations which are reported as enterprise funds.

The accounting policies and financial reporting practices of the City conform to GAAP as applicable to governmental units. The following is a summary of its significant accounting policies.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements distinguish between those activities of the City that are governmental and those that are considered business-type. The internal service funds are eliminated to avoid "doubling up" revenues and expenses; however, the interfund services provided and used are not eliminated in the process of consolidation.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

General Fund – This fund accounts for and reports 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.

Police & Fire Pension Fund – This fund is used to account for financial resources to be used for police and fire pension.

Capital Improvements Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Proprietary Funds. All proprietary funds are reported using the flow of "economic resources" measurement focus. This measurement focus provides that 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 balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

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

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

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

The nonmajor enterprise fund of the City is used to account for utility collections.

Internal Service Funds. These funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has two internal service funds, the Employees Health and Welfare Fund, which is used to account for monies received from the City's departments to cover the cost of health care for employees of the City's departments, and the Postage Meter Fund, which is used to account for postage usage by the various City departments.

Fiduciary Funds. These funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The City's six fiduciary funds are classified as custodial funds. These funds are used to account for the collection and distribution of municipal court fines and forfeitures, payments in lieu of taxes and special assessments to various other organizations and governments.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. 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 deferred outflows of resources and all current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on 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. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its enterprise activities.

Fiduciary funds present a statement of changes 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 and the financial statements of the enterprise and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues - Exchange and Non-Exchange Transactions Revenue 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 a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measureable” means that the amount of the transaction can be determined and “available” means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year-end.

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.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and fiduciary funds. Revenues are recognized when they are earned and expenses recognized when incurred. Government-Wide Statements are also prepared using the accrual basis of accounting.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 10 and 11.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property and payment in lieu of taxes, leases, pension, OPEB and unavailable revenue.

Property and payment in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance the subsequent year's operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements.

Deferred inflows of resources for leases are reported on both the government-wide statement of net position and governmental fund financial statements (see Note 5).

Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue may include delinquent property taxes, income taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 10 and 11).

Expenses/Expenditures On the accrual basis of accounting, 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.

E. Cash and Investments

To improve cash management, all cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Each share of the pool is presented on the financial statements in the account "Equity in Pooled Cash and Investments."

The City has segregated bank accounts for the municipal court, which are separate from the City's central bank accounts. The depository accounts are presented on the financial statements as "cash in segregated accounts" since they are not required to be deposited in the City treasury.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment procedures and interest allocations are restricted by provisions of the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. During the year, investments were limited to money market mutual funds, U.S. agency securities, U.S. Treasury securities, State Treasury Asset Reserve of Ohio (STAR Ohio) and negotiable certificates of deposit.

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 GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

STAR Ohio reserves the right to limit the transaction to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For 2024, there were no limitations or restrictions on any participants withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Investments with an original maturity of three months or less at the time of are reported as investments on the financial statements.

F. Materials and Supplies Inventory

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

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. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Capital Assets

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

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition values on the date donated. The City maintains a capitalization threshold of \$10,000. 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 expensed.

All reported capital assets, except land and construction in progress, are depreciated. Subscription-based information technology (IT) assets are amortized over the shorter of the subscription term or the useful life of the underlying subscription-based IT asset. 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 replacements. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	30 – 40 years
Improvements other than Buildings	50 years
Infrastructure	10 – 50 years
Machinery and Equipment	5 – 15 years

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

I. Compensated Absences

Employees are eligible for vacation at varying rates depending on their years of service to the City. Any vacation earned during the year must be taken during the subsequent year. Unless requested by the City, no bargaining unit employee will receive vacation pay in lieu of vacation time off with pay. Non-bargaining unit employees are eligible to receive payout of up to 40 hours of unused vacation time at their anniversary date.

Sick leave is accrued by all employees at the rate of .0577 hours for each hour worked for a maximum of 120 hours in a calendar year, or 150 hours in a calendar year for all IAFF (Fire) bargaining unit employees.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A percentage of accrued sick leave time is liquidated in cash upon normal retirement under the appropriate State of Ohio retirement system after ten years of credited service, or upon death, or upon termination of employment other than for disciplinary reasons after fifteen years of service with the City. The rate of cash compensation for sick leave payout varies within specified limits under collective bargaining agreements or under law. Generally, employees may receive 25% of their first 1,000 hours of sick leave accrued, plus 50% of their next 1,250 hours of sick leave accrued, plus 100% of their next 125 hours of sick leave accrued, not to exceed 1,000 hours sick leave accrued payout after meeting the minimum service time requirement. Cash compensation for sick leave is paid at the employee's full rate of pay at the time of termination or retirement.

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is more likely than not that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits considered more likely than not to be used or settled at termination are recognized as a liability in the financial statements. The amount is based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the City's termination policy. The City records a liability for all accumulated unused vacation time when earned for all employees. For sick leave, the City uses the first-in, first-out flow assumption, where the oldest accumulated leave is the leave used first.

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignation or retirement. These amounts are recorded as compensated absences payable in the fund from which the employees who have accumulated leave are paid.

The entire compensated absence liability is reported on the government-wide statement of net position.

J. Accrued Liabilities and Long-term Obligations

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

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Pensions/Other Postemployment Benefits (OPEB)

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

L. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

M. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. The nonspendable fund balances for the City include prepaid items and inventory.

Restricted – Fund balance is reported as 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.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the City. The City Council has by resolution authorized the City Auditor to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated 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 resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which 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 could be used.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the City, these revenues are charges for services for water and utility services. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

O. Internal Activity

Transfers between governmental activities are eliminated on the government wide financial statements. Transfers between governmental and business-type activities on the government-wide 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. Interfund payments for services provided and used are not eliminated.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On the fund financial statements, receivables and payable resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the statement of net

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

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CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 3—FUND BALANCES

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

Fund Balances	General	Police & Fire	Capital	Other	Total
	Fund	Pension Fund	Improvement Fund	Governmental Funds	Governmental Funds
<i>Nonspendable</i>					
Inventory	\$ 112,196	\$ -	\$ -	\$ -	\$ 112,196
Prepays	515,861	-	2,375	24,738	542,974
Unclaimed funds	<u>117,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,168</u>
Total Nonspendable	745,225	-	2,375	24,738	772,338
<i>Restricted for</i>					
Street improvements	-	-	-	3,817,367	3,817,367
Garbage and refuse	-	-	-	317,802	317,802
Public transportation	-	-	-	378,707	378,707
Public safety	-	1,358,820	-	705,442	2,064,262
Municipal court	-	-	-	458,800	458,800
Community development	-	-	-	759,590	759,590
Other purposes	-	-	-	442,530	442,530
Total Restricted	-	1,358,820	-	6,880,238	8,239,058
<i>Committed to</i>					
Capital improvements	-	-	4,545,231	452,833	4,998,064
<i>Assigned to</i>					
Other purposes	314,052	-	-	763	314,815
Subsequent year appropriations	<u>4,166,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,166,111</u>
Total Assigned	4,480,163	-	-	763	4,480,926
Unassigned	31,370,656	-	-	(4,152)	31,366,504
Total Fund Balance	\$ 36,596,044	\$ 1,358,820	\$ 4,547,606	\$ 7,354,420	\$ 49,856,890

Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances outstanding was as follows:

General Fund	\$ 729,314
Capital Improvement Fund	2,926,770
Other Governmental Funds	738,785
	\$ 4,394,869

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 4—DEPOSITS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the City into three categories:

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

Category 2 consists of "inactive" funds - those funds not required for use within the current five-year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories. Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

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

Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is to place deposits with major local banks.

CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 4—DEPOSITS AND INVESTMENTS (continued)

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

At year end, the carrying amount of the City's deposits was \$12,429,571 and the bank balance was \$13,521,161. Federal depository insurance covered \$500,000 of the bank balance and \$13,021,161 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent, but not in the City's name and securities held in the Ohio Pooled Collateral System.

Cash and Equivalents with Fiscal Agent - At year end, the City reported \$759,590 as cash and equivalents with fiscal agents for funds available for revolving loans.

Cash in Segregated Accounts - Various municipal court accounts are recorded in the governmental and fiduciary funds of the City. The carrying amount of these deposits are reported as "Cash in segregated accounts." The bank balances are covered by Federal depository insurance as previously discussed.

Investments - As of December 31, 2024, the City had the following investments:

		Average		
	Balance at	Weighted		S&P
	<u>12/31/24</u>	<u>Maturity (Yrs)</u>	<u>Concentration</u>	<u>Ratings</u>
<u>Fair Value</u>				
<u>Level 1</u>				
US Treasury	\$ 17,807,691	2.28	23.5%	
<u>Level 2</u>				
Negotiable CDs	6,900,569	2.95	9.1%	<i>not rated</i>
U.S. Agency Securities	<u>38,870,944</u>	<u>2.22</u>	<u>51.3%</u>	<u>AA+</u>
	45,771,513			
<u>Amortized Cost</u>				
Money Market	908,052	0.02	1.2%	AAAm
STAR Ohio	<u>11,249,353</u>	<u>0.07</u>	<u>14.9%</u>	<u>AAAm</u>
Total	<u><u>\$ 75,736,609</u></u>		<u><u>100.0%</u></u>	

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 4—DEPOSITS AND INVESTMENTS (continued)

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 table identifies the City's recurring fair value measurements as of December 31, 2024. The City's 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).

Interest Rate Risk: The City's investment policy limits security purchases to those that mature within five years of settlement date.

Credit Risk: The City's investment policy limits investments to those authorized by State statute which restricts investments to those that are highly rated or backed by the enterprises of the United States Government.

Concentration of Credit Risk: The City places no limit on the amount the City may invest in one issuer. The percentage that each investment represents of the total investments is listed in the table above.

NOTE 5—RECEIVABLES

Receivables at December 31, 2024, consisted primarily of accounts, accrued interest on investments, intergovernmental receivables arising from entitlements, shared revenues, property and income taxes, payments in lieu of taxes, leases and special assessments receivable.

Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2024 were levied after October 1, 2023 on assessed values as of January 1, 2023, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed during 2023 and the last equalization adjustment was completed in 2020. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

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

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 5—RECEIVABLES (continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Perrysburg. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2024 and the assessed value upon which the 2024 receipts were based was:

Real Property Assessed Valuation	\$ 1,010,942,250
Public Utility Property Assessed Valuation	<u>10,230,400</u>
Total	<u>\$ 1,021,172,650</u>
 Tax Rate	 \$5.65

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people.

Income Tax

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 50% of the tax paid to another municipality to a maximum of 50% of the total amount assessed.

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

Leases

As a lessor, the City recognizes a lease receivable based on the net present value of future lease payments to be received for the lease term and a deferred inflow of resources based on net present value calculated using the rate explicit in the contract, the rate implied in the contract, or the City's incremental borrowing rate plus the net impact of any payments to be received at or before commencement of the lease term that relate to future periods, as well as lease incentives payable to the lessee. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. For short-term lease contracts defined as having a maximum possible term of 12 months or less—the City recognizes revenue based on the payment provisions of the lease contract.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 5—RECEIVABLES (continued)

As of December 31, 2024, the City had four active leases. The leases have receipts that range from \$10,539 to \$89,322 and interest rates that range from 0.2383% to 3.0590%. At December 31, 2024, the combined lease receivable is \$297,351 and the related deferred inflows of resources is \$286,238. The future minimum lease payments are as follows:

Year Ending December 31,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 166,748	\$ 2,335
2026	52,338	577
2027	52,631	284
2028	24,624	40
2029	1,010	-
	<u>\$ 297,351</u>	<u>\$ 3,236</u>

NOTE 6—TAX ABATEMENTS

Real Estate Tax Abatements

As of December 31, 2024, the City of Perrysburg provides tax incentives under three programs: Tax Increment Financing (TIF), Jobs Grant, and Community Reinvestment Area (CRA).

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

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

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 6—TAX ABATEMENTS (continued)

Below is the information relevant to the disclosure of those programs for the year ending December 31, 2024.

Property Tax Abatement	Type	Total Amount of Taxes Abated (Incentives Abated)	
		For the Year 2024 In Actual Dollars)	
York Automotive (2021 - 2030)	CRA	\$	75,056
OI Levis Park STS (2015 - 2024)	CRA		23,179
SEP Perrysburg MOB LLC (2019 - 2028)	CRA		27,079
Cutting Edge Countertops (2019 - 2032)	CRA		51,790
Ohio CAT (2022 - 2031)	CRA		84,076
All Other CRAs	CRA		44,949
Mercy Health North	Jobs Grant		150,000
Ohio Machinery Co., DBA Ohio CAT	Jobs Grant		47,868
All other Jobs Grants	Jobs Grant		37,716
		\$	541,713

NOTE 7—INTERFUND TRANSACTIONS

The following is a summary of the City's interfund transactions for 2024:

	Transfers		Interfund Loans	
	In	Out	Receivable	Payable
General Fund	\$ 262,728	\$ 5,380,003	\$ 3,074	\$ -
Capital Improvement Fund	4,440,000	-	-	-
Nonmajor Governmental Funds	985,003	382,728	-	3,074
Sewer Fund	75,000	-	-	-
	<u>\$ 5,762,731</u>	<u>\$ 5,762,731</u>	<u>\$ 3,074</u>	<u>\$ 3,074</u>

Interfund loans were made to provide operating capital. Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 8—CAPITAL ASSETS

A summary of changes in capital assets during 2024 follows:

	Balance 12/31/23	Additions	Deletions	Balance 12/31/24
Governmental Activities				
<i>Nondepreciable capital assets:</i>				
Land	\$ 10,586,544	\$ -	\$ -	\$ 10,586,544
Construction in progress	<u>3,376,292</u>	<u>881,601</u>	<u>(1,852,145)</u>	<u>2,405,748</u>
<i>Total nondepreciable capital assets</i>	<u>13,962,836</u>	<u>881,601</u>	<u>(1,852,145)</u>	<u>12,992,292</u>
<i>Depreciable capital assets:</i>				
Buildings	27,929,911	4,327,939	-	32,257,850
Improvements other than buildings	<u>14,726,424</u>	<u>-</u>	<u>-</u>	<u>14,726,424</u>
Machinery and equipment	23,913,908	1,563,568	(1,204,844)	24,272,632
Leased machinery and equipment	<u>13,482</u>	<u>32,351</u>	<u>(7,716)</u>	<u>38,117</u>
Subscription-based IT agreements	374,508	271,471	(245,863)	400,116
Infrastructure	<u>102,363,675</u>	<u>6,573,818</u>	<u>-</u>	<u>108,937,493</u>
<i>Total depreciable capital assets</i>	<u>169,321,908</u>	<u>12,769,147</u>	<u>(1,458,423)</u>	<u>180,632,632</u>
<i>Accumulated depreciation:</i>				
Buildings	(11,364,209)	(746,910)	-	(12,111,119)
Improvements other than buildings	<u>(3,996,741)</u>	<u>(303,388)</u>	<u>-</u>	<u>(4,300,129)</u>
Machinery and equipment	(14,209,424)	(1,393,612)	1,189,591	(14,413,445)
Leased machinery and equipment	<u>(3,905)</u>	<u>(15,529)</u>	<u>7,716</u>	<u>(11,718)</u>
Subscription-based IT agreements	(141,088)	(332,805)	245,863	(228,030)
Infrastructure	<u>(34,346,291)</u>	<u>(2,388,164)</u>	<u>-</u>	<u>(36,734,455)</u>
<i>Total accumulated depreciation</i>	<u>(64,061,658)</u>	<u>(5,180,408)</u>	<u>1,443,170</u>	<u>(67,798,896)</u>
<i>Total capital assets being depreciated, net</i>	<u>105,260,250</u>	<u>7,588,739</u>	<u>(15,253)</u>	<u>112,833,736</u>
<i>Total Governmental Activities</i>	<u><u>\$ 119,223,086</u></u>	<u><u>\$ 8,470,340</u></u>	<u><u>\$ (1,867,398)</u></u>	<u><u>\$ 125,826,028</u></u>

Depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$ 927,705
Leisure time activities	297,025
Community development	27,411
Basic utility services	237,945
Transportation	3,039,561
General government	650,761
<i>Total Depreciation Expense</i>	<u><u>\$ 5,180,408</u></u>

CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 8—CAPITAL ASSETS (continued)

	Balance			Balance
	12/31/23	Additions	Deletions	12/31/24
<u>Business-Type Activities</u>				
<i>Nondepreciable capital assets:</i>				
Land	\$ 268,733	\$ -	\$ -	\$ 268,733
Construction in progress	1,296,821	3,121,133	(351,904)	4,066,050
<i>Total nondepreciable capital assets</i>	<u>1,565,554</u>	<u>3,121,133</u>	<u>(351,904)</u>	<u>4,334,783</u>
<i>Depreciable capital assets:</i>				
Buildings	33,066,482	35,476	-	33,101,958
Improvements other than buildings	77,390,534	1,360,085	-	78,750,619
Machinery and equipment	21,255,635	550,083	(117,751)	21,687,967
Subscription-based IT agreements	58,220	-	(27,900)	30,320
<i>Total depreciable capital assets</i>	<u>131,770,871</u>	<u>1,945,644</u>	<u>(145,651)</u>	<u>133,570,864</u>
<i>Accumulated depreciation:</i>				
Buildings	(10,949,780)	(817,681)	-	(11,767,461)
Improvements other than buildings	(30,241,159)	(1,472,663)	-	(31,713,822)
Machinery and equipment	(13,644,798)	(689,292)	117,751	(14,216,339)
Subscription-based IT agreements	(16,882)	(20,262)	27,900	(9,244)
<i>Total accumulated depreciation</i>	<u>(54,852,619)</u>	<u>(2,999,898)</u>	<u>145,651</u>	<u>(57,706,866)</u>
<i>Total capital assets being depreciated, net</i>	<u>76,918,252</u>	<u>(1,054,254)</u>	<u>-</u>	<u>75,863,998</u>
<i>Total Business-Type Activities</i>	<u><u>\$ 78,483,806</u></u>	<u><u>\$ 2,066,879</u></u>	<u><u>\$ (351,904)</u></u>	<u><u>\$ 80,198,781</u></u>

NOTE 9—LONG-TERM OBLIGATIONS

Changes in long-term obligations of the City during the year ended December 31, 2024, were as follows:

	<i>Restated</i>			<i>Amount Due</i>
	<i>Balance</i>			<i>Within One</i>
	<i>12/31/23</i>	<i>Issued</i>	<i>Retired</i>	<i>Year</i>
<u>Governmental Activities</u>				
<i>General Obligation Notes</i>				
Series 2024 Building Acquisition	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000
<i>Direct Borrowing</i>				
Financing Obligations	13,278	20,546	(7,178)	26,646
IT Subscriptions Payable	202,593	111,110	(165,532)	148,171
<i>Other Long-Term Obligations</i>				
Compensated Absences*	<u>3,176,448</u>	<u>582,822</u>	<u>-</u>	<u>3,759,270</u>
<i>Total Governmental Activities</i>	<u><u>\$ 3,392,319</u></u>	<u><u>\$ 4,714,478</u></u>	<u><u>\$ (172,710)</u></u>	<u><u>\$ 7,934,087</u></u>
				<u><u>\$ 4,812,032</u></u>

* The change in compensated absences above is a net change for the year.

CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 9—LONG-TERM OBLIGATIONS (continued)

	Restated Balance 12/31/23		Issued	Retired	Balance 12/31/24		Amount Due Within One Year	
	Business-Type Activities	General Obligation Bonds			Direct Borrowings	Other Long-Term Obligations	Total Business-Type Activities	
2016 Various Purpose Refunding Bonds	\$ 3,760,000	\$ -	\$ (910,000)	\$ 2,850,000	\$ 935,000			
Unamortized bond premiums	30,418	-	(7,604)	22,814	-			
OWDA Loan	9,515,123	-	(623,613)	8,891,510	644,809			
IT Subscriptions Payable	37,192	-	(27,396)	9,796	4,832			
Compensated Absences*	604,037	110,158	-	714,195	173,772			
<i>Total Business-Type Activities</i>	<u>\$ 13,946,770</u>	<u>\$ 110,158</u>	<u>\$ (1,568,613)</u>	<u>\$ 12,488,315</u>	<u>\$ 1,758,413</u>			

* The change in compensated absences above is a net change for the year.

Annual debt service requirements to maturity for long-term obligations at December 31, 2024 are:

Year Ending December 31,	Governmental Activities							
	Direct Borrowing							
	General Obligation Notes		Financing Obligations		IT Subscriptions Payable			
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 4,000,000	\$ 200,000	\$ 7,902	\$ 673	\$ 89,832	\$ 2,925		
2026	-	-	8,138	437	18,383	1,419		
2027	-	-	5,220	220	12,251	951		
2028	-	-	4,295	100	13,690	660		
2029	-	-	1,091	7	14,015	334		
	<u>\$ 4,000,000</u>	<u>\$ 200,000</u>	<u>\$ 26,646</u>	<u>\$ 1,437</u>	<u>\$ 148,171</u>	<u>\$ 6,289</u>		
Business-Type Activities								
Year Ending December 31,	Direct Borrowing							
	General Obligation Bonds		OWDA Loan		IT Subscriptions Payable			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 935,000	\$ 56,300	\$ 644,809	\$ 261,950	\$ 4,832	\$ 273		
2026	950,000	37,600	666,722	242,442	4,964	138		
2027	965,000	18,600	689,380	222,272	-	-		
2028	-	-	712,808	201,417	-	-		
2029	-	-	737,032	179,852	-	-		
2030-2034	-	-	4,078,331	549,256	-	-		
2035-2036	-	-	1,362,428	41,100	-	-		
	<u>\$ 2,850,000</u>	<u>\$ 112,500</u>	<u>\$ 8,891,510</u>	<u>\$ 1,698,289</u>	<u>\$ 9,796</u>	<u>\$ 411</u>		

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 9—LONG-TERM OBLIGATIONS (continued)

General Obligation Notes. In 2024, the City issued \$4,000,000 in Series 2024 Building Acquisition Notes to finance the purchase of an existing office building. The Notes mature on May 2, 2025 and bear an interest rate of 5.0% and will be retired from the Capital Improvement Fund. These Notes were refinanced in May 2025 with \$4,000,000 in Series 2025 Building Acquisition Notes at an interest rate of 5.0% and will mature on May 1, 2026.

Financing Obligations. In 2022 and 2024, the City entered into financing obligations with Pitney Bowes and Mail Finance for the use of two postage machines by the City. These financing obligations have been included as part of the long-term liabilities in the Government-Wide Statement of Net Position with a remaining balance of \$26,646. These obligations are being retired from the nonmajor governmental funds.

IT Subscriptions Payable. As of December 31, 2024, the City had twenty active IT subscriptions. The subscriptions have payments that range from \$660 to \$157,968 and interest rates that range from 2.381% to 3.742%. The IT subscriptions payable have been included as part of the long-term liabilities in the Government-Wide Statement of Net Position with a remaining balance of \$148,171 in the Governmental Activities and \$9,796 in the Business-Type Activities. These payables are being retired from the General Fund, Sewer Fund, Water Fund and nonmajor governmental funds.

OWDA Loan. The City's direct borrowing from OWDA in the amount of \$8,891,510 contains a provision that in the event of default, the amount of such default shall bear interest at the default rate from the due date until the date of the payment. In addition to the interest, a late charge of one percent on the amount of each default shall also be paid to OWDA by the City. This loan will be retired from the Sewer Fund.

2016 Sewer System General Obligation Refunding Bonds. The Sewer System General Obligation Bonds are term bonds issued to advance refund \$7,985,000 of general obligation sewer improvement bonds issued in 2009. The bonds bear an interest rate of 2.00%. These bonds will be retired from the Sewer Fund.

NOTE 10—DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 10—DEFINED BENEFIT PENSION PLANS (continued)

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

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees).

State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to net pension liability would be effective when the changes are legally enforceable.

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

Plan Description—Ohio Public Employees Retirement System (OPERS)

Plan Description—City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit plan with defined contribution features. Effective January 1, 2022, members may no longer select the combined plan. In October 2023, the legislature approved House Bill 33, which allows for the consolidation at the discretion of the OPERS Board. While members (e.g., City employees) may elect the member-directed plan and the combined plan, the majority of employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 10—DEFINED BENEFIT PENSION PLANS (continued)

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

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

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three-member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' ACFR referenced above for additional information):

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Funding Policy—The ORC provides statutory authority for member and employer contributions. For 2024, member contribution rates were 10% of salary and employer contribution rates were 14%. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,269,966 for 2024. Of this amount, \$110,391 is reported as an intergovernmental payable.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 10—DEFINED BENEFIT PENSION PLANS (continued)

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

Plan Description—The City's full-time police and firefighters participate in the 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 adjustment, 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 ORC. OP&F issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about OP&F's fiduciary net position. That report may be obtained by visiting <https://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 July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit, and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving 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 and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3% of their base pension or disability benefit.

CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 10—DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy—The 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	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contributions to OP&F was \$1,610,052 for 2024. Of this amount, \$132,953 is reported as an intergovernmental payable.

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

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

	OPERS	OP&F	Total
Proportionate Share of Net Pension Liability	\$ 13,432,792	\$ 21,866,150	\$ 35,298,942
Proportion of Net Pension Liability	0.051309%	0.226325%	
Change in Proportion	0.000408%	0.001535%	
Pension Expense	\$ 1,581,253	\$ 2,522,588	\$ 4,103,841

CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 10—DEFINED BENEFIT PENSION PLANS (continued)

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

	OPERS	OP&F	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$ 219,547	\$ 701,966	\$ 921,513
Net differences between projected and actual investment earnings	2,711,311	2,477,895	5,189,206
Change in assumptions	-	1,381,917	1,381,917
Change in proportionate share and difference in employer contributions	69,654	380,862	450,516
City contributions subsequent to the measurement date	<u>1,269,966</u>	<u>1,610,052</u>	<u>2,880,018</u>
	<u><u>\$ 4,270,478</u></u>	<u><u>\$ 6,552,692</u></u>	<u><u>\$ 10,823,170</u></u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ -	\$ 244,548	\$ 244,548
Change in assumptions	-	332,064	332,064
	<u><u>\$ -</u></u>	<u><u>\$ 576,612</u></u>	<u><u>\$ 576,612</u></u>

\$2,880,018 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F
Year Ending December 31:		
2025	\$ 732,573	\$ 1,199,334
2026	923,813	1,260,766
2027	1,730,206	1,812,855
2028	(386,080)	(23,763)
2029	-	113,434
Thereafter	-	3,402
	<u><u>\$ 3,000,512</u></u>	<u><u>\$ 4,366,028</u></u>

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 10—DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions—OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	2.75%
Future salary increases (including inflation)	2.75% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple; Post 1/7/2013 retirees: 3% simple through 2024, then 2.05% simple
Investment rate of return	6.90%
Actuarial cost method	Individual entry age

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

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

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

CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 10—DEFINED BENEFIT PENSION PLANS (continued)

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future 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 arithmetic 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
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	<u>5.00%</u>	3.46%
Total	<u>100.00%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension 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 statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following chart represents the City's proportionate share of the net pension liability at the 6.90% discount rate, as well as the sensitivity to a 1% increase and 1% decrease in the current discount rate:

	1% Decrease	Current	1% Increase
	(5.9%)	Discount Rate of 6.9%	(7.9%)
City's proportionate share of the net pension liability	\$ 21,147,155	\$ 13,432,792	\$ 7,017,069

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 10—DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions—OP&F

OP&F's total pension liability as of December 31, 2023 is based on the results of an actuarial valuation date of January 1, 2023, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2023, are presented below:

Valuation date	January 1, 2023 with actuarial liabilities rolled forward to December 31, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.50%
Projected salary increases	3.75% to 10.50%
Payroll growth	2.75% plus productivity increase rate of 0.5%
Inflation assumptions	2.75%
Cost of living adjustments	2.2% 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% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. 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 expenses 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 asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 10—DEFINED BENEFIT PENSION PLANS (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	18.6%	4.1%
Non-U.S. equity	12.4%	4.9%
Private markets	10.0%	7.3%
Core fixed income*	25.0%	2.4%
High yield fixed income	7.0%	4.1%
Private credit	5.0%	6.8%
U.S. inflation linked bonds*	15.0%	2.1%
Midstream energy infrastructure	5.0%	5.8%
Real assets	8.0%	6.0%
Gold	5.0%	3.5%
Private real estate	12.0%	5.4%
Commodities	2.0%	3.5%
	125.0%	

*Note: Assumptions are geometric. * Levered 2x*

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

Discount Rate. The total pension liability was calculated using the discount rate of 7.5%. 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 earnings were calculated using the longer-term assumed investment rate of return of 7.5%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 10—DEFINED BENEFIT PENSION PLANS (continued)

Sensitivity of the Employer'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 a discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%), or one percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate of 7.5%	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 28,963,344	\$ 21,866,150	\$ 15,964,143

NOTE 11—DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Net OPEB Liability/(Asset)

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

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

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The ORC permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/(asset). Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 11—DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Plan Description—OPERS

The 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. Effective January 1, 2022, the combined plan is no longer available for member selection. In October 2023, the legislature approved House Bill 33 which allows for the consolidation of the combined plan with the traditional pension plan with the timing of the consolidation at the discretion of OPERS.

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

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via a Health Reimbursement Arrangement allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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

The ORC 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 ORC.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting 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 ORC provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 11—DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

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% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the ORC. 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. The portion of employer contributions allocated to health care was 0% for members in the Traditional Pension and 2% for members in the Combined Plan.

The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2024 was 4.0%.

The City's contractually required contribution to OPERS for OPEB was \$25,083 for 2024.

Plan Description—OP&F

The City contributes to the OP&F stipend funded via the Health Care Stabilization Fund. This benefit is available to eligible members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. The stipend model allows eligible members the option of choosing an appropriate health care plan on the exchange. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The ORC 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 ORC.

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.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 11—DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Funding Policy—The ORC 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% and 24.0% of covered payroll for police and fire employer units. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2023, the portion of the employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

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

The City's contractually required contribution to OP&F for OPEB was \$38,093 for 2024.

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

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

CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 11—DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportionate Share of Net OPEB Liability/(Asset)	\$ (469,698)	\$ 1,652,472	\$ 1,182,774
Proportion of Net OPEB Liability/(Asset)	0.052043%	0.226325%	
Change in Proportion	0.000706%	0.001535%	
OPEB Expense	\$ (58,121)	\$ (28,347)	\$ (86,468)

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

	OPERS	OP&F	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$ -	\$ 79,463	\$ 79,463
Net differences between projected and actual investment earnings	282,081	122,025	404,106
Change in assumptions	120,924	568,632	689,556
Change in proportionate share and difference in employer contributions	-	121,255	121,255
City contributions subsequent to the measurement date	<u>25,083</u>	<u>38,093</u>	<u>63,176</u>
	<u><u>\$ 428,088</u></u>	<u><u>\$ 929,468</u></u>	<u><u>\$ 1,357,556</u></u>

	OPERS	OP&F	Total
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$ 66,852	\$ 303,675	\$ 370,527
Change in assumptions	201,910	1,064,152	1,266,062
Change in proportionate share and difference in employer contributions	<u>19,103</u>	<u>100,291</u>	<u>119,394</u>
	<u><u>\$ 287,865</u></u>	<u><u>\$ 1,468,118</u></u>	<u><u>\$ 1,755,983</u></u>

\$63,176 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net OPEB (asset) or a reduction of the net OPEB liability in the year ended December 31, 2025.

CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 11—DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

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
2025	\$ (25,261)	\$ (65,060)
2026	16,075	(55,100)
2027	219,575	(23,114)
2028	(95,249)	(127,693)
2029	-	(140,129)
Thereafter	-	(165,647)
	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>
	\$ 115,140	\$ (576,743)

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 health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	2.75%
Projected salary increases	2.75% to 10.75%, including wage inflation
Singe discount rate:	
Current measurement period	5.70%
Prior measurement period	5.22
Investment rate of return	6.00%
Municipal bond rate:	
Current measurement period	3.77%
Prior measurement period	4.05%
Health care cost trend rate:	
Current measurement period	5.5% initial, 3.50% ultimate in 2038
Prior measurement period	5.5% initial, 3.50% ultimate in 2036
Actuarial cost method	Individual entry age

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 11—DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

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

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

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

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

CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 11—DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

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

Discount Rate. A single discount rate of 5.70% was used to measure the OPEB liability on the measurement date of December 31, 2023. 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. 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 (Asset) to Changes in the Discount Rate. The following table presents the City's proportionate share of the net OPEB (asset) calculated using the single discount rate of 5.70%, as well as what the City's proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1.0% point lower (4.70%) or 1.0% point higher (6.70%) than the current rate:

	Current		
	1% Decrease (4.70%)	Discount Rate of 5.70%	1% Increase (6.70%)
City's proportionate share of the net OPEB liability / (asset)	\$ 257,996	\$ (469,698)	\$ (1,072,035)

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 11—DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Sensitivity of the City's Proportionate Share of the Net OPEB (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 (asset). The following table presents the net OPEB (asset) calculated using the assumed trend rates, and the expected net OPEB (asset) if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% 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%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	Current Health Care Cost Trend		
	1% Decrease	Rate Assumption	1% Increase
City's proportionate share of the net OPEB (asset)	\$ (488,944)	\$ (469,698)	\$ (447,331)

Actuarial Assumptions—OP&F

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 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.

Projections of benefit for financial 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 applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 11—DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Key Methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Actuarial valuation date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.50%
Projected salary increases	3.75% to 10.50%
Payroll growth	3.25%
Single discount rate:	
Current measurement period	4.07%
Prior measurement period	4.27%
Municipal bond rate:	
Current measurement period	3.38%
Prior measurement period	3.65%
Cost of living adjustments	2.2% 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% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

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

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

CITY OF PERRYSBURG, OHIO
 Notes to the Basic Financial Statements
 Year Ended December 31, 2024

NOTE 11—DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	18.6%	4.1%
Non-U.S. equity	12.4%	4.9%
Private markets	10.0%	7.3%
Core fixed income*	25.0%	2.4%
High yield fixed income	7.0%	4.1%
Private credit	5.0%	6.8%
U.S. inflation linked bonds*	15.0%	2.1%
Midstream energy infrastructure	5.0%	5.8%
Real assets	8.0%	6.0%
Gold	5.0%	3.5%
Private real estate	12.0%	5.4%
Commodities	2.0%	3.5%
	<hr/>	<hr/>
	125.0%	

*Note: Assumptions are geometric. * Levered 2x*

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

Discount Rate. Total OPEB liability was calculated using the discount rate of 4.07%. 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 of 7.5%. 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% was applied to periods before December 31, 2037, and the municipal bond rate of 3.38% at December 31, 2023 was applied to periods on and after December 31, 2037, resulting in a blended discount rate of 4.07%.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 11—DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.07%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.07%) and 1% point higher (5.07%) than the current discount rate.

	Current		
	1% Decrease (3.07%)	Discount Rate of 4.07%	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$ 2,035,387	\$ 1,652,472	\$ 1,329,982

NOTE 12—RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1989, the City joined the Ohio Government Risk Management Plan (the “OGRMP”), a public entity risk plan formed under Section 2744.081 of the Ohio Revised Code that operates as a common risk management and insurance program for over 600 member political subdivisions. The City pays an annual premium to the OGRMP for its general insurance coverage. The agreement for formation of the OGRMP provides that the organization will be self-sustaining through member premiums and will reinsure all claims in excess of a member’s deductible through commercial insurance and reinsurance companies.

The City pays the State Workers’ Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

The City also pays unemployment claims to the State of Ohio as incurred.

The City maintains a self-funded health insurance program with claims processed by United Health Care on behalf of the City. A separate Self Insurance Fund (an internal service fund) was created in 1980 to account for and finance the health insurance program. As an integral part of the health insurance program, a reinsurance policy has been purchased covering claims in excess of \$100,000 per individual per year. The City has received stop-loss reimbursements after settled claims exceeded commercial coverage limits multiple times in the past three years.

All funds of the City from which employee salaries are paid participate in the health insurance program and make payments to the self-insurance Employees Health and Welfare Internal Service Fund, based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The claims payable of \$199,488 reported in the Self Insurance Fund at December 31, 2024 is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended by GASB Statement No. 30, *Risk Management Omnibus*, which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and if the amount of the loss can be reasonably estimated.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 12—RISK MANAGEMENT (continued)

Changes in the City's claims liability for the last two years were:

	2024	2023
Unpaid claims, beginning of year	\$ 192,507	\$ 127,616
Current year claims and changes in estimates	4,224,067	3,431,068
Claim payments	<u>(4,217,086)</u>	<u>(3,366,177)</u>
Unpaid claims, end of year	<u>\$ 199,488</u>	<u>\$ 192,507</u>

NOTE 13—CONTINGENCIES

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

The City has received several federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.

NOTE 14—RELATED ORGANIZATION

Way Public Library (Library) – The Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Perrysburg City Council. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the City for operational subsidies. Although the City does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Way Public Library, Clerk/Treasurer, 101 East Indiana Avenue, Perrysburg, Ohio 43551.

NOTE 15—CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT

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

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 is presented on the financial statements of the City.

CITY OF PERRYSBURG, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2024

NOTE 15—CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT (continued)

GASB Statement No. 101 provides updated guidance on accounting for and reporting compensated absences, which includes recognizing a liability for leave that is attributable to service already rendered and is more likely than not to be used or otherwise paid or settled. The implementation of GASB Statement No. 101 has the following impact on beginning net position:

	Sewer	Water
Net Position at December 31, 2023	\$ 75,862,936	\$ 27,864,531
Adjustments:		
GASB No. 101 Compensated Absences	<u>(287,987)</u>	<u>(114,300)</u>
Restated Net Position at December 31, 2023	<u><u>\$ 75,574,949</u></u>	<u><u>\$ 27,750,231</u></u>

	Governmental Activities	Business-Type Activities
Net Position at December 31, 2023	\$ 141,269,648	\$ 104,171,363
Adjustments:		
GASB No. 101 Compensated Absences	<u>(1,728,807)</u>	<u>(402,287)</u>
Restated Net Position at December 31, 2023	<u><u>\$ 139,540,841</u></u>	<u><u>\$ 103,769,076</u></u>

NOTE 16—SUBSEQUENT EVENT

On May 1, 2025, the City issued \$4,000,000 in one-year general obligation notes to refinance the \$4,000,000 one-year general obligation notes that were issued in May 2024 originally issued to finance a building acquisition. The 2025 notes mature on May 1, 2026, and have an interest rate of 5.0%.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF PERRYSBURG, OHIO

Schedule of Revenues, Expenditures, and Changes in Fund Balances -
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund
 Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property and other local taxes	\$ 1,920,879	\$ 1,920,879	\$ 1,718,437	\$ (202,442)
Income taxes	25,500,000	27,100,000	27,367,783	267,783
Intergovernmental	904,600	904,600	1,182,323	277,723
Charges for services	1,147,165	1,167,965	1,785,585	617,620
Licenses and permits	142,000	142,000	179,369	37,369
Investment earnings	1,000,000	1,000,000	3,215,329	2,215,329
Special assessments	231,500	231,500	214,828	(16,672)
Fines and forfeitures	401,800	401,800	408,453	6,653
All other revenue	581,000	591,000	568,042	(22,958)
Total revenues	<u>31,828,944</u>	<u>33,459,744</u>	<u>36,640,149</u>	<u>3,180,405</u>
Expenditures:				
Current:				
Security of persons and property	14,074,232	13,793,753	12,920,683	873,070
Public health and welfare services	27,000	27,275	26,275	1,000
Leisure time activities	2,587,892	2,600,524	2,300,630	299,894
Community development	836,973	706,973	606,707	100,266
Basic utility services	328,399	328,399	298,111	30,288
Transportation	2,611,436	2,528,177	2,263,418	264,759
General government	10,454,689	10,564,597	8,308,252	2,256,345
Capital outlay	140,107	183,817	183,817	-
Total expenditures	<u>31,060,728</u>	<u>30,733,515</u>	<u>26,907,893</u>	<u>3,825,622</u>
Excess of revenues over expenditures	<u>768,216</u>	<u>2,726,229</u>	<u>9,732,256</u>	<u>7,006,027</u>
Other financing sources:				
Sale of capital assets	16,049	16,049	31,081	15,032
Transfers in	118,600	114,861	266,467	151,606
Transfers out	(4,647,500)	(6,947,870)	(5,383,077)	1,564,793
Total other financing sources	<u>(4,512,851)</u>	<u>(6,816,960)</u>	<u>(5,085,529)</u>	<u>1,731,431</u>
Net change in fund balance	(3,744,635)	(4,090,731)	4,646,727	8,737,458
Fund balance, beginning of year	27,741,008	27,741,008	27,741,008	-
Prior year encumbrances	901,467	901,467	901,467	-
Fund balance, end of year	<u>\$ 24,897,840</u>	<u>\$ 24,551,744</u>	<u>\$ 33,289,202</u>	<u>\$ 8,737,458</u>

See accompanying notes to the required supplementary information.

CITY OF PERRYSBURG, OHIO

Schedule of Revenues, Expenditures, and Changes in Fund Balances -
 Budget and Actual (Non-GAAP Budgetary Basis)
 Police & Fire Pension Major Special Revenue Fund
 Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property and other local taxes	\$ 1,685,878	\$ 1,685,878	\$ 1,576,973	\$ (108,905)
Intergovernmental	116,000	116,000	107,855	(8,145)
Total revenues	<u>1,801,878</u>	<u>1,801,878</u>	<u>1,684,828</u>	<u>(117,050)</u>
Expenditures:				
Current:				
Security of persons and property	1,737,500	1,737,500	1,660,863	76,637
Net change in fund balance	64,378	64,378	23,965	(40,413)
Fund balance, beginning of year	<u>1,467,808</u>	<u>1,467,808</u>	<u>1,467,808</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,532,186</u>	<u>\$ 1,532,186</u>	<u>\$ 1,491,773</u>	<u>\$ (40,413)</u>

See accompanying notes to the required supplementary information.

CITY OF PERRYSBURG

Required Supplementary Information

Schedule of City's Proportionate Share of the Net Pension Liability
and City Pension Contributions

Ohio Public Employees Retirement System - Traditional Pension Plan

Measurement Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.046948%	\$ 5,662,454	\$ 5,878,717	96.32%	86.45%
2016	0.046239%	8,009,242	6,544,450	122.38%	81.08%
2017	0.045699%	10,377,558	5,907,617	175.66%	77.25%
2018	0.049169%	7,713,620	6,611,185	116.68%	84.66%
2019	0.047354%	12,969,295	6,396,243	202.76%	74.70%
2020	0.049293%	9,743,089	6,935,207	140.49%	82.17%
2021	0.050525%	7,481,645	7,125,436	105.00%	86.88%
2022	0.050264%	4,373,165	7,294,836	59.95%	92.62%
2023	0.050901%	15,036,170	7,885,071	190.69%	75.74%
2024	0.051309%	13,432,792	8,450,557	158.96%	79.01%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 785,334	\$ (785,334)	\$ -	\$ 6,544,450	12.00%
2016	708,914	(708,914)	-	5,907,617	12.00%
2017	859,454	(859,454)	-	6,611,185	13.00%
2018	895,474	(895,474)	-	6,396,243	14.00%
2019	970,929	(970,929)	-	6,935,207	14.00%
2020	997,561	(997,561)	-	7,125,436	14.00%
2021	1,021,277	(1,021,277)	-	7,294,836	14.00%
2022	1,103,910	(1,103,910)	-	7,885,071	14.00%
2023	1,183,078	(1,183,078)	-	8,450,557	14.00%
2024	1,269,966	(1,269,966)	-	9,071,186	14.00%

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

CITY OF PERRYSBURG

Required Supplementary Information

Schedule of City's Proportionate Share of the Net Pension Liability

and City Pension Contributions

Ohio Police and Fire Pension Fund

Measurement Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.217084%	\$ 11,245,835	\$ 4,461,974	252.04%	72.20%
2016	0.216954%	13,956,817	4,631,832	301.32%	66.77%
2017	0.220121%	13,942,265	4,973,360	280.34%	68.36%
2018	0.220481%	13,531,924	5,073,783	266.70%	70.91%
2019	0.208040%	16,981,562	4,959,418	342.41%	63.07%
2020	0.214628%	14,458,484	5,368,074	269.34%	69.89%
2021	0.218421%	14,889,985	5,315,746	280.11%	70.65%
2022	0.220604%	13,782,058	5,589,221	246.58%	75.03%
2023	0.224790%	21,352,883	6,055,371	352.63%	62.90%
2024	0.226325%	21,866,150	6,459,357	338.52%	63.63%

Calendar Year	Contributions in Relation to the Contractually Required Contributions			City's Covered Payroll	Contributions as a Percentage of Covered Payroll
	Contractually Required Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)		
2015	\$ 930,535	\$ (930,535)	\$ -	\$ 4,631,832	20.09%
2016	999,148	(999,148)	-	4,973,360	20.09%
2017	1,019,323	(1,019,323)	-	5,073,783	20.09%
2018	996,347	(996,347)	-	4,959,418	20.09%
2019	1,078,446	(1,078,446)	-	5,368,074	20.09%
2020	1,132,254	(1,132,254)	-	5,315,746	21.30%
2021	1,190,504	(1,190,504)	-	5,589,221	21.30%
2022	1,289,794	(1,289,794)	-	6,055,371	21.30%
2023	1,375,843	(1,375,843)	-	6,459,357	21.30%
2024	1,610,052	(1,610,052)	-	7,618,462	21.13%

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

CITY OF PERRYSBURG

Required Supplementary Information

Schedule of City's Proportionate Share of the Net OPEB Liability/(Asset)

and City OPEB Contributions

Ohio Public Employees Retirement System

Measurement Year (1) (2)	City's Proportion of the Net OPEB Liability/(Asset)	City's Proportionate Share of the Net OPEB Liability/(Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.048113%	\$ 4,859,594	\$ 5,907,617	82.26%	54.04%
2018	0.051968%	5,643,310	6,611,185	85.36%	54.14%
2019	0.050087%	6,530,154	6,396,243	102.09%	46.33%
2020	0.050318%	6,950,215	6,935,207	100.22%	47.80%
2021	0.050481%	(899,360)	7,125,436	(12.62%)	115.57%
2022	0.050191%	(1,572,060)	7,294,836	(21.55%)	128.23%
2023	0.051337%	323,688	7,885,071	4.11%	94.79%
2024	0.052043%	(469,698)	8,450,557	(5.56%)	107.76%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 130,889	\$ (130,889)	\$ -	\$ 6,544,450	2.00%
2016	118,152	(118,152)	-	5,907,617	2.00%
2017	66,112	(66,112)	-	6,611,185	1.00%
2018	-	-	-	6,396,243	0.00%
2019	-	-	-	6,935,207	0.00%
2020	-	-	-	7,125,436	0.00%
2021	-	-	-	7,294,836	0.00%
2022	-	-	-	7,885,071	0.00%
2023	-	-	-	8,450,557	0.00%
2024	25,083	(25,083)	-	9,071,186	0.28%

(1) Information prior to 2017 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

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

CITY OF PERRYSBURG

Required Supplementary Information

Schedule of City's Proportionate Share of the Net OPEB Liability

and City OPEB Contributions

Ohio Police and Fire Pension Fund

Measurement Year (1) (2)	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.220121%	\$ 10,448,664	\$ 4,973,360	210.09%	15.96%
2018	0.220481%	12,492,152	5,073,783	246.21%	14.13%
2019	0.208040%	1,894,522	4,959,418	38.20%	46.57%
2020	0.214628%	2,120,036	5,368,074	39.49%	47.08%
2021	0.218421%	2,314,210	5,315,746	43.53%	45.42%
2022	0.220604%	2,418,008	5,589,221	43.26%	46.90%
2023	0.224790%	1,600,439	6,055,371	26.43%	52.60%
2024	0.226325%	1,652,472	6,459,357	25.58%	51.90%

Calendar Year	Contributions in Relation to the Contractually Required Contributions				Contributions as a Percentage of Covered Payroll	
	Contractually Required Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll		
2015	\$ 23,159	\$ (23,159)	\$ -	\$ 4,631,832	0.50%	
2016	24,867	(24,867)	-	4,973,360	0.50%	
2017	24,128	(24,128)	-	5,073,783	0.48%	
2018	23,632	(23,632)	-	4,959,418	0.48%	
2019	25,466	(25,466)	-	5,368,074	0.47%	
2020	26,684	(26,684)	-	5,315,746	0.50%	
2021	28,122	(28,122)	-	5,589,221	0.50%	
2022	30,617	(30,617)	-	6,055,371	0.51%	
2023	32,743	(32,743)	-	6,459,357	0.51%	
2024	38,093	(38,093)	-	7,618,462	0.50%	

(1) Information prior to 2017 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

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

CITY OF PERRYSBURG, OHIO
Notes to the Required Supplementary Information
Year Ended December 31, 2024

NOTE 1—BUDGETARY PROCESS

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

All funds other than custodial funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by ordinance of the City Council.

A. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2024.

B. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. During 2024, several supplemental appropriations were necessary to budget for unanticipated expenditures. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual—General Fund and Police & Fire Pension Fund," are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

CITY OF PERRYSBURG, OHIO
Notes to the Required Supplementary Information
Year Ended December 31, 2024

NOTE 1—BUDGETARY PROCESS (Continued)

C. Encumbrances

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

D. Lapsing of Appropriations

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

E. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statement for the General Fund and major special revenue fund:

	General	Police & Fire Pension
Net change in fund balance - GAAP Basis	\$ 4,474,008	\$ 868
Increase / (decrease):		
Due to revenues	26,999,310	-
Due to expenditures	(1,114,026)	23,097
Due to other sources (uses)	(25,395,877)	-
Funds reclassified*	412,626	-
Due to encumbrances	<u>(729,314)</u>	<u>-</u>
Net change in fund balance - Budget Basis	<u>\$ 4,646,727</u>	<u>\$ 23,965</u>

CITY OF PERRYSBURG, OHIO
Notes to the Required Supplementary Information
Year Ended December 31, 2024

NOTE 2—OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

A. Notes to Pension Information

Changes in Benefit Terms

There have been no changes in benefit terms.

Changes in Assumptions

In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

In 2019, a reduction of the discount rate was made from 7.5% to 7.2%.

In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five- year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in wage inflation from 3.25% to 2.75%, and transition from RP-2014 mortality tables to Pub-2010 mortality tables.

B. Notes to OPEB Information

Changes in Benefit Terms

There have been no changes in benefit terms.

Changes in Assumptions

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

In 2019, the single discount rate changed from 3.85% to 3.96%, the investment rate of return changed from 6.50% to 6.00%, and the health care cost trend rate changed from 7.5% initial to 10.0% initial.

In 2020, the single discount rate changed from 3.96% to 3.16% and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2028 to 10.5% initial, 3.50% ultimate in 2030.

In 2021, the single discount rate changed from 3.16% to 6.00% and the health care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction in wage inflation from 3.25% to 2.75%, and transition from RP-2014 mortality tables to Pub-2010 mortality tables.

CITY OF PERRYSBURG, OHIO
Notes to the Required Supplementary Information
Year Ended December 31, 2024

NOTE 2—OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

In 2023, the single discount rate changed from 6.00% to 5.22% and the health care cost trend rate changed from 5.5% initial, 3.50% ultimate in 2034 to 5.5% initial, 3.50% ultimate in 2036.

In 2024, the single discount rate changed from 5.22% to 5.70% and the health care cost trend rate changed from 5.5% initial, 3.50% ultimate in 2036 to 5.5% initial, 3.50% ultimate in 2038.

NOTE 3—OHIO POLICE AND FIRE PENSION FUND

A. Notes to Pension Information

Changes in Benefit Terms

There have been no changes in benefit terms.

Changes in Assumptions

In 2018, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2016. Significant changes included a reduction of the discount rate from 8.25% to 8.0%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

In 2022, the single discount rate changed from 8.0% to 7.5%.

In 2023, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2021. Significant changes included transition from RP-2014 mortality tables to the Pub-2010 Safety mortality tables projected using the MP-2021 Improvement Scale.

B. Notes to OPEB Information

Changes in Benefit Terms

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model, depositing stipends into individual health reimbursements accounts that retirees will use to be reimbursed for health care expenses.

Changes in Assumptions

In 2018, the single discount rate changed from 3.79% to 3.24%.

In 2019, the single discount rate changed from 3.24% to 4.66%.

In 2020, the single discount rate changed from 4.66% to 3.56%.

CITY OF PERRYSBURG, OHIO
Notes to the Required Supplementary Information
Year Ended December 31, 2024

NOTE 3—OHIO POLICE AND FIRE PENSION FUND (continued)

In 2021, the single discount rate changed from 3.56% to 2.96%.

In 2022, the single discount rate changed from 2.96% to 2.84%.

In 2023, changes in assumptions were made based upon an updated experience study that was completed for a five-year period ended December 31, 2012. Significant changes included an increase of the single discount rate from 2.84% to 4.27% and transition from the RP-2014 mortality tables to the Pub-2010 Safety mortality tables projected using the MP-2021 Improvement Scale.

In 2024, the single discount rate changed from 4.27% to 4.07%.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Council
City of Perrysburg, Ohio:

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 Perrysburg, 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 June 4, 2025.

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 Entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Clark, Schaefer, Hackett & Co.

Maumee, Ohio
June 4, 2025

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF PERRYSBURG

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 8/7/2025

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

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