

**CITY OF BROADVIEW HEIGHTS  
CUYAHOGA COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR  
ENDED DECEMBER 31, 2024**

***Zupka & Associates***  
**Certified Public Accountants**





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City Council  
City of Broadview Heights  
9543 Broadview Road  
Broadview Heights, Ohio 44147

We have reviewed the *Independent Auditor's Report* of the City of Broadview Heights, Cuyahoga County, prepared by Zupka & Associates, 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 Broadview Heights is responsible for compliance with these laws and regulations.

KEITH FABER  
Ohio Auditor of State

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

October 23, 2025

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**CITY OF BROADVIEW HEIGHTS  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

City of Broadview Heights  
Cuyahoga County  
9543 Broadview Road  
Broadview Heights, Ohio 44147

To the Members of City Council:

### Report on the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Broadview Heights, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Broadview Heights as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Fire Levy Fund 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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

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

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

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

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

***Emphasis of Matter***

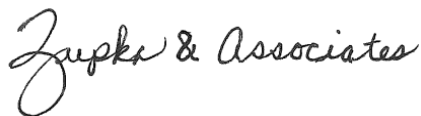
As discussed in Note 3 to the basic financial statements, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 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.



Zupka & Associates  
Certified Public Accountants

June 18, 2025



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**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*(Unaudited)*

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The discussion and analysis of the City of Broadview Heights' (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 \$4,696,286. Net position of governmental activities increased \$3,890,595. Net position of business-type activities increased \$805,691.
- Total capital assets decreased \$2,634,743 in 2024. Capital assets of governmental activities decreased \$2,501,432 and capital assets of business-type activities decreased \$133,311. Depreciation exceeded capital outlay in 2024.
- Outstanding long-term debt decreased from \$20,176,341 to \$18,753,864 in 2024 due to principal payments in the period exceeding the issuance of new debt.

***Using this Annual Financial Report***

This report is designed to allow the reader to look at the financial activities of the City of Broadview Heights as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the City's operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2024 and how they affected the operations of the City as a whole.

***Reporting the City of Broadview Heights as a Whole***

***Statement of Net Position and the Statement of Activities***

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column. In the case of the City of Broadview Heights, the General Fund is by far the most significant fund. Business-type funds consist of the Sanitary Sewer and Sewer Capital Funds.

A question typically asked about the City's finances is "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all non-fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

- **Governmental Activities** – Most of the City's programs and services are reported here, including general government, security of persons and property, public health, community and economic development, leisure time activities and transportation.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's Sanitary Sewer and Sewer Capital Fund are reported as business-type activities.

***Reporting the City of Broadview Heights'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 safeguarded for specific activities or objectives. The City uses many funds to account for financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the General Fund, the Fire Levy Fund, and the General Bond Retirement Fund.

**Governmental Funds** – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance future services. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Proprietary Funds** – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

**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.

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***The City of Broadview Heights as a Whole***

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2024 compared to 2023:

**Table 1 Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
<b>ASSETS</b>						
Current and other assets	\$ 54,805,477	\$ 47,564,520	\$ 2,926,351	\$ 2,071,595	\$ 57,731,828	\$ 49,636,115
Net Pension Asset	56,672	42,441	4,011	3,592	60,683	46,033
Net OPEB Asset	296,782	-	21,006	-	317,788	-
Capital assets, net	39,859,038	42,360,470	1,008,393	1,141,704	40,867,431	43,502,174
<b>Total Assets</b>	<b>95,017,969</b>	<b>89,967,431</b>	<b>3,959,761</b>	<b>3,216,891</b>	<b>98,977,730</b>	<b>93,184,322</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension	8,103,329	10,285,908	199,572	344,424	8,302,901	10,630,332
OPEB	993,159	1,621,479	19,204	53,071	1,012,363	1,674,550
<b>Total Deferred Outflows of Resources</b>	<b>9,096,488</b>	<b>11,907,387</b>	<b>218,776</b>	<b>397,495</b>	<b>9,315,264</b>	<b>12,304,882</b>
<b>LIABILITIES</b>						
Current and other liabilities	1,475,730	1,663,129	90,486	104,336	1,566,216	1,767,465
Long-term liabilities:						
Due within one year	1,465,348	2,038,650	5,600	39,588	1,470,948	2,078,238
Due in more than one year:						
Net Pension Liability	26,572,827	28,006,492	610,406	808,943	27,183,233	28,815,435
Net OPEB Liability	1,356,435	1,587,073	-	17,298	1,356,435	1,604,371
Other Amounts	19,505,953	20,184,398	64,367	51,439	19,570,320	20,235,837
<b>Total Liabilities</b>	<b>50,376,293</b>	<b>53,479,742</b>	<b>770,859</b>	<b>1,021,604</b>	<b>51,147,152</b>	<b>54,501,346</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	8,783,486	7,122,098	-	-	8,783,486	7,122,098
Leases	1,241,882	1,465,228	-	-	1,241,882	1,465,228
Pension	1,355,121	1,197,190	3,954	1,156	1,359,075	1,198,346
OPEB	1,439,899	1,583,379	12,112	5,705	1,452,011	1,589,084
<b>Total Deferred Inflows of Resources</b>	<b>12,820,388</b>	<b>11,367,895</b>	<b>16,066</b>	<b>6,861</b>	<b>12,836,454</b>	<b>11,374,756</b>
<b>NET POSITION</b>						
Net Investment in						
Capital Assets	21,157,636	22,300,461	1,008,393	1,141,704	22,087,993 <sup>^</sup>	23,325,833
Restricted	5,400,687	4,217,646	25,017	7,594	5,425,704	4,225,240
Unrestricted	14,359,453	10,509,074	2,358,202	1,436,623	16,795,691 <sup>^</sup>	12,062,029
<b>Total Net Position</b>	<b>\$ 40,917,776</b>	<b>\$ 37,027,181</b>	<b>\$ 3,391,612</b>	<b>\$ 2,585,921</b>	<b>\$ 44,309,388</b>	<b>\$ 39,613,102</b>

\* Restated

<sup>^</sup> The totals for governmental and business-type activities represent their respective net investment in capital assets and the total of the City reflects all capital assets and debt which includes debt for business-type assets recorded in the governmental activities. See Note 14 for more information.

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(Unaudited)

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2024 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pension – an Amendment of GASB Statement 27." The City previously adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB).

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

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

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In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

At year end, capital assets represented 41 percent of total assets. Capital assets include land, intangible, buildings, improvements, furniture and fixtures, machinery and equipment, vehicles, infrastructure and construction in progress. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. The net investment in capital assets was \$21,157,636 in governmental activities and \$1,008,393 in business-type activities. An additional \$78,036 of debt is reflected in the entity-wide net investment in capital assets, for an entity-wide total of \$22,087,993. The difference of \$78,036 is from debt related to certain business-type activities which is included in the governmental activities. This debt has not been included in the net investment in capital assets for the governmental or business-type activities but has been reflected in the entity-wide total (see Note 14). Capital assets decreased by 6 percent, due to depreciation and deletions of assets.

Current and other assets increased by 16 percent, mostly due to an increase in cash and cash equivalents. Current and other liabilities decreased by 11 percent, mostly due to a decrease in accounts payable. Other long-term liabilities due in more than one year decreased by 3 percent, due to scheduled debt service payments and previous debt reaching maturity. Significant variances in deferred outflows of resources, deferred inflows of resources, net pension liability, and net OPEB liability were due to recorded adjustments per GASB Statements 68 and 75.

A portion of the City's net position, \$5,425,704, represents resources that are subject to external restrictions on how they may be used.

The implementation of GASB Statement No. 68 and 75 requires the reader to perform additional calculations to determine the City's total net position at December 31, 2024, without consideration of the net pension and OPEB liabilities. This is an important exercise, as the State Pension Systems (OPERS and OP&F) collect, hold, invest, and distribute pension to our employees, not the City of Broadview Heights. These calculations are as follows:

	Governmental Activities	Business-Type Activities	Total
Total Net Position at December 31, 2024 (with GASB 68 and 75)	\$ 40,917,776	\$ 3,391,612	\$ 44,309,388
GASB 68 and 75 Calculations:			
Add:			
Deferred Inflows related to Pension	1,355,121	3,954	1,359,075
Deferred Inflows related to OPEB	1,439,899	12,112	1,452,011
Net Pension Liability	26,572,827	610,406	27,183,233
Net OPEB Liability	1,356,435	-	1,356,435
Less:			
Deferred Outflows related to Pension	(8,103,329)	(199,572)	(8,302,901)
Deferred Outflows related to OPEB	(993,159)	(19,204)	(1,012,363)
Net Pension Asset	(56,672)	(4,011)	(60,683)
Net OPEB Asset	(296,782)	(21,006)	(317,788)
Total Net Position (without GASB 68 and 75)	<u>\$ 62,192,116</u>	<u>\$ 3,774,291</u>	<u>\$ 65,966,407</u>

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Table 2 shows the changes in net position for fiscal year 2024 and 2023.

**Table 2 Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 4,780,399	\$ 4,448,049	\$ 2,082,084	\$ 1,988,917	\$ 6,862,483	\$ 6,436,966
Operating grants and contributions	1,665,342	1,486,529	-	-	1,665,342	1,486,529
Capital grants and contributions	24,736	127,248	-	11,568	24,736	138,816
Total Program Revenues	6,470,477	6,061,826	2,082,084	2,000,485	8,552,561	8,062,311
General Revenues:						
Property taxes	7,361,147	7,248,707	-	-	7,361,147	7,248,707
Municipal income taxes	19,727,285	19,470,874	-	-	19,727,285	19,470,874
Payments in lieu of taxes	61,958	13,310	-	-	61,958	13,310
Grants and entitlements	1,129,502	1,111,844	-	-	1,129,502	1,111,844
Investment income	1,712,252	1,380,755	118,729	80,873	1,830,981	1,461,628
All other revenues	186,929	354,368	22,233	26,117	209,162	380,485
Total General Revenues	30,179,073	29,579,858	140,962	106,990	30,320,035	29,686,848
<b>Total Revenues</b>	<b>36,649,550</b>	<b>35,641,684</b>	<b>2,223,046</b>	<b>2,107,475</b>	<b>38,872,596</b>	<b>37,749,159</b>
<b>EXPENSES</b>						
Program Expenses:						
Security of persons and property	12,694,631	12,120,229	-	-	12,694,631	12,120,229
Public health services	354,203	344,784	-	-	354,203	344,784
Leisure time activities	3,141,945	2,945,402	-	-	3,141,945	2,945,402
Community environment	1,111,996	861,682	-	-	1,111,996	861,682
Basic utility services	1,191,733	1,186,723	-	-	1,191,733	1,186,723
Transportation	3,670,113	3,699,414	-	-	3,670,113	3,699,414
General government	9,739,813	8,840,605	-	-	9,739,813	8,840,605
Interest and fiscal charges	354,521	392,705	-	-	354,521	392,705
Sanitary sewer	-	-	1,917,355	2,056,777	1,917,355	2,056,777
<b>Total Expenses</b>	<b>32,258,955</b>	<b>30,391,544</b>	<b>1,917,355</b>	<b>2,056,777</b>	<b>34,176,310</b>	<b>32,448,321</b>
Increase (Decrease) in Net Position before Transfers	4,390,595	5,250,140	305,691	50,698	4,696,286	5,300,838
Transfers	(500,000)	-	500,000	-	-	-
Change in Net Position	3,890,595	5,250,140	805,691	50,698	4,696,286	5,300,838
Net Position - Beginning of Year, Restated	37,027,181	31,777,041	2,585,921	2,535,223	39,613,102	34,312,264
<b>Net Position - End of Year</b>	<b>\$ 40,917,776</b>	<b>\$ 37,027,181</b>	<b>\$ 3,391,612</b>	<b>\$ 2,585,921</b>	<b>\$ 44,309,388</b>	<b>\$ 39,613,102</b>

### Governmental Activities

The funding for the governmental activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are property taxes, grants and entitlements, and charges for services.

The 2 percent income tax is the largest revenue source for the City, accounting for 54 percent of the total revenue of the governmental activities. The revenue and expense of collection of the income tax is allocated to the General Fund. Income tax revenue increased by 1 percent from 2023 to 2024 due to increased withholder portion from increased wages.



**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
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(Unaudited)

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Other general revenues, including property taxes, grants and entitlements, such as local government funds, interest, and payments in lieu of taxes account for 28 percent of governmental activities revenue. Program revenues, which include charges for services and operating and capital grants, account for the remaining 18 percent of total revenues. The City monitors its sources of revenues very closely for fluctuations.

Capital grants decreased by \$102,512, or 81 percent, due to a reduction of intergovernmental revenue from a fire station grant and other reimbursements for capital expenditures in 2023 that the City did not have in 2024. Charges for services increased by \$332,350 or 7 percent, mostly due to increased recreation center memberships and an increase in revenues for school resource officer. Operating grants increased by \$178,813, or 12 percent, mostly due increased revenue for NOPEC grant and police training grant. Property tax revenue increased \$112,440, or 2 percent, due to new homes and a slight increase in collection rate.

The provisions of GASB Statements 68 and 75 require the City to recognize a pension/OPEB adjustment that increases expenses by \$850,034 in 2024 and increased expenses by \$1,266,164 in 2023. As a result, it is difficult to ascertain the true operational cost of services and the changes in cost of service from year to year. The table below shows the total expenses by function with the GASB Statements 68 and 75 pension and OPEB costs removed.

	Governmental Activities	
	2024	2023
<b>EXPENSES</b>		
Program Expenses:		
Security of Persons and Property	\$ 12,133,193	\$ 10,797,163
Public Health Services	354,203	344,784
Leisure Time Activities	3,094,110	2,955,134
Community Environment	1,087,482	866,141
Basic Utility Services	1,191,733	1,186,723
Transportation	3,670,113	3,699,414
General Government	9,523,566	8,883,316
Interest and Fiscal Charges	354,521	392,705
<b>Total Expenses</b>	<b>\$ 31,408,921</b>	<b>\$ 29,125,380</b>

Without the effect of pension/OPEB adjustments, expenses of governmental activities increased by a net \$2,283,541 in 2024. The most significant change was a \$1,336,030 increase in security of persons and property mostly from an increase in police and fire wages and benefits.

Security of persons and property is the largest program function of the City, which includes the Police and Fire departments and represents approximately 39 percent of program expenses in 2024 and increased by 12 percent, before the effect of pension/OPEB adjustments. The next largest expense was for general government, which represents approximately 30 percent of program expenses and increased by 7 percent in 2024.



**CITY OF BROADVIEW HEIGHTS**  
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**Business-Type Activities**

The City's major enterprise fund is the Sanitary Sewer Fund. The revenues are generated primarily from charges for services. In 2024, charges for services of \$2,082,084 accounted for about 94 percent of the business-type revenues. The total expenses were \$1,917,355 in 2024. The change in net position for the business-type activities was an increase of \$805,691 in 2024 including the \$500,000 transfers in.

Revenues increased \$115,571 in 2024. Expenses decreased \$139,422 in 2024, mostly due to an decrease in pension/OPEB expense.

***The City's Funds***

**Governmental Funds**

Information about the City's governmental funds begins on page 19. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues and other financing sources of \$41,002,071 and expenditures and other financing uses of \$35,845,820. The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

The General Fund's net change in fund balance for fiscal year 2024 was an increase of \$1,096,331. Expenditures increased by \$1,390,919 primarily due to increases in security of persons and property and general government. Revenues decreased by \$524,483 from 2023 to 2024, mostly due to a decrease in modified accrual income taxes despite income tax revenues increasing in the full accrual statements. This difference is due to the accrual entry for income taxes receivable where deferred inflows are recorded in the modified accrual statements for revenues that are not yet available, but recorded as revenues in the full accrual statements. More revenues were available for fiscal year 2023 due to a one-time estimated payment made at the beginning of 2024. The remainder of the net change in fund balance was due to sale of capital assets and transfers out to support other funds in 2024.

The fund balance of the Fire Levy Fund increased by \$330,301. Revenues increased by \$138,424, due to increased charges for service. Expenditures increased by \$461,558, or 11 percent. The remainder of the net change in fund balance was due to a transfer in of \$650,000.

The fund balance of the General Bond Retirement Fund increased by \$372,527. Revenues decreased 67,359 due to a decrease in special assessment revenues received. Expenditures were consistent, with only a decrease of \$19,662 due to a decrease in interest payments.

The fund balance in the other governmental funds increased by \$3,357,092. Revenues of these funds remained consistent, with only a decrease of \$8,883. Expenditures increased by \$479,920, mostly due to increases in transportation and capital outlay. Transportation increased \$369,650 due to an increase of expenditures for the SCMR Fund. Capital outlay increased by \$191,926 mostly due to increases in the Recreation Fund and TreeWorth TIF Fund.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
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**Proprietary Funds**

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.

Unrestricted net position of the Sanitary Sewer Fund at the end of the year amounted to \$1,845,933. The total increase in net position for the Fund was \$304,465. Other factors concerning the finances of this Fund have already been addressed in the discussion of the business-type activities.

***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. All recommendations for appropriation changes come to Council from the City Finance Director. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

For the General Fund, the original and final budget basis revenue and other financing sources were \$23,368,550 and \$23,365,250, respectively. Additionally, actual revenues and other financing sources on a budget basis exceeded final budgeted revenues and other financing sources by \$2,283,903. The most significant reason for the difference was that income tax revenue was greater than budgeted.

Original budgeted expenditures and other financing uses were \$24,065,108, and final budgeted expenditures and other financing uses were \$28,116,108. The main contributor to this increase was an increase in transfers out. Actual expenditures and other financing uses on a budget basis of \$24,832,223 were \$3,283,885 less than final budgeted expenditures and other financing uses, mostly due to general government and security of persons and property expenditures being less than estimated.

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**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Management's Discussion and Analysis*  
For the Year Ended December 31, 2024  
(Unaudited)

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of year 2024, the City had \$40,867,431 invested in capital assets. A total of \$39,859,038 of this was for governmental activities and \$1,008,393 was attributable to business-type activities. Table 3 shows fiscal year 2024 balances compared with 2023.

**Table 3 Capital Assets at December 31 (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 5,924,974	\$ 5,924,974	\$ -	\$ -	\$ 5,924,974	\$ 5,924,974
Intangible	22,142	22,142	-	-	22,142	22,142
Construction in progress	1,183,098	940,198	-	-	1,183,098	940,198
<b>Total Non-Depreciable</b>	<b>7,130,214</b>	<b>6,887,314</b>	<b>-</b>	<b>-</b>	<b>7,130,214</b>	<b>6,887,314</b>
Buildings	2,830,000	2,881,376	11,348	39,801	2,841,348	2,921,177
Improvements	11,388,718	12,268,087	-	-	11,388,718	12,268,087
Machinery and equipment	1,151,131	833,442	51,740	82,162	1,202,871	915,604
Furniture and fixtures	23,155	48,416	-	-	23,155	48,416
Vehicles	2,952,764	3,261,665	22,842	32,878	2,975,606	3,294,543
Intangible Right-to-use Lease - Equipment	59,723	103,158	-	-	59,723	103,158
Intangible Right-to-use - Software	132,461	188,998	-	-	132,461	188,998
Infrastructure:						
Traffic Signals	1,478,966	1,610,909	-	-	1,478,966	1,610,909
Roads	8,145,701	9,383,903	-	-	8,145,701	9,383,903
Street Signs & Guard Rails	139,238	161,685	-	-	139,238	161,685
Storm Sewers	4,426,967	4,731,517	-	-	4,426,967	4,731,517
Sanitary Sewers	-	-	922,463	986,863	922,463	986,863
<b>Total Depreciable,</b>						
<b>Net of Depreciation</b>	<b>32,728,824</b>	<b>35,473,156</b>	<b>1,008,393</b>	<b>1,141,704</b>	<b>33,737,217</b>	<b>36,614,860</b>
<b>Total Capital Assets,</b>						
<b>Net of Depreciation</b>	<b>\$ 39,859,038</b>	<b>\$ 42,360,470</b>	<b>\$ 1,008,393</b>	<b>\$ 1,141,704</b>	<b>\$ 40,867,431</b>	<b>\$ 43,502,174</b>

\* Restated capital assets for GASB 96 subscriptions.

The \$2,501,432 decrease in capital assets of governmental activities was due to current year depreciation and deletions exceeding purchases. The \$133,311 decrease in capital assets of the business-type activities was attributable to current year depreciation exceeding purchases. See Note 10 for additional information about the capital assets of the City.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*(Unaudited)*

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**Debt**

The outstanding long-term debt for the City as of December 31, 2024 was \$18,753,864. See Note 14 for additional details. Table 4 summarizes outstanding debt.

**Table 4 Outstanding Debt, at December 31**

	Governmental Activities	
	2024	2023
General Obligation Bonds	\$ 13,371,993	\$ 14,298,697
Unamortized Bond Premium	1,184,468	1,259,087
Special Assessment Bonds	608,036	726,332
OPWC Loans	3,437,982	3,629,328
Financed Purchase	-	13,110
Subscription Payable	113,380	173,776
Lease Payable	38,005	76,011
Total Outstanding Debt	<u>\$ 18,753,864</u>	<u>\$ 20,176,341</u>

***Contacting the City's Finance Department***

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, David Pfaff, 9543 Broadview Road, Bldg 7, Broadview Heights, Ohio 44147, telephone 440-746-3109.

## ***Basic Financial Statements***

# CITY OF BROADVIEW HEIGHTS

Cuyahoga County, Ohio

Statement of Net Position

December 31, 2024

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 35,963,848	\$ 2,227,081	\$ 38,190,929
Cash and Cash Equivalents:			
In Segregated Accounts	24,347	-	24,347
Materials and Supplies Inventory	170,074	-	170,074
Accounts Receivable	734,241	623,834	1,358,075
Accrued Interest Receivable	154,513	10,916	165,429
Intergovernmental Receivable	1,203,060	-	1,203,060
Prepaid Items	269,803	5,062	274,865
Municipal Income Taxes Receivable	5,225,230	-	5,225,230
Property Taxes Receivable	9,148,328	-	9,148,328
Special Assessments Receivable	548,763	59,458	608,221
Leases Receivable	1,363,270	-	1,363,270
Net Pension Asset	56,672	4,011	60,683
Net OPEB Asset	296,782	21,006	317,788
Nondepreciable Capital Assets	7,130,214	-	7,130,214
Depreciable Capital Assets	32,728,824	1,008,393	33,737,217
<b>Total Assets</b>	<b>95,017,969</b>	<b>3,959,761</b>	<b>98,977,730</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	8,103,329	199,572	8,302,901
OPEB	993,159	19,204	1,012,363
<b>Total Deferred Outflows of Resources</b>	<b>9,096,488</b>	<b>218,776</b>	<b>9,315,264</b>
<b>LIABILITIES</b>			
Accounts Payable	183,523	72,800	256,323
Contracts Payable	25,574	-	25,574
Accrued Wages and Benefits	362,099	11,750	373,849
Intergovernmental Payable	270,908	5,936	276,844
Accrued Interest Payable	34,622	-	34,622
Unearned Revenue	599,004	-	599,004
Long-term Liabilities:			
Due Within One Year	1,465,348	5,600	1,470,948
Due In More Than One year:			
Net Pension Liability (See Note 11)	26,572,827	610,406	27,183,233
Net OPEB Liability (See Note 12)	1,356,435	-	1,356,435
Other Amounts Due in More Than One Year	19,505,953	64,367	19,570,320
<b>Total Liabilities</b>	<b>50,376,293</b>	<b>770,859</b>	<b>51,147,152</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	8,783,486	-	8,783,486
Leases	1,241,882	-	1,241,882
Pension	1,355,121	3,954	1,359,075
OPEB	1,439,899	12,112	1,452,011
<b>Total Deferred Inflows of Resources</b>	<b>12,820,388</b>	<b>16,066</b>	<b>12,836,454</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	21,157,636	1,008,393	22,087,993
Restricted for:			
Debt Service	2,398,146	-	2,398,146
Capital Projects	32,036	-	32,036
Police and Fire	1,066,761	-	1,066,761
Streets and Highways	1,443,478	-	1,443,478
Pension	56,672	4,011	60,683
OPEB	296,782	21,006	317,788
Other Purposes	106,812	-	106,812
Unrestricted	14,359,453	2,358,202	16,795,691
<b>Total Net Position</b>	<b>\$ 40,917,776</b>	<b>\$ 3,391,612</b>	<b>\$ 44,309,388</b>

Debt related to certain business-type assets is included in the governmental activities. This debt has not been included in the net investment in capital assets for the governmental or business-type activities but has been reflected in the entity-wide total. See Note 14.

See accompanying notes to the basic financial statements.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Statement of Activities*  
For the Year Ended December 31, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Business-type	Total	
					Activities	Activities		
<b>Primary Government:</b>								
<b>Governmental activities:</b>								
Security of Persons and Property	\$ 12,694,631	\$ 896,866	\$ 10,000	\$ -	\$ (11,787,765)	\$ -	\$ (11,787,765)	
Public Health Services	354,203	-	-	-	(354,203)	-	(354,203)	
Leisure Time Activities	3,141,945	1,906,983	-	-	(1,234,962)	-	(1,234,962)	
Community Environment	1,111,996	7,075	-	-	(1,104,921)	-	(1,104,921)	
Basic Utility Services	1,191,733	-	-	-	(1,191,733)	-	(1,191,733)	
Transportation	3,670,113	-	1,487,642	-	(2,182,471)	-	(2,182,471)	
General Government	9,739,813	1,969,475	167,700	2,315	(7,600,323)	-	(7,600,323)	
Interest and Fiscal Charges	354,521	-	-	22,421	(332,100)	-	(332,100)	
<b>Total Governmental activities</b>	<b>32,258,955</b>	<b>4,780,399</b>	<b>1,665,342</b>	<b>24,736</b>	<b>(25,788,478)</b>	<b>-</b>	<b>(25,788,478)</b>	
<b>Business-type activities:</b>								
Sanitary Sewer	1,917,355	2,082,084	-	-	-	164,729	164,729	
<b>Total Business-type activities</b>	<b>1,917,355</b>	<b>2,082,084</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164,729</b>	<b>164,729</b>	
<b>Total Primary Government</b>	<b>\$ 34,176,310</b>	<b>\$ 6,862,483</b>	<b>\$ 1,665,342</b>	<b>\$ 24,736</b>	<b>(25,788,478)</b>	<b>164,729</b>	<b>(25,623,749)</b>	
<b>General Revenues:</b>								
Property Taxes levied for:								
General Purposes					1,985,319	-	1,985,319	
Debt Service					1,155,821	-	1,155,821	
Police and Fire					4,220,007	-	4,220,007	
Municipal Income Taxes levied for:								
General Purposes					19,727,285	-	19,727,285	
Payments in Lieu of Taxes					61,958	-	61,958	
Grants & Entitlements not restricted to specific programs					1,129,502	-	1,129,502	
Investment Income					1,712,252	118,729	1,830,981	
All Other Revenues					186,929	22,233	209,162	
Transfers					(500,000)	500,000	-	
Total General Revenues and Transfers					29,679,073	640,962	30,320,035	
Change in Net Position					3,890,595	805,691	4,696,286	
Net Position - Beginning of the Year, as Previously Reported								
					37,113,542	2,598,104	39,711,646	
Change in Accounting Principle					(86,361)	(12,183)	(98,544)	
<b>Net Position - Beginning of the Year, as Restated</b>					<b>37,027,181</b>	<b>2,585,921</b>	<b>39,613,102</b>	
<b>Net Position - End of Year</b>	<b>\$</b>	<b>40,917,776</b>	<b>\$</b>	<b>3,391,612</b>	<b>\$</b>	<b>44,309,388</b>		

See accompanying notes to the basic financial statements.

# CITY OF BROADVIEW HEIGHTS

Cuyahoga County, Ohio

*Balance Sheet*

*Governmental Funds*

*December 31, 2024*

	General Fund	Fire Levy	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 21,497,310	\$ 1,003,058	\$ 1,904,357	\$ 11,559,123	\$ 35,963,848
Cash and Cash Equivalents:					
In Segregated Accounts	24,347	-	-	-	24,347
Materials and Supplies Inventory	27,692	-	-	142,382	170,074
Accrued Interest Receivable	120,427	8,324	-	25,762	154,513
Accounts Receivable	479,761	144,541	-	109,939	734,241
Interfund Receivable	1,525,000	-	-	-	1,525,000
Intergovernmental Receivable	344,638	198,755	7,568	652,099	1,203,060
Prepaid Items	218,099	40,438	-	11,266	269,803
Municipal Income Taxes Receivable	5,225,230	-	-	-	5,225,230
Property Taxes Receivable	2,474,959	3,965,973	1,460,136	1,247,260	9,148,328
Special Assessments Receivable	6,169	-	542,594	-	548,763
Leases Receivable	1,363,270	-	-	-	1,363,270
<b>Total Assets</b>	<b>\$ 33,306,902</b>	<b>\$ 5,361,089</b>	<b>\$ 3,914,655</b>	<b>\$ 13,747,831</b>	<b>\$ 56,330,477</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 140,297	\$ 6,469	\$ -	\$ 36,757	\$ 183,523
Accrued Wages and Benefits	244,788	86,539	-	30,772	362,099
Contracts Payable	-	-	-	25,574	25,574
Intergovernmental Payable	117,864	87,766	-	65,278	270,908
Interfund Payable	-	-	-	1,525,000	1,525,000
Unearned Revenue	349,004	-	-	250,000	599,004
<b>Total Liabilities</b>	<b>851,953</b>	<b>180,774</b>	<b>-</b>	<b>1,933,381</b>	<b>2,966,108</b>
<b>Deferred Inflows of Resources:</b>					
Property Taxes and Lease	3,616,007	3,804,325	1,405,484	1,199,552	10,025,368
Unavailable Revenue - Delinquent Property Taxes	100,834	161,648	54,652	47,708	364,842
Unavailable Revenue - Income Taxes	2,341,220	-	-	-	2,341,220
Unavailable Revenue - Special Assessments	6,169	-	542,594	-	548,763
Unavailable Revenue - Other	256,681	198,755	7,568	492,651	955,655
<b>Total Deferred Inflows of Resources</b>	<b>6,320,911</b>	<b>4,164,728</b>	<b>2,010,298</b>	<b>1,739,911</b>	<b>14,235,848</b>
<b>Fund Balances:</b>					
Nonspendable	267,352	40,438	-	153,648	461,438
Restricted	-	975,149	1,904,357	1,242,664	4,122,170
Committed	958,000	-	-	8,906,991	9,864,991
Assigned	478,870	-	-	-	478,870
Unassigned (Deficits)	24,429,816	-	-	(228,764)	24,201,052
<b>Total Fund Balances</b>	<b>26,134,038</b>	<b>1,015,587</b>	<b>1,904,357</b>	<b>10,074,539</b>	<b>39,128,521</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 33,306,902</b>	<b>\$ 5,361,089</b>	<b>\$ 3,914,655</b>	<b>\$ 13,747,831</b>	<b>\$ 56,330,477</b>

See accompanying notes to the basic financial statements.



**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities*  
December 31, 2024

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<b>Total Governmental Funds Balance</b>	\$	39,128,521
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*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, therefore, are not reported in the funds:		39,859,038
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:		
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Delinquent property taxes	\$	364,842	
Municipal income taxes		2,341,220	
Special assessments		548,763	
Intergovernmental		907,073	
Charges for services		48,582	
Total			4,210,480

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.		(34,622)
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The net pension liability and net OPEB liability are not due and payable in the current period, and the net pension asset and net OPEB asset are not available for spending in the current period; therefore the assets, liabilities, and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	8,103,329		
Deferred Inflows - Pension	(1,355,121)		
Net Pension Asset	56,672		
Net Pension Liability	(26,572,827)		
Deferred Outflows - OPEB	993,159		
Deferred Inflows - OPEB	(1,439,899)		
Net OPEB Asset	296,782		
Net OPEB Liability	(1,356,435)		
Total			(21,274,340)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
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General obligation bonds	(13,371,993)		
Special assessment bonds	(608,036)		
Unamortized premiums	(1,184,468)		
Loans Payable	(3,437,982)		
Financed Purchase and Subscription Payables	(113,380)		
Lease Payable	(38,005)		
Compensated absences	(2,217,437)		
Total			(20,971,301)

<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>40,917,776</b>
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See accompanying notes to the basic financial statements.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2024*

	General Fund	Fire Levy	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 1,980,934	\$ 3,053,597	\$ 1,151,646	\$ 1,158,230	\$ 7,344,407
Municipal Income Taxes	18,856,133	-	-	-	18,856,133
Payments in Lieu of Taxes	-	-	-	61,958	61,958
Intergovernmental	795,307	407,509	15,136	1,516,459	2,734,411
Interest	1,368,543	81,891	-	261,818	1,712,252
Fees, Licenses, and Permits	650,041	-	-	2,100	652,141
Fines and Forfeitures	548,164	-	-	8,672	556,836
Rentals	2,002	-	-	31,762	33,764
Charges for Services	496,841	769,551	-	2,027,439	3,293,831
Contributions and Donations	5,745	-	-	-	5,745
Special Assessments	22,498	-	135,060	-	157,558
Leases	223,346	-	-	-	223,346
All Other Revenues	152,483	-	-	34,446	186,929
<b>Total Revenues</b>	<b>25,102,037</b>	<b>4,312,548</b>	<b>1,301,842</b>	<b>5,102,884</b>	<b>35,819,311</b>
<b>EXPENDITURES</b>					
Security of Persons and Property	5,958,957	4,562,719	-	696,411	11,218,087
Public Health Services	354,203	-	-	-	354,203
Leisure Time Activities	-	-	-	2,018,411	2,018,411
Community Environment	972,877	-	-	5,547	978,424
Basic Utility Services	1,191,733	-	-	-	1,191,733
Transportation	411,740	-	-	1,865,781	2,277,521
General Government	8,694,168	-	13,338	342	8,707,848
Capital Outlay	840,616	56,418	-	797,414	1,694,448
Debt Service:					
Principal Retirement	80,643	13,110	1,236,346	17,759	1,347,858
Interest and Fiscal Charges	3,163	-	428,954	847	432,964
<b>Total Expenditures</b>	<b>18,508,100</b>	<b>4,632,247</b>	<b>1,678,638</b>	<b>5,402,512</b>	<b>30,221,497</b>
Excess of Revenues (Under) Expenditures	6,593,937	(319,699)	(376,796)	(299,628)	5,597,814
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Assets	58,437	-	-	-	58,437
Transfers In	-	650,000	749,323	3,725,000	5,124,323
Transfers Out	(5,556,043)	-	-	(68,280)	(5,624,323)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,497,606)</b>	<b>650,000</b>	<b>749,323</b>	<b>3,656,720</b>	<b>(441,563)</b>
Net Change in Fund Balances	1,096,331	330,301	372,527	3,357,092	5,156,251
Fund Balances - Beginning of Year	25,037,707	685,286	1,531,830	6,717,447	33,972,270
<b>Fund Balances - End of Year</b>	<b>\$ 26,134,038</b>	<b>\$ 1,015,587</b>	<b>\$ 1,904,357</b>	<b>\$ 10,074,539</b>	<b>\$ 39,128,521</b>

See accompanying notes to the basic financial statements.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2024*

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**Net Change in Fund Balances-Total Governmental Funds** \$ 5,156,251

*Amounts reported for Governmental Activities in the Statement of Activities  
are different because:*

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	\$ 1,255,128	
Depreciation	<u>(3,687,056)</u>	
Total		(2,431,928)

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (69,504)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent property taxes	16,740	
Municipal income taxes	871,152	
Special assessments	(115,823)	
Intergovernmental	37,889	
Charges for services	<u>20,281</u>	
Total		830,239

Repayment of various debt principal are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,347,858

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

Pension		2,032,862
OPEB		42,458

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability and net pension asset are reported as pension/OPEB expense in the statement of activities.

Pension		(2,925,476)
OPEB		122

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 Governmental funds.

Compensated absences	(170,730)	
Accrued interest on bonds	3,824	
Amortization of premiums	<u>74,619</u>	
Total		<u>(92,287)</u>

**Change in Net Position of Governmental Activities** \$ 3,890,595

See accompanying notes to the basic financial statements.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Statement of Revenues, Expenditures, and Changes*  
*in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual*  
**General Fund**  
*For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 1,914,237	\$ 1,913,966	\$ 1,980,934	\$ 66,968
Municipal Income Taxes	18,002,548	18,000,000	19,606,556	1,606,556
Intergovernmental	617,821	617,734	715,624	97,890
Interest	800,113	800,000	1,006,608	206,608
Fees, Licenses and Permits	552,578	552,500	658,098	105,598
Fines and Forfeitures	345,049	345,000	384,669	39,669
Rentals	230,033	230,000	234,977	4,977
Charges for Services	401,707	401,650	363,111	(38,539)
Contributions and Donations	6,001	6,000	5,445	(555)
Special Assessments	23,403	23,400	22,498	(902)
All Other Revenues	425,060	425,000	613,046	188,046
<b>Total Revenues</b>	<u>23,318,550</u>	<u>23,315,250</u>	<u>25,591,566</u>	<u>2,276,316</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	7,157,527	7,442,527	6,556,348	886,179
Public Health Services	498,148	498,148	366,497	131,651
Community Environment	1,234,434	1,234,434	1,012,847	221,587
Basic Utility Services	1,497,465	1,497,465	1,260,861	236,604
Transportation	502,066	502,066	426,449	75,617
General Government	11,199,425	11,285,425	9,553,178	1,732,247
<b>Total Expenditures</b>	<u>22,089,065</u>	<u>22,460,065</u>	<u>19,176,180</u>	<u>3,283,885</u>
Excess of Revenues Over (Under) Expenditures	1,229,485	855,185	6,415,386	5,560,201
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	50,000	50,000	57,587	7,587
Advances Out	-	(100,000)	(100,000)	-
Transfers Out	(1,976,043)	(5,556,043)	(5,556,043)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,926,043)</u>	<u>(5,606,043)</u>	<u>(5,598,456)</u>	<u>7,587</u>
Net Change in Fund Balance	(696,558)	(4,750,858)	816,930	5,567,788
Fund Balance Beginning of Year	17,734,081	17,734,081	17,734,081	-
Prior Year Encumbrances	887,011	887,011	887,011	-
Fund Balance End of Year	<u>\$ 17,924,534</u>	<u>\$ 13,870,234</u>	<u>\$ 19,438,022</u>	<u>\$ 5,567,788</u>

See accompanying notes to the basic financial statements.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Statement of Revenues, Expenditures, and Changes*  
*in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual*  
*Fire Levy Fund*  
*For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 3,039,000	\$ 3,039,000	\$ 3,053,597	\$ 14,597
Intergovernmental	405,000	405,000	407,509	2,509
Interest	67,000	67,000	74,060	7,060
Charges for Services	615,000	615,000	764,272	149,272
All Other Revenues	60,000	60,000	69,253	9,253
<b>Total Revenues</b>	<u>4,186,000</u>	<u>4,186,000</u>	<u>4,368,691</u>	<u>182,691</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	5,195,259	5,245,259	4,879,440	365,819
<b>Total Expenditures</b>	<u>5,195,259</u>	<u>5,245,259</u>	<u>4,879,440</u>	<u>365,819</u>
Excess of Revenues Over (Under) Expenditures	(1,009,259)	(1,059,259)	(510,749)	548,510
<b>Other Financing Sources (Uses)</b>				
Transfers In	650,000	650,000	650,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>	<u>-</u>
Net Change in Fund Balance	(359,259)	(409,259)	139,251	548,510
Fund Balance Beginning of Year	622,522	622,522	622,522	-
Prior Year Encumbrances	36,021	36,021	36,021	-
Fund Balance End of Year	<u>\$ 299,284</u>	<u>\$ 249,284</u>	<u>\$ 797,794</u>	<u>\$ 548,510</u>

See accompanying notes to the basic financial statements.

# CITY OF BROADVIEW HEIGHTS

## Cuyahoga County, Ohio Statement of Fund Net Position Proprietary Funds December 31, 2024

	Business-Type Activities		
	Sanitary Sewer Fund	Other Enterprise Fund	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,714,812	\$ 512,269	\$ 2,227,081
Accrued Interest Receivable	10,916	-	10,916
Accounts Receivable	623,834	-	623,834
Prepaid Items	5,062	-	5,062
Special Assessments Receivable	59,458	-	59,458
<i>Total Current Assets</i>	<u>2,414,082</u>	<u>512,269</u>	<u>2,926,351</u>
<b>Noncurrent Assets:</b>			
Net Pension Asset	4,011	-	4,011
Net OPEB Asset	21,006	-	21,006
Capital Assets:			
Depreciable Assets, Net of Depreciation	1,008,393	-	1,008,393
<i>Total Noncurrent Assets</i>	<u>1,033,410</u>	<u>-</u>	<u>1,033,410</u>
<b>Total Assets</b>	<u>3,447,492</u>	<u>512,269</u>	<u>3,959,761</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	199,572	-	199,572
OPEB	19,204	-	19,204
<b>Total Deferred Outflows of Resources</b>	<u>218,776</u>	<u>-</u>	<u>218,776</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	72,800	-	72,800
Accrued Wages and Benefits	11,750	-	11,750
Intergovernmental Payable	5,936	-	5,936
Compensated Absences Payable	5,600	-	5,600
<i>Total Current Liabilities</i>	<u>96,086</u>	<u>-</u>	<u>96,086</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	64,367	-	64,367
Net Pension Liability	610,406	-	610,406
<i>Total Noncurrent Liabilities</i>	<u>674,773</u>	<u>-</u>	<u>674,773</u>
<b>Total Liabilities</b>	<u>770,859</u>	<u>-</u>	<u>770,859</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	3,954	-	3,954
OPEB	12,112	-	12,112
<b>Total Deferred Inflows of Resources</b>	<u>16,066</u>	<u>-</u>	<u>16,066</u>
<b>NET POSITION</b>			
Investment in Capital Assets	1,008,393	-	1,008,393
Restricted for:			
Pension	4,011	-	4,011
OPEB	21,006	-	21,006
Unrestricted	1,845,933	512,269	2,358,202
<b>Total Net Position</b>	<u>\$ 2,879,343</u>	<u>\$ 512,269</u>	<u>\$ 3,391,612</u>

See accompanying notes to the basic financial statements.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Statement of Revenues, Expenses, and Changes in Fund Net Position*  
*Proprietary Funds*  
For the Year Ended December 31, 2024

	Business-Type Activities		
	Sanitary Sewer Fund	Other Enterprise Fund	Total
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 2,082,084	\$ -	\$ 2,082,084
Miscellaneous	21,007	1,226	22,233
<b>Total Operating Revenues</b>	<u>2,103,091</u>	<u>1,226</u>	<u>2,104,317</u>
<b>OPERATING EXPENSES</b>			
Personal Services	417,470	-	417,470
Fringe Benefits	161,361	-	161,361
Materials and Supplies	27,929	-	27,929
Contractual Services	1,142,573	-	1,142,573
Depreciation	133,311	-	133,311
Other	34,711	-	34,711
<b>Total Operating Expense</b>	<u>1,917,355</u>	<u>-</u>	<u>1,917,355</u>
Operating Income (Loss)	<u>185,736</u>	<u>1,226</u>	<u>186,962</u>
<b>NONOPERATING REVENUES</b>			
Interest	118,729	-	118,729
<b>Total Nonoperating Revenues</b>	<u>118,729</u>	<u>-</u>	<u>118,729</u>
Transfers In	-	500,000	500,000
Change in Net Position	304,465	501,226	805,691
Net Position - Beginning of the Year, as Previously Reported	2,587,061	11,043	2,598,104
Change in Accounting Principle	(12,183)		(12,183)
<b>Net Position - Beginning of the Year, as Restated</b>	<u>2,574,878</u>	<u>11,043</u>	<u>2,585,921</u>
<b>Net Position - End of Year</b>	<u>\$ 2,879,343</u>	<u>\$ 512,269</u>	<u>\$ 3,391,612</u>

See accompanying notes to the basic financial statements.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2024

	<b>Business-Type Activities</b>		
	<b>Sanitary Sewer Fund</b>	<b>Other Enterprise Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Charges for Services	\$ 2,072,667	\$ -	\$ 2,072,667
Cash Received from Other Operating Receipts	21,007	-	21,007
Cash Received from Tap In Fees	-	1,226	1,226
Cash Payments to Employees for Services	(435,453)	-	(435,453)
Cash Payments for Employee Benefits	(210,537)	-	(210,537)
Cash Payments for Goods and Services	(1,186,605)	-	(1,186,605)
Other Cash Payments	(34,868)	-	(34,868)
Net Cash Provided by Operating Activities	<u>226,211</u>	<u>1,226</u>	<u>227,437</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer In	-	500,000	500,000
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>500,000</u>	<u>500,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	108,789	-	108,789
Net Cash Provided by Investing Activities	<u>108,789</u>	<u>-</u>	<u>108,789</u>
Net Increase in Cash and Cash Equivalents	335,000	501,226	836,226
Cash and Cash Equivalents - Beginning of Year	1,379,812	11,043	1,390,855
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ 1,714,812</u></u>	<u><u>\$ 512,269</u></u>	<u><u>\$ 2,227,081</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income	\$ 185,736	\$ 1,226	\$ 186,962
Adjustments:			
Depreciation	133,311	-	133,311
(Increase) Decrease in Assets and Deferred Outflows of Resources:			
Accounts Receivable	(9,417)	-	(9,417)
Prepaid Items	827	-	827
Net Pension Asset	(419)	-	(419)
Net OPEB Asset	(21,006)	-	(21,006)
Deferred Outflows of Resources - Pension	144,852	-	144,852
Deferred Outflows of Resources - OPEB	33,867	-	33,867
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:			
Accounts Payable	(16,927)	-	(16,927)
Accrued Wages and Benefits	3,317	-	3,317
Intergovernmental Payable	(240)	-	(240)
Compensated Absences Payable	(21,060)	-	(21,060)
Net Pension Liability	(198,537)	-	(198,537)
Net OPEB Liability	(17,298)	-	(17,298)
Deferred Inflows of Resources - Pension	2,798	-	2,798
Deferred Inflows of Resources - OPEB	6,407	-	6,407
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 226,211</u></u>	<u><u>\$ 1,226</u></u>	<u><u>\$ 227,437</u></u>

See accompanying notes to the basic financial statements.



**CITY OF BROADVIEW HEIGHTS**

Cuyahoga County, Ohio

*Statement of Fiduciary Net Position*

*Custodial Fund*

*December 31, 2024*

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	<b>Custodial Fund</b>
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,248
<b>Total Assets</b>	<u>1,248</u>
<b>NET POSITION</b>	
Restricted For:	
Individuals, Organizations, and Other Governments	1,248
<b>Total Net Position</b>	<u>\$ 1,248</u>

See accompany notes to the basic financial statements.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Statement of Changes in Fiduciary Net Position*  
*Custodial Fund*  
*For the Year Ended December 31, 2024*

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	<b>Custodial Fund</b>
<b>ADDITIONS</b>	
Licenses, Permits, & Fees Distributions for Other Governments	\$ 8,140
<b>Total Additions</b>	<u>8,140</u>
<b>DEDUCTIONS</b>	
Licenses, Permits, & Fees Distributions to Other Governments	<u>9,754</u>
<b>Total Deductions</b>	<u>9,754</u>
Net Decrease in Fiduciary Net Position	(1,614)
Net Position - Beginning of Year	<u>2,862</u>
<b>Net Position - End of Year</b>	<u><u>\$ 1,248</u></u>

See accompany notes to the basic financial statements.

## Notes to the Basic Financial Statements

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY**

The City of Broadview Heights (the City) is a municipal corporation incorporated under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted November 7, 1961. The Mayor and Council are elected. The City provides police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair, refuse collection and general administrative services to the citizens of the City.

**Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. A primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. The primary government of the City includes City departments and agencies that provide the following services: police protection, fire fighting and prevention, street maintenance and repairs, building inspection, parks and recreation, sewer and sanitation. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. The City has no component units.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (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 most significant of the City's accounting policies are described below.

**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. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Government-wide Financial Statements** (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 are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function 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 proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**Fund Accounting**

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

**Governmental Funds**

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

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

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
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(Continued)

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Governmental Funds** (Continued)

*Fire Levy Fund* – The Fire Levy Fund accounts for the operating expenses of a full time Fire Department, and is restricted exclusively for that purpose. The revenue is primarily from property taxes through charter millage.

*General Bond Retirement Fund* – The General Bond Retirement Fund is used to account for the accumulation of resources for the payment of interest and principal on long term general obligation debt.

The other governmental funds of the City account for grants and other resources to which the City is bound to observe constraints imposed upon the use of the resources.

**Proprietary Funds**

Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City does not have any internal service funds.

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

*Sanitary Sewer Fund* – The Sanitary Sewer Fund is an enterprise fund used to account for operations of the sanitary sewer system on a continuing basis and is financed through user charges.

The other enterprise fund is used to account for Sanitary Sewer capital improvements.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's custodial fund accounts for building standards fees collected on behalf of the State of Ohio.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
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(Continued)

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

***Measurement Focus***

**Government-wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary 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.

**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 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 reconciliations 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 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 Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**Basis of Accounting**

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

**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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
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(Continued)

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Revenues - Exchange and Non-exchange Transactions** (Continued)

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. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 9). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, grants, fees and rentals.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

**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, represents 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 pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Note 11 and 12.

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 taxes, unavailable revenue, pension and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance year 2025 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, special assessments, intergovernmental, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (See Notes 11 and 12).



**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**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.

**Budgetary Data**

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

Budgetary modifications may only be made by ordinance of the City Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2024.

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

**Lapsing of Appropriations**

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

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Cash and Investments**

To improve cash management, cash received by the City is pooled. Monies for all funds, except funds requiring that interest proceeds follow the invested principal, are maintained in this pool. Individual fund integrity is maintained through the City's records.

The City has segregated a portion of cash balances, reported as "Cash and Cash Equivalents in segregated accounts" which are used for the City's Mayor's Court.

During 2024, investments were limited to STAR Ohio, U.S. Treasury securities, and U.S. government agency bonds.

The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2024, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2024 amounted to \$1,368,543, after \$344,582 assigned to other City funds.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the City are presented on the financial statements as "cash". Investments with an original maturity of more than three months are reported as "Equity in Pooled Cash and Cash Equivalents".

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$7,500 - \$100,000 depending on asset category.

The City's infrastructure consists of street signs and guardrails, storm and sanitary sewers, roads, and traffic signals. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated or amortized except for land, intangible and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets.

Useful lives for infrastructure were estimated based on the City Engineer's interpretation of historical records of necessary improvements and replacement. All reported capital assets except land, intangible assets, and construction in progress are required to be depreciated using a depreciation method (specifically the straight-line method) over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	15 to 50 years	10 to 50 years
Improvements	10 to 20 years	N/A
Furniture and Fixtures	7 to 20 years	N/A
Machinery and Equipment	5 to 15 years	10 to 15 years
Vehicles	3 to 15 years	6 to 15 years
Infrastructure	15 to 40 years	10 to 50 years

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

**Interfund Balances**

On fund financial statements, long-term interfund loans are classified as "advances to/from other funds" on the balance sheet and are equally offset by nonspendable fund balance, which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Compensated Absences**

The City recognizes a liability for compensated absences for leave that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability is incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation - The City's policy permits employees to accumulate earned but unused benefits, which are eligible for payments at the employee's current pay rate upon separation from employment.

Sick - The City's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employment of the City and, upon separation from service, a monetary obligation will exist from the City to the former employee. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. The city adopted the last-in first-out (LIFO) method for sick time used. See note 13 for more information on the City's compensated absences policy.

**Accrued Liabilities and Long-Term Obligations**

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

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

**Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, net pension/OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**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 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. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

*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.

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless the City 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 Council. The City Council, by resolution, authorized the Finance Director 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.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Net Position**

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported 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 government-wide statement of net position reports \$5,425,704 of the restricted component of net position, none of which is restricted by enabling legislation. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for sewer services. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenue and expenses not meeting these definitions are classified as nonoperating.

**Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

**Interfund Activity**

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in business-type activities. Interfund transfers are eliminated when reported in the entity wide financial statements for both the governmental and business-type activities. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as a reduction of expenditures/expenses in the fund that is reimbursed.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2024.

**Estimates**

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

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**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
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**NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES**

During the fiscal year, the City implemented the following Governmental Accounting Standards Board (GASB) Statements and Guides:

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. These changes were incorporated in the City's financial statements; however, there was no effect on the beginning net position/fund balance.

*GASB Statement No. 100, Accounting Change and Error Corrections – an Amendment of GASB Statement No. 62.* GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The implementation of the GASB pronouncement did not have any impact on beginning net position or fund balance.

*GASB Statement No. 101, Compensated Absences* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. For the City, GASB 101 increased the liability and the cumulative effects of compensated absence related expense on net position as shown on the table below.

	Government-Wide	
	Governmental Activities	Business-Type Activities
December 31, 2023, as previously reported	\$ 37,113,542	\$ 2,598,104
Change in accounting principle (GASB 101)	(86,361)	(12,183)
December 31, 2023, as restated	<u>\$ 37,027,181</u>	<u>\$ 2,585,921</u>



**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
*(Continued)*

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**NOTE 4: ACCOUNTABILITY**

**Accountability**

Fund balances at December 31, 2024 included the following individual fund deficits:

	<u>Fund Deficit</u>
Non-Major Governmental Funds:	
Royalton Road TIF	\$ 155,828
Treeworth TIF	72,936
Total	<u>\$ 228,764</u>

The deficits in the Royalton Road TIF Fund and Treeworth TIF Fund resulted from adjustments for accrued liabilities. The General Fund is liable for any deficits in these funds and will provide transfers when cash is required, not when accruals occur.

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**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

**NOTE 5: FUND BALANCE**

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	Fire Levy	General Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>					
Unclaimed Monies	\$ 21,561	\$ -	\$ -	\$ -	\$ 21,561
Prepaid Items	218,099	40,438	-	11,266	269,803
Inventory	27,692	-	-	142,382	170,074
<i>Total Nonspendable</i>	<u>267,352</u>	<u>40,438</u>	<u>-</u>	<u>153,648</u>	<u>461,438</u>
<i>Restricted for</i>					
Fire Services	-	975,149	-	-	975,149
Bond Retirement	-	-	1,904,357	-	1,904,357
Court Operations and Capital Outlay	-	-	-	32,036	32,036
Road Repair and Improvement	-	-	-	877,312	877,312
Law Enforcement	-	-	-	278,572	278,572
Other Purposes	-	-	-	54,744	54,744
<i>Total Restricted</i>	<u>-</u>	<u>975,149</u>	<u>1,904,357</u>	<u>1,242,664</u>	<u>4,122,170</u>
<i>Committed to</i>					
Fire and Safety Equipment	-	-	-	1,263,629	1,263,629
Street Improvement	-	-	-	2,070,073	2,070,073
Storm Sewer Improvement	-	-	-	1,715,756	1,715,756
Recreation	-	-	-	2,863,301	2,863,301
City Facility Improvement	-	-	-	907,205	907,205
Tree Planting and Maintenance	-	-	-	86,427	86,427
Payroll Reserve	958,000	-	-	-	958,000
Other Purposes	-	-	-	600	600
<i>Total Committed</i>	<u>958,000</u>	<u>-</u>	<u>-</u>	<u>8,906,991</u>	<u>9,864,991</u>
<i>Assigned to</i>					
Purchases on Order:					
Security of Persons and Property	8,907	-	-	-	8,907
Community Environment	66	-	-	-	66
Basic Utility Services	44,084	-	-	-	44,084
Transportation	4,977	-	-	-	4,977
General Government	169,217	-	-	-	169,217
Capital Outlay	251,619	-	-	-	251,619
<i>Total Assigned</i>	<u>478,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>478,870</u>
<i>Unassigned (Deficit)</i>	<u>24,429,816</u>	<u>-</u>	<u>-</u>	<u>(228,764)</u>	<u>24,201,052</u>
<b>Total Fund Balances</b>	<u><u>\$ 26,134,038</u></u>	<u><u>\$ 1,015,587</u></u>	<u><u>\$ 1,904,357</u></u>	<u><u>\$ 10,074,539</u></u>	<u><u>\$ 39,128,521</u></u>

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 6: DEPOSITS AND INVESTMENTS**

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

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

Inactive deposits are public deposits that Council has identified as not required for use within the current 5-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds with the City Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreements must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and local governments and municipalities;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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;
6. The State Treasurer's investment pool (STAR Ohio);

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 6: DEPOSITS AND INVESTMENTS** (Continued)

7. Certain banker's acceptances and commercial paper notes in an amount not to exceed 40 percent of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days and two hundred seventy days, respectively; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Effective September 27, 1996, investments in stripped principal or interest obligations are no longer allowed to be purchased. Reverse repurchase agreements and derivatives are also prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

**Cash on Hand**

At year end, the City had \$1,276 in undeposited cash on hand which is included on the statement of net position and balance sheet of the City as part of equity in pooled cash and cash equivalents.

**Deposits**

The carrying value of the City's deposits totaled \$667,907 and the bank balances of the deposits totaled \$924,817. Of the bank balance, \$250,000 was covered by Federal Depository Insurance, \$700,757 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agency, but not in the City's name. The City's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance.

***Custodial Credit Risk:*** Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits either be insured or protected by:

1. 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
2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institution had enrolled in OPCS as of December 31, 2024.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

**NOTE 6: DEPOSITS AND INVESTMENTS** (Continued)

**Investments**

STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. 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.

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

Investment	Rating by Standard & Poor's	Level Input	Measurement Value	Investment Maturities (in years)			Percentage of Total Investments
				<1	1-3	3-5	
US Treasury Notes	AA+	1	\$ 18,893,710	\$ 11,919,340	6,974,370	-	50.32%
FHLB Bonds	AA+	2	1,742,698	747,098	-	995,600	4.64%
STAR Ohio	AAm	N/A	16,910,933	16,910,933	-	-	45.04%
			<u>\$ 37,547,341</u>	<u>\$ 29,577,371</u>	<u>\$ 6,974,370</u>	<u>\$ 995,600</u>	<u>100.00%</u>

**Interest Rate Risk:** The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The City's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the City.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio to maintain the highest rating provided by at least one nationally recognized standard rating service.

**Credit Risk:** The City's investments' credit ratings are summarized above.

**Concentration of Credit Risk:** The City places no limit on the amount the City may invest in any one issuer. The investment percentages are listed above.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

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**NOTE 7: BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget (non-GAAP basis) and actual presented for the General Fund and major Special Revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Unrecorded cash represents amounts received and paid which are not included as revenue/expenditure on the budgetary statements, but are reported on the operating statements prepared using GAAP.
4. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).
5. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
6. Encumbrances are treated as expenditures (budget) rather than as a component of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the Fire Levy Fund.

<b>Net Change in Fund Balance</b>		
	General	Fire Levy
GAAP Basis	\$ 1,096,331	\$ 330,301
Revenue Accruals	442,854	(13,110)
Expenditure Accruals	(55,566)	27,324
Unrecorded Cash	(6,585)	-
Funds Budgeted Separately	5,893	-
Advances Out	(100,000)	-
Encumbrances (Budget Basis) outstanding at year end	(565,997)	(205,264)
Budget Basis	<u>\$ 816,930</u>	<u>\$ 139,251</u>

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
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(Continued)

**NOTE 8: TRANSFERS AND INTERFUND BALANCES**

**Interfund Transfers**

Transfers are used to move resources from the fund that statute or budget requires; to collect them to the fund that statute or budget requires; to expend them and unrestricted revenues collected in the General Fund; to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. Interfund transfers for the year ended December 31, 2024, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
<i>Governmental Activities:</i>		
General Fund	\$ -	\$ 5,556,043
General Bond Retirement Fund	749,323	-
Fire Levy Fund	650,000	-
Nonmajor Governmental Funds	3,725,000	68,280
Total Governmental Activities	<u>5,124,323</u>	<u>5,624,323</u>
<i>Business-Type Activities:</i>		
Nonmajor Enterprise Fund	500,000	-
Total Entity-wide	<u>\$ 5,624,323</u>	<u>\$ 5,624,323</u>

The transfers from the General Fund of \$681,043 to the General Bond Retirement Fund, \$650,000 to the Fire Levy Fund, and \$3,725,000 to Nonmajor Governmental Funds were to pay for debt service, support operations of the fire department, and support operations of various special revenue and capital projects funds. The transfers out of Nonmajor Governmental Funds of \$68,280 to the General Bond Retirement Fund were to pay for debt service. The transfers from the General Fund to non-major enterprise funds were for Sewer Capital.

**Interfund Balances**

Interfund receivables and payables resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. Interfund balances as of December 31, 2024 consisted of the following:

	<u>Receivables</u>	<u>Payables</u>
<i>Governmental Activities:</i>		
General Fund	\$ 1,525,000	\$ -
Nonmajor Governmental Funds	-	1,525,000
Total Governmental Activities	<u>\$ 1,525,000</u>	<u>\$ 1,525,000</u>

As of December 31, 2024, interfund receivables and payables to and from other funds are made up of a \$1,000,000 advance to the Fire Station Fund, a \$400,000 advance to the Royalton Road TIF Fund, a \$25,000 advance to the TreeWorth TIF Fund, and a \$100,000 advance to the TreeWorth TIF Fund, all of which are from the General Fund. Interfund payables and receivables were eliminated on the Statement of Net Position since they were within governmental activities.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 9: RECEIVABLES**

Receivables at December 31, 2024, consisted of taxes, special assessments, loans, leases, accounts (billings for user charged services), and intergovernmental receivables. All of these receivables are considered fully collectible.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

**Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2024 for real and public utility property taxes represents collections of the 2023 taxes. Property tax payments received during 2024 for tangible personal property, except public utility property, are for prior year unpaid tangible personal property taxes.

Real property taxes (other than public utility property) are levied after October 1 on the assessed value as of prior January 1, the lien date. Assessed values are established by State law at 35 percent of appraised market value, and reappraisal of all property is required every six years with a triennial update. The last reappraisal was completed for tax year 2018 affecting collections beginning 2019, and a triennial update was completed for tax year 2021 affecting collections beginning 2022.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due mid January with the remainder payable by mid July. Taxes not paid become delinquent after December 31 of the year in which payable. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. Public utility real and tangible personal property taxes collected during the calendar year were levied in the preceding calendar year based on assessed values as of January 1 of that preceding year, the lien date.

The full tax rate for all City operations for the year ended December 31, 2024, was \$12.52 per \$1,000 of assessed valuation.

The assessed values of real property upon which 2024 property tax receipts were based as follows:

<u>Property Category</u>	<u>Assessed Value</u>	<u>Percent</u>
Real Property	\$803,067,740	98.15 %
Public Utilities - Personal	15,110,500	1.85
Total	<u>\$818,178,240</u>	<u>100.00 %</u>



**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 9: RECEIVABLES** (Continued)

The County Fiscal Officer collects property taxes on behalf of all taxing districts within the County, including the City of Broadview Heights. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which became measurable as of December 31, 2024, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by a deferred inflow of resources since the current taxes were not levied to finance 2024 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

**Income Taxes**

The City levies a municipal income tax of 2 percent on all salaries, wages, commissions and other compensation, and net profits earned within the City as well as income of residents earned outside of the City. In the latter case, the City allows a credit of 75 percent of the tax paid to another municipality to a maximum of the total amount assessed. The Regional Income Tax Agency (RITA) is the City's agent for administering income tax collecting and accounting.

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. Income tax proceeds are credited to the General Fund.

**Intergovernmental Receivables**

A summary of intergovernmental receivables follows:

Revenue Description	Amount
Local Government	\$ 199,815
Homestead and Rollback	350,079
Gasoline and Auto Registration tax	620,790
Permissive tax	11,024
Miscellaneous	21,352
Total	<u>\$ 1,203,060</u>

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

**NOTE 9: RECEIVABLES** (Continued)

**Leases Receivable**

In previous years, the City entered into a cell phone tower lease agreement as the Lessor. An initial lease receivable was recorded in the amount of \$1,402,970. As of December 31, 2024, the value of the lease receivable is \$1,241,745. The lessee is required to make monthly base rent payments of \$2,804, subject to 2 percent annual increases. The lessee additionally has three subleasing arrangements, and is required to make revenue sharing payments totaling \$4,966, subject to 2 and 3 percent annual increases. The lease has an implied interest rate of 3.00 percent. The value of the deferred inflow of resources as of December 31, 2024, was \$1,146,590, and the City recognized lease revenue of \$85,460 during the fiscal year.

In 2018, the City entered into a lease as Lessor for the use building space to be used for the operation of STEPS Academy. An initial lease receivable was recorded in the amount of \$379,265. As of December 31, 2024, the value of the lease receivable is \$30,273. The lessee is required to make quarterly fixed payments of \$30,500. The lease has an implied interest rate of 3.00 percent. The value of the deferred inflow of resources as of December 31, 2024, was \$10,250, and the City recognized lease revenue of \$123,005 during the fiscal year.

In 2019, the City entered into a lease as Lessor for the use of building space for the Brecksville-Broadview Heights Preschool Mother's Club. An initial lease receivable was recorded in the amount of \$1,752. As of December 31, 2024, the value of the lease receivable is \$0. The lessee is required to make annual fixed payments of \$900. The lease has an implied interest rate of 3.00 percent. The value of the deferred inflow of resources as of December 31, 2024, was \$0, and the City recognized lease revenue of \$302 during the fiscal year.

In 2019, the City entered into a lease as Lessor for the use of building space for the Cleveland Photographic Society. An initial lease receivable was recorded in the amount of \$128,778. As of December 31, 2024, the value of the lease receivable is \$91,253. The lessee is required to make monthly fixed payments of \$1,276, subject to annual increases of \$26 per month. The lease has an implied interest rate of 3.00 percent. The value of the deferred inflow of resources as of December 31, 2024, was \$85,042, and City of Broadview Heights recognized lease revenue of \$14,579 during the fiscal year. The lessee has two extension options, each for 36 months.

Principal and interest payments expected to be received to maturity at December 31, 2024, are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total Payments
2025	\$ 104,929	\$ 39,205	\$ 144,134
2026	79,685	36,670	116,355
2027	84,929	34,208	119,137
2028	90,398	31,585	121,983
2029	55,017	19,504	74,521
2030 - 2034	500,387	105,628	606,015
2035 - 2038	447,925	26,818	474,743
Total	<u>\$ 1,363,270</u>	<u>\$ 293,618</u>	<u>\$ 1,656,888</u>

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

**NOTE 10: CAPITAL ASSETS**

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

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
<b>Governmental Activities</b>				
<i>Capital Assets Not Being Depreciated/Amortized</i>				
Land	\$ 5,924,974	\$ -	\$ -	\$ 5,924,974
Intangible	22,142	-	-	22,142
Construction in Progress	940,198	242,900	-	1,183,098
<i>Total Capital Assets Not Being Depreciated/Amortized</i>	<u>6,887,314</u>	<u>242,900</u>	<u>-</u>	<u>7,130,214</u>
<i>Capital Assets Being Depreciated/Amortized</i>				
Buildings	6,229,711	61,811	-	6,291,522
Improvements	19,708,648	36,270	-	19,744,918
Furniture and Fixtures	211,470	-	-	211,470
Machinery and Equipment	4,156,090	602,204	(351,502)	4,406,792
Vehicles	6,800,455	311,943	(109,050)	7,003,348
Intangible Right-to-use Lease - Equipment	217,175	-	-	217,175
Intangible Right-to-use - Software	237,771	-	-	237,771
Infrastructure:				
Traffic Signals	2,348,751	-	-	2,348,751
Roads	35,362,979	-	-	35,362,979
Street Signs & Guard Rails	251,181	-	-	251,181
Storm Sewers	16,244,167	-	-	16,244,167
<i>Total Capital Assets Being Depreciated/Amortized</i>	<u>91,768,398</u>	<u>1,012,228</u>	<u>(460,552)</u>	<u>92,320,074</u>
Less: Accumulated Depreciation/Amortization				
Buildings	(3,348,335)	(113,187)	-	(3,461,522)
Improvements	(7,440,561)	(915,639)	-	(8,356,200)
Furniture and Fixtures	(163,054)	(25,261)	-	(188,315)
Machinery and Equipment	(3,322,648)	(215,011)	281,998	(3,255,661)
Vehicles	(3,538,790)	(620,844)	109,050	(4,050,584)
Intangible Right-to-use Lease - Equipment	(114,017)	(43,435)	-	(157,452)
Intangible Right-to-use - Software	(48,773)	(56,537)	-	(105,310)
Infrastructure:				
Traffic Signals	(737,842)	(131,943)	-	(869,785)
Roads	(25,979,076)	(1,238,202)	-	(27,217,278)
Street Signs & Guard Rails	(89,496)	(22,447)	-	(111,943)
Storm Sewers	(11,512,650)	(304,550)	-	(11,817,200)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(56,295,242)</u>	<u>(3,687,056) *</u>	<u>391,048</u>	<u>(59,591,250)</u>
<i>Total Capital Assets Being Depreciated/Amortized, Net</i>	<u>35,473,156</u>	<u>(2,674,828)</u>	<u>(69,504)</u>	<u>32,728,824</u>
Total Governmental Activities				
Capital Asset, Net	<u>\$ 42,360,470</u>	<u>\$ (2,431,928)</u>	<u>\$ (69,504)</u>	<u>\$ 39,859,038</u>

\* Depreciation/Amortization expense was charged to governmental functions as follows:

Security of Persons and Property	\$ 530,996
Leisure Time Activities	910,511
Transportation	1,392,592
General Government	723,513
Community Environment	129,444
<b>Total Depreciation Expense</b>	<u><u>\$ 3,687,056</u></u>

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

**NOTE 10: CAPITAL ASSETS** (Continued)

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
<b><u>Business-Type Activities</u></b>				
<i>Capital Assets Being Depreciated</i>				
Buildings	\$ 1,138,104	\$ -	\$ -	\$ 1,138,104
Machinery and Equipment	1,033,286	-	-	1,033,286
Vehicles	319,485	-	-	319,485
Infrastructure:				
Sanitary Sewers	16,042,963	-	-	16,042,963
<i>Total Capital Assets Being Depreciated</i>	<u>18,533,838</u>	<u>-</u>	<u>-</u>	<u>18,533,838</u>
Less: Accumulated Depreciation				
Buildings	(1,098,303)	(28,453)	-	(1,126,756)
Machinery and Equipment	(951,124)	(30,422)	-	(981,546)
Vehicles	(286,607)	(10,036)	-	(296,643)
Infrastructure:				
Sanitary Sewers	(15,056,100)	(64,400)	-	(15,120,500)
<i>Total Accumulated Depreciation</i>	<u>(17,392,134)</u>	<u>(133,311)</u>	<u>-</u>	<u>(17,525,445)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>1,141,704</u>	<u>(133,311)</u>	<u>-</u>	<u>1,008,393</u>
Total Business-Type Activities				
Capital Asset, Net	<u>\$ 1,141,704</u>	<u>\$ (133,311)</u>	<u>\$ -</u>	<u>\$ 1,008,393</u>

**NOTE 11: DEFINED BENEFIT PENSION PLANS**

**Net Pension Liability/Asset**

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

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

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

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 11: DEFINED BENEFIT PENSION PLANS** (Continued)

**Net Pension Liability/Asset** (Continued)

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

The proportionate share of each plan's unfunded and funded benefits is presented as a long-term *net pension liability* or *net pension asset* 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)**

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Effective January 1, 2022, the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33, which allows for the consideration of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

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

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

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

**NOTE 11: DEFINED BENEFIT PENSION PLANS** (Continued)

**Plan Description – Ohio Public Employees Retirement System (OPERS)** (Continued)

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment.

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

A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

**NOTE 11: DEFINED BENEFIT PENSION PLANS** (Continued)

**Plan Description – Ohio Public Employees Retirement System (OPERS)** (Continued)

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

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

	State and Local		
	Traditional Pension Plan	Combined Plan	Member- Directed Plan
<b>2023-2024 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	14.0 %	14.0 %
Employee *	10.0 %	10.0 %	10.0 %
<b>2023-2024 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	12.0 %	10.0 %
Post-Employment Health Care Benefits	0.0 %	2.0 %	4.0 %
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>	<u>14.0 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>	<u>10.0 %</u>

\* Member contributions within the Combined Plan are not used to fund the defined benefit retirement allowance.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$869,023 for 2024. Of this amount, \$69,894 is reported as an intergovernmental payable.



**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 11: DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

Upon attaining a qualifying age with sufficient years of service, a member of 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 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving 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 participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the members' base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.



**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

**NOTE 11: DEFINED BENEFIT PENSION PLANS** (Continued)

**Plan Description – Ohio Police & Fire Pension Fund (OP&F)** (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
<b>2024 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2024 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,221,283 for 2024. Of this amount, \$111,777 is reported as an intergovernmental payable.

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

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

	<u>OPERS Traditional Pension Plan</u>	<u>OPERS Combined Pension Plan</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.035098%	0.019531%	0.1942037%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.035272%	0.019742%	0.1857797%	
Change in Proportionate Share	<u>0.000174%</u>	<u>0.000211%</u>	<u>-0.0084240%</u>	
Proportionate Share of the Net Pension Liability	\$ 9,234,354	\$ -	\$ 17,948,879	\$ 27,183,233
Proportionate Share of the Net Pension Asset	\$ -	\$ 60,683	\$ -	\$ 60,683
Pension Expense	\$ 1,154,131	\$ 6,825	\$ 1,770,658	\$ 2,931,614

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
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(Continued)

**NOTE 11: DEFINED BENEFIT PENSION PLANS** (Continued)

**Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (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 Traditional Pension Plan	OPERS Combined Pension Plan	OP&F	Total
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$ 1,863,884	\$ 9,868	\$ 2,033,984	\$ 3,907,736
Differences between expected and actual experience	150,928	2,461	576,209	729,598
Changes of assumptions	-	2,256	1,134,351	1,136,607
Changes in proportion and differences between City contributions and proportionate share of contributions	93,225	27,521	317,908	438,654
City contributions subsequent to the measurement date	851,041	17,982	1,221,283	2,090,306
Total Deferred Outflows of Resources	<u>\$ 2,959,078</u>	<u>\$ 60,088</u>	<u>\$ 5,283,735</u>	<u>\$ 8,302,901</u>
<b>Deferred Inflows of Resources</b>				
Changes of assumptions	\$ -	\$ -	\$ 272,575	\$ 272,575
Differences between expected and actual experience	-	6,006	200,738	206,744
Changes in proportion and differences between City contributions and proportionate share of contributions	47,519	6,285	825,952	879,756
Total Deferred Inflows of Resources	<u>\$ 47,519</u>	<u>\$ 12,291</u>	<u>\$ 1,299,265</u>	<u>\$ 1,359,075</u>

\$2,090,306 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in the year ending December 31, 2025.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

**NOTE 11: DEFINED BENEFIT PENSION PLANS** (Continued)

**Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

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

Year Ending December 31:	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F	Total
2025	\$ 505,565	\$ 5,596	\$ 836,992	\$ 1,348,153
2026	630,938	7,059	888,053	1,526,050
2027	1,189,427	10,652	1,291,872	2,491,951
2028	(265,412)	2,386	(224,772)	(487,798)
2029	-	3,521	(28,116)	(24,595)
Thereafter	-	601	(842)	(241)
Total	<u>\$ 2,060,518</u>	<u>\$ 29,815</u>	<u>\$ 2,763,187</u>	<u>\$ 4,853,520</u>

**Actuarial Assumptions - OPERS**

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

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

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

**NOTE 11: DEFINED BENEFIT PENSION PLANS** (Continued)

**Actuarial Assumptions - OPERS** (Continued)

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

	<u>Traditional Pension Plan</u>	<u>Combined Plan</u>
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	2.3 percent simple through 2024, then 2.05 percent simple	2.3 percent simple through 2024, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	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 previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, 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 investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

**NOTE 11: DEFINED BENEFIT PENSION PLANS** (Continued)

**Actuarial Assumptions - OPERS** (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00 %	2.85 %
Domestic Equities	21.00	4.27
Real Estate	13.00	44.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00 %	

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

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

City's proportionate share of the net pension liability/(asset)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Pension Plan	\$ 14,537,355	\$ 9,234,354	\$ 4,823,799
Combined Plan	\$ (36,720)	\$ (60,683)	\$ (79,560)

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 11: 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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in 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 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple

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

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

The most recent experience study was completed December 31, 2021.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
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(Continued)

**NOTE 11: DEFINED BENEFIT PENSION PLANS** (Continued)

**Actuarial Assumptions – OP&F** (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.10
International Equity	12.40	4.90
Core Fixed Income *	25.00	2.40
U.S. Inflation Linked Bonds *	15.00	2.10
High Yield Fixed Income	7.00	4.10
Private Real Estate	12.00	5.40
Private Markets	10.00	7.30
Midstream Energy Infrastructure	5.00	5.80
Private Credit	5.00	6.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Commodities	<u>2.00</u>	3.50
Total	<u><u>125.00 %</u></u>	

Note: Assumptions are geometric

\* levered 2.5x

\*\* Geometric mean, net of expected inflation

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on 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.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

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**NOTE 11: DEFINED BENEFIT PENSION PLANS** (Continued)

**Actuarial Assumptions – OP&F** (Continued)

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$ 23,774,626	\$ 17,948,879	\$ 13,104,202

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**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
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**NOTE 12: DEFINED BENEFIT OPEB PLANS**

**Net OPEB Liability/Asset**

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

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

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

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

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

**Plan Description – Ohio Public Employees Retirement System (OPERS)**

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust, which was established in 2014 to fund health care for the Traditional Pension, Combined, and Member-Directed plans. With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

**CITY OF BROADVIEW HEIGHTS**  
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(Continued)

**NOTE 12: DEFINED BENEFIT OPEB PLANS** (Continued)

**Plan Description – Ohio Public Employees Retirement System (OPERS)** (Continued)

Retirees and eligible dependents enrolled in Medicare Parts A and B, and non-Medicare retirees beginning in 2022, are able to participate in the OPERS Connector in lieu of comprehensive health care coverage. The Connector, a vendor selected by OPERS, assist eligible retirees, spouses, and dependents in the evaluation, selection and purchase of a health care plan on the open market. Eligible retirees may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses.

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

1. Medicare Retirees – Medicare-eligible with a minimum of 20 years of qualifying service credit.
2. Non-Medicare Retirees – Non-Medicare retirees qualify based on the following age-and-service criteria:
  - a. Group A – 30 years of qualifying service credit at any age;
  - b. Group B – 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
  - c. Group C – 32 years of qualifying service credit and minimum age 55; or,
  - d. A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service. Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the table on the following page:

Retirement Date	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
December 1, 2014 or Prior	Any	10	Any	10	Any	10
January 1, 2015 through December 31, 2021	60	20	52 60	31 20	55	32
	Any	30	Any	32	60	20

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

**CITY OF BROADVIEW HEIGHTS**  
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**NOTE 12: DEFINED BENEFIT OPEB PLANS** (Continued)

**Plan Description – Ohio Public Employees Retirement System (OPERS)** (Continued)

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

Funding Policy - The Ohio Revised Code provides the statutory authority 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.

Employer contribution rates are expressed as a percentage of covered payroll. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The employer contribution as a percent of covered payroll deposited for the Combined Plan and Member-Directed Plan health care programs in 2024 was 2.0 percent and 4.0 percent, respectively.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$14,190 for 2024.

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

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) a cost-sharing, multiple-employer defined post-employment healthcare plan that provides various levels of health care to retired, disabled and beneficiaries, as well as their dependents. On January 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. A summary of the full benefit provisions can be found in OP&F's annual comprehensive financial report.

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

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

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**NOTE 12: DEFINED BENEFIT OPEB PLANS** (Continued)

**Plan Description – Ohio Police & Fire Pension Fund (OP&F)** (Continued)

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

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

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

The City's contractually required contribution to OP&F was \$29,206 for 2024.

**OPEB Liabilities, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred 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.

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**CITY OF BROADVIEW HEIGHTS**  
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*Notes to the Basic Financial Statements*  
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**NOTE 12: DEFINED BENEFIT OPEB PLANS** (Continued)

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

The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.035161%	0.1942037%	
Proportion of the Net OPEB Liability/Asset			
Current Measurement Date	<u>0.035211%</u>	<u>0.1857797%</u>	
Change in Proportionate Share	<u>0.000050%</u>	<u>-0.0084240%</u>	
 Proportionate Share of the Net OPEB			
Asset	\$ 317,788	\$ -	\$ 317,788
Proportionate Share of the Net OPEB			
Liability	\$ -	\$ 1,356,435	\$ 1,356,435
OPEB Expense	\$ (25,519)	\$ 28,305	\$ 2,786

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on OPEB plan investments	\$ 190,847	\$ 100,163	\$ 291,010
Differences between expected and actual experience	-	65,228	65,228
Changes of assumptions	81,814	466,763	548,577
Changes in proportion and differences between City contributions and proportionate share of contributions	3,676	60,476	64,152
City contributions subsequent to the measurement date	<u>14,190</u>	<u>29,206</u>	<u>43,396</u>
Total Deferred Outflows of Resources	<u>\$ 290,527</u>	<u>\$ 721,836</u>	<u>\$ 1,012,363</u>
 <b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 45,230	\$ 249,279	\$ 294,509
Changes of assumptions	136,607	873,514	1,010,121
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>1,390</u>	<u>145,991</u>	<u>147,381</u>
Total Deferred Inflows of Resources	<u>\$ 183,227</u>	<u>\$ 1,268,784</u>	<u>\$ 1,452,011</u>

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
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**NOTE 12: DEFINED BENEFIT OPEB PLANS** (Continued)

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

\$43,396 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in or increase to the net OPEB asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2025	\$ (6,249)	\$ (42,525)	\$ (48,774)
2026	15,245	(66,281)	(51,036)
2027	148,558	(39,462)	109,096
2028	(64,444)	(119,630)	(184,074)
2029	-	(134,404)	(134,404)
Thereafter	-	(173,852)	(173,852)
Total	<u>\$ 93,110</u>	<u>\$ (576,154)</u>	<u>\$ (483,044)</u>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the actuarial assumptions on the following page applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
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**NOTE 12: DEFINED BENEFIT OPEB PLANS** (Continued)

**Actuarial Assumptions – OPERS** (Continued)

Wage Inflation	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	2.75 percent
Projected Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent, including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent, including wage inflation
Single Discount Rate:	
Current Measurement Date:	5.70 percent
Prior Measurement Date:	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current Measurement Date:	3.77 percent
Prior Measurement Date:	4.05 percent
Health Care Cost Trend Rate	
Current Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2038
Prior Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2036

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

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

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



**CITY OF BROADVIEW HEIGHTS**  
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**NOTE 12: DEFINED BENEFIT OPEB PLANS** (Continued)

**Actuarial Assumptions - OPERS** (Continued)

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

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

**Discount Rate** – A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023. A single discount rate of 5.22 percent was used to measure the OPEB asset on the measurement date of December 31, 2022. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. 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 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.



**CITY OF BROADVIEW HEIGHTS**  
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**NOTE 12: DEFINED BENEFIT OPEB PLANS** (Continued)

**Actuarial Assumptions - OPERS** (Continued)

***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 percent, as well as what the City's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
City's proportionate share of the net OPEB	\$ (174,647)	\$ (317,788)	\$ (725,699)

***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 liability. 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 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB	\$ (330,983)	\$ (317,788)	\$ (302,815)

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**NOTE 12: DEFINED BENEFIT OPEB PLANS** (Continued)

**Actuarial Assumptions – OP&F**

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

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

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

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

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.07 percent
Prior measurement date	4.27 percent
Cost of Living Adjustments	2.2 percent simple

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

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

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**NOTE 12: DEFINED BENEFIT OPEB PLANS** (Continued)

**Actuarial Assumptions – OP&F** (Continued)

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.10
Non-US Equity	12.40	4.90
Core Fixed Income *	25.00	2.40
U.S. Inflation Linked Bonds *	15.00	2.10
High Yield Fixed Income	7.00	4.10
Private Real Estate	12.00	5.40
Private Markets	10.00	7.30
Midstream Energy Infrastructure	5.00	5.80
Private Credit	5.00	6.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Commodities	2.00	3.50
Total	<u>125.00 %</u>	

Note: Assumptions are geometric

\* levered 2.x

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

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**NOTE 12: DEFINED BENEFIT OPEB PLANS** (Continued)

**Actuarial Assumptions – OP&F** (Continued)

**Discount Rate** – The total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2037, and the Municipal Bond Index rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

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

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$ 1,670,751	\$ 1,356,435	\$ 1,091,718

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**CITY OF BROADVIEW HEIGHTS**  
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**NOTE 13: COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave components are derived from negotiated contracts, City ordinances and State laws. Employees earn one to six weeks of vacation per year, depending upon length of service. One year of vacation eligibility may be carried over to the following year. Employees may bank up to annual eligibility plus earned vacation time toward retirement, payable at retirement or termination. Approval of any cash payment is bound by contract for most employees and Ordinance by non-union employees.

Employees earn sick leave at the rate of 10 hours per month of service (Fire Department earns 13 hours of sick leave per month of service). Sick leave accumulation is unlimited, except for the Police Department and the Fire Department. In the Police Department and the Fire Department, the maximum accumulation is 1,560 hours and 1,944 hours, respectively. If accumulated hours exceed these amounts at the end of the year, excess hours are paid out at a 50 percent rate to bring the total down to the maximum of 1,560 hours or 1,944 hours. Upon retirement or death, employees can be paid the following:

<u>Department</u>	<u>Maximum</u>
Service Department	1/3 of 140 days (373 hours)
Police Department:	
Hired prior to 1/1/88	1/3 of 160 days (427 hours)
Hired after 1/1/88	1/3 of 120 days (320 hours)
Fire Department	1/3 of 150 days (400 hours)
Level 1 and 2 hired prior to 1/1/96	1/3 of 160 days (427 hours)
Level 1 and 2 hired after to 1/1/96	1/3 of 120 days (320 hours)
Level 3	1/3 of 120 days (320 hours)
Teamsters	1/3 of 130 days (347 hours)

Additionally, for the Police Department any accrued hours in excess of the amounts above are paid out at a 50 percent rate. For the Fire Department, any accrued hours in excess of the amounts above are paid out at a 50 percent rate up to a maximum of 828 hours or 665 hours for employees working on a 27-day cycle (49.8 hours per week) or a 40-hour week, respectively.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

**NOTE 14: LONG-TERM OBLIGATIONS**

**General Obligation Bonds**

Outstanding general obligation bonds consist of utility system and government building construction issues. General obligation bonds have been issued for governmental activities.

General obligation bonds are direct obligations of the City for which its full faith, credit, and resources are pledged and are payable from taxes levied on all taxable property in the City. General obligation bonds currently outstanding are as follows:

Purpose	Maturity Date	Interest Rates	Original Amount
Governmental Activities			
2004 Building Improvement	2024	3.00% - 5.00%	\$ 300,000
2006 Storm Water	2026	3.75% - 5.00%	1,029,649
2006 Demolition Project	2026	3.75% - 5.00%	621,476
2014 Street Improvement	2024	2.00% - 2.50%	700,000
2021 Park and Recreation Facilities Refunding Bonds	2040	1.00% - 4.00%	11,890,000
2021 Capital Improvement and Equipment Bonds	2041	1.00% - 4.00%	4,020,000
Total			<u>\$ 18,561,125</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	General Obligation Bonds		
	Governmental Activities		
	Principal	Interest	Total
2025	\$ 841,704	\$ 375,282	\$ 1,216,986
2026	865,289	363,625	1,228,914
2027	775,000	351,433	1,126,433
2028	785,000	341,925	1,126,925
2029	815,000	317,400	1,132,400
2030-2034	3,965,000	1,098,750	5,063,750
2035-2039	4,260,000	421,800	4,681,800
2040-2041	1,065,000	28,500	1,093,500
	<u>\$ 13,371,993</u>	<u>\$ 3,298,715</u>	<u>\$ 16,670,708</u>

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

**NOTE 14: LONG-TERM OBLIGATIONS** (Continued)

**Special Assessment Bonds**

Outstanding special assessment bonds consist of street and utility improvements which are payable from the proceeds of tax assessments against individual property owners. Special assessment bonds currently outstanding are as follows:

Purpose	Maturity Date	Interest Rates	Original Amount
Governmental Activities			
2004 Street Improvement	2024	3.00% - 5.00%	\$ 505,000
2006 Sewer Improvement	2026	3.75% - 5.00%	582,448
2006 Sewer Improvement	2026	3.75% - 5.00%	71,427
2014 Sewer Improvement	2034	2.00% - 3.50%	930,000
Total			<u>\$ 2,088,875</u>

Annual debt service requirements to maturity for special assessment bonds are as follows:

Year Ending December 31,	Special Assessment Bonds		
	Governmental Activities		
	Principal	Interest	Total
2025	\$ 83,296	\$ 20,600	\$ 103,896
2026	84,740	17,584	102,324
2027	50,000	14,506	65,506
2028	50,000	13,006	63,006
2029	50,000	11,506	61,506
2030-2034	290,000	30,700	320,700
	<u>\$ 608,036</u>	<u>\$ 107,902</u>	<u>\$ 716,938</u>

**OPWC Loans – Direct Borrowings**

OPWC approved a loan to the City to finance the Royalton Road Widening Corridor Improvements Project. The final loan amount was \$3,638,759.

The City's total direct borrowings from OPWC contain a provision that in the event of default, the amount of such default shall bear interest thereafter at the rate of 8 percent per annum until the date of payment, and outstanding amounts become immediately due. Also, OPWC may direct the county treasurer to pay the outstanding amount from the portion of the local government fund that would otherwise be remitted to the City.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 14: LONG-TERM OBLIGATIONS** (Continued)

**OPWC Loans – Direct Borrowings** (Continued)

The Ohio Public Works Commission (OPWC) approved a loan to the City of North Royalton to finance the Sprague Road Resurfacing Project. OPWC has committed up to \$464,600 at a zero percent interest rate for twenty years. The City, City of North Royalton, and City of Parma have an agreement to share the debt service requirements of the OPWC loan. The City of North Royalton will pay 100 percent of the debt service requirements; the City will reimburse the City of North Royalton 27 percent of the annual debt service requirement, and the City of Parma will reimburse the City of North Royalton 50 percent of the annual debt service requirement.

Annual debt service requirements to maturity for OPWC loans are as follows:

Year Ending December 31,	OPWC Loans	
	Governmental Activities	
	Principal	
2025	\$	185,074
2026		188,210
2027		188,210
2028		188,210
2029		188,210
2030-2034		941,050
2035-2039		922,235
2040-2043		636,783
	\$	<u>3,437,982</u>

**Other**

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund, the Fire Levy Fund, the Recreation Fund, the Police Pension Fund, and the Sanitary Sewer Fund. See Note 11 and 12 for additional information related to the net pension liability and net OPEB liability. The financed purchases will be paid from the General Fund, the Recreation Fund, Fire Levy Fund. See Note 15 for further information regarding financed purchases and Note 16 regarding leases and subscriptions payable.



**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

**NOTE 14: LONG-TERM OBLIGATIONS** (Continued)

**Changes in Long Term Liabilities**

Long term liability activity for the year ended December 31, 2024 was as follows:

	Restated Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024	Due Within One Year
Governmental Activities:					
<i>General Obligation Bonds</i>					
Building Improvements (2004)					
3.00% - 5.00% through 2024	\$ 20,000	\$ -	\$ (20,000)	\$ -	\$ -
Storm Water (2006)					
3.75% - 5.00% through 2026	183,150	-	(60,305)	122,845	60,305
Demolition Project (2006)					
3.75% - 5.00% through 2026	110,547	-	(36,399)	74,148	36,399
Various Purpose Bonds (2014)					
2.00% - 2.50% through 2024	75,000	-	(75,000)	-	-
Unamortized Bond Premium	1,026	-	(1,026)	-	-
Park and Recreation Facilities Refunding Bonds (2021)					
1.00% - 4.00% through 2040	10,415,000	-	(470,000)	9,945,000	480,000
Unamortized Bond Premium	993,164	-	(58,709)	934,455	-
Capital Improvement and Equipment Bonds (2021)					
1.00% - 4.00% through 2041	3,495,000	-	(265,000)	3,230,000	265,000
Unamortized Bond Premium	262,273	-	(14,639)	247,634	-
<b>Total General Obligation Bonds</b>	<b>15,555,160</b>	<b>-</b>	<b>(1,001,078)</b>	<b>14,554,082</b>	<b>841,704</b>
<i>Special Assessment Bonds With City Commitment</i>					
Street Improvement (2004)					
3.00% - 5.00% through 2024	35,000	-	(35,000)	-	-
Sewer Improvements (2006)					
3.75% - 5.00% through 2026	103,631	-	(34,113)	69,518 *	34,113
Sewer Improvements (2006)					
3.75% - 5.00% through 2026	12,701	-	(4,183)	8,518 *	4,183
Sewer Improvements (2014)					
2.00% - 3.50% through 2034	55,000	-	(5,000)	50,000	5,000
Sewer Improvements (2014)					
2.00% - 3.50% through 2034	190,000	-	(15,000)	175,000	15,000
Sewer Improvements (2014)					
2.00% - 3.50% through 2034	330,000	-	(25,000)	305,000	25,000
Unamortized Bond Premium	2,624	-	(245)	2,379	-
<b>Total Special Assessments Bonds</b>	<b>728,956</b>	<b>-</b>	<b>(118,541)</b>	<b>610,415</b>	<b>83,296</b>

continued

\* These debt issues are recorded in governmental funds to finance assets of the business-type activities.  
See notation on page 17 for a further description of the presentation on the statement of net position.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

**NOTE 14: LONG-TERM OBLIGATIONS** (Continued)

**Changes in Long Term Liabilities** (Continued)

	Restated Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024	Due Within One Year
<i>Direct Borrowings</i>					
OPWC Loan, 0% interest	\$ 3,547,790	\$ -	\$ (181,938)	\$ 3,365,852	\$ 181,938
City of North Royalton OPWC Loan 0%, due 2035	81,538	-	(9,408)	72,130	3,136
Financed Purchase Payable	13,110	-	(13,110)	-	-
Subscription Payable	173,776	-	(60,396)	113,380	37,877
Lease Payable	76,011	-	(38,006)	38,005	38,005
Compensated Absences **	2,046,707	170,730	-	2,217,437	279,392
Net Pension Liability:					
OPERS	9,559,022	-	(935,074)	8,623,948	-
OP&F	18,447,470	-	(498,591)	17,948,879	-
Total Net Pension Liability	28,006,492	-	(1,433,665)	26,572,827	-
Net OPEB Liability:					
OPERS	204,399	-	(204,399)	-	-
OP&F	1,382,674	-	(26,239)	1,356,435	-
Total Net OPEB Liability	1,587,073	-	(230,638)	1,356,435	-
Total Governmental Activities	<u>\$ 51,816,613</u>	<u>\$ 170,730</u>	<u>\$ (3,086,780)</u>	<u>\$ 48,900,563</u>	<u>\$ 1,465,348</u>
Business-Type Activities:					
Compensated Absences **	\$ 91,027	\$ -	\$ (21,060)	69,967	\$ 5,600
Net Pension Liability - OPERS	808,943	-	(198,537)	610,406	-
Net OPEB Liability - OPERS	17,298	-	(17,298)	-	-
Total Business-Type Activities	<u>\$ 917,268</u>	<u>\$ -</u>	<u>\$ (236,895)</u>	<u>\$ 680,373</u>	<u>\$ 5,600</u>

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

**NOTE 15: FINANCED PURCHASE**

The City has entered into a lease obligation related to equipment and vehicles which are leased under long-term agreements and collateralized. The leases meet the criteria of a financed purchase as defined under generally accepted accounting standards. The assets of the agreement are recorded in the Governmental Activities as shown on the Statement of Net Position.

The City made the final principal payment on these financed purchases in 2024.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

**NOTE 15: FINANCED PURCHASE** (Continued)

The assets being acquired have been capitalized in the governmental activities in the amount of \$78,655, which is the present value of the minimum lease payments at the inception of each lease, less unspent proceeds.

**NOTE 16: LEASE AND SUBSCRIPTION PAYABLE**

**Lease Payable**

In 2021, City of Broadview Heights entered into a 60-month lease as Lessee for the use of Police Body Cameras. An initial lease liability was recorded in the amount of \$217,175. As of December 31, 2024, the value of the lease liability is \$38,005. The City is required to make annual fixed payments of \$38,006. The equipment's estimated useful life was 60 months as of the contract commencement. The value of the right-to-use asset as of December 31, 2024, was \$217,175 with accumulated amortization of \$157,452 is included with equipment on the lease class activities table found below.

Asset Class	As of December 31, 2024	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 217,175	\$ 157,452
Total Leases	\$ 217,175	\$ 157,452

The following is a schedule of the lease payments as of December 31, 2024.

Fiscal Year	Governmental Activities	
	Principal Payments	Interest Payments
2025	\$ 38,005	\$ 233
Total	\$ 38,005	\$ 233

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024  
(Continued)

**NOTE 16: LEASE AND SUBSCRIPTION PAYABLE** (Continued)

**Subscription Payable**

In 2022, City of Broadview Heights entered into a 36-month subscription-based information technology agreement for time keeping and payroll software. An initial subscription payable liability was recorded in the amount of \$51,044. As of December 31, 2024, the value of the liability is \$0. The City is required to make annual fixed payments of \$25,800. The equipment's estimated useful life was 32 months as of the contract commencement.

In 2023, City of Broadview Heights entered into a 36-month subscription subscription-based information technology agreement for recreation center tracking software. An initial subscription payable liability was recorded in the amount of \$56,282. As of December 31, 2024, the value of the liability is \$20,074. The City was required to make a payment of \$18,606 in 2024. The equipment's estimated useful life was 36 months as of the contract commencement.

In 2023, City of Broadview Heights entered into a 60-month subscription-based information technology agreement for the use of Flock Falcon-License Plate Readers. An initial subscription payable liability was recorded in the amount of \$130,445. As of December 31, 2024, the value of the liability is \$93,306. The City is required to make annual fixed payments of \$20,000. The equipment's estimated useful life was 84 months as of the contract commencement.

The following is a schedule of the value of the right-to-use assets and accumulated amortization.

Asset Class	As of December 31, 2024	
	Subscription Asset Value	Accumulated Amortization
Software	\$ 237,771	\$ 105,310
Total Subscriptions	\$ 237,771	\$ 105,310

The following is a schedule of the subscription payments as of December 31, 2024.

Fiscal Year	Governmental Activities	
	Principal Payments	Interest Payments
2025	\$ 37,877	\$ 2,738
2026	18,222	1,778
2027	18,651	1,349
2028	19,090	910
2029	19,540	460
Total	\$ 113,380	\$ 7,235

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 17: RISK MANAGEMENT**

**Property and Liability**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The City also maintains a variety of liability insurance coverages with varying deductibles.

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

**Medical**

The City provides life, health, and dental benefits to full time city employees. Coverage is provided by a commercial insurance carrier under a shared-funding plan. The City will pay up to a predetermined amount toward each employee's health care costs after employees meet their deductible. Once this "funding corridor" has been met, the insurance company will pay the employee's remaining annual health care costs.

**Workers' Compensation**

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**NOTE 18: CONTINGENCIES**

The City of Broadview Heights, Ohio, is a defendant in two lawsuits, the outcome of which cannot be determined. It is the opinion of the City's management that any judgment against the City would not have a material adverse effect on the City's financial position.

**NOTE 19: JOINTLY GOVERNED ORGANIZATIONS**

**Southwest Council of Governments**

The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions, and regional development. The Council's Board is comprised of one member from each of the participating cities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. The Council has established two subsidiary organizations, the Hazardous Material Response Team ("HAZMAT"), which provides hazardous material protection and assistance, and the Southwest Enforcement Bureau, which provides extra assistance to cities in the form of a SWAT team. In 2024, the City of Broadview Heights contributed \$27,500 to the Council. Financial information may be obtained by writing to the Finance Director of the City of Strongsville, at 16099 Foltz Parkway, Strongsville, Ohio 44149.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 19: JOINTLY GOVERNED ORGANIZATIONS** (Continued)

**Regional Income Tax Agency**

In 1971, thirty-eight municipalities joined together to organize a Regional Council of Governments (RCOG) to administer tax collection and enforcement concerns facing the cities and villages. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for more than 300 municipalities throughout the State of Ohio. The City is a member of RCOG. Information may be obtained by writing to RITA, 10107 Brecksville Road, Brecksville, Ohio, 44141.

**Northeast Ohio Public Energy Council**

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is currently comprised of over 240 communities who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities. NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eleven-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information should be directed to NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

**Cuyahoga Valley Council of Governments**

The City participates in the Cuyahoga Valley Council of Governments (the Council). The Council was formed to share jail and community services, foster municipal service, and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies. The Council is controlled by an executive Board which is composed of a President, Vice President, Secretary and Fiscal Officer, who serves as Treasurer. The elected officers shall server for a period of two years. Each member's control over the operation of the Council is limited to its representation on the Board. In 2024, the City made no contributions. Since its formation, there has been no financial or other activity.

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*  
(Continued)

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**NOTE 19: JOINTLY GOVERNED ORGANIZATIONS** (Continued)

**Chagrin Valley Dispatch Council**

The City is a member of the Chagrin Valley Dispatch Council (CVDC). The CVDC was formed by the Council to foster cooperation through the sharing of operations of a central dispatch center for safety forces of the participating entities. The CVDC is comprised of over 30 communities.

The CVDC is provided with legislative oversight by the Mayors and City Managers of the various communities. The Administrative consists of the chiefs of police and fire of each member municipality. The Administrative Board oversees and manages the operation of the program. The degree of control exercised by a participating government is limited to its representation on the Administrative Board. The City paid \$598,061 to the CVDC during 2024. Financial information can be obtained by contacting Vic Nogalo, Fiscal Officer, 9018 Brecksville Road, Brecksville, Ohio 44141.

**NOTE 20: RELATED ORGANIZATION**

The Community Improvement Corporation (CIC) of Broadview Heights was formed to promote and assist in economic development with the City. City Council created the CIC in 1981 and appointed the initial CIC Board members. The CIC does not represent a potential financial benefit for or burden on the City.

**NOTE 21: COMMITMENTS**

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

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 478,868
Fire Levy Fund	199,969
Nonmajor Governmental Funds	1,208,918
	<u>\$ 1,887,755</u>

## Required Supplementary Information



**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset)*  
*Ohio Public Employees Retirement System*  
*Last Ten Years*

<b>Traditional Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
City's Proportion of the Net Pension Liability	0.035272%	0.035098%	0.034319%	0.033046%	0.038808%	0.038834%	0.038009%	0.039508%	0.038146%	0.037103%
City's Proportionate Share of the Net Pension Liability	\$ 9,234,354	\$ 10,367,965	\$ 2,985,892	\$ 4,893,393	\$ 7,670,664	\$ 10,635,845	\$ 5,962,875	\$ 8,971,595	\$ 6,607,368	\$ 4,475,036
City's Covered Payroll	\$ 5,805,900	\$ 5,439,957	\$ 4,981,107	\$ 4,654,093	\$ 5,460,607	\$ 5,245,271	\$ 5,022,877	\$ 5,108,183	\$ 4,746,658	\$ 4,563,900
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.05%	190.59%	59.94%	105.14%	140.47%	202.77%	118.71%	175.63%	139.20%	98.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%
<b>Combined Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
City's Proportion of the Net Pension (Asset)	0.019742%	0.019531%	0.017945%	0.029500%	0.037146%	0.035080%	0.051662%	0.037551%	0.030680%	0.035531%
City's Proportionate Share of the Net Pension (Asset)	\$ (60,683)	\$ (46,033)	\$ (70,704)	\$ (85,156)	\$ (77,458)	\$ (39,227)	\$ (70,329)	\$ (20,900)	\$ (14,930)	\$ (13,680)
City's Covered Payroll	\$ 90,658	\$ 90,864	\$ 82,450	\$ 130,007	\$ 165,357	\$ 150,036	\$ 211,577	\$ 146,167	\$ 111,642	\$ 130,858
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	66.94%	50.66%	85.75%	65.50%	46.84%	26.15%	33.24%	14.30%	13.37%	10.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	144.55%	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%

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

See accompanying notes to the required supplementary information

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability*  
*Ohio Police and Fire Pension Fund*  
*Last Ten Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.185780%	0.194204%	0.200356%	0.195198%	0.187707%	0.191043%	0.190484%	0.195233%	0.184757%	0.185487%
City's Proportionate Share of the Net Pension Liability	\$ 17,948,879	\$ 18,447,470	\$ 12,517,066	\$ 13,306,819	\$ 12,644,959	\$ 15,594,092	\$ 11,690,850	\$ 12,365,871	\$ 11,885,569	\$ 9,845,840
City's Covered Payroll	\$ 5,269,006	\$ 5,494,857	\$ 5,216,536	\$ 4,891,692	\$ 4,570,289	\$ 4,389,695	\$ 4,064,582	\$ 4,230,118	\$ 3,947,836	\$ 4,067,045
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	340.65%	335.72%	239.95%	272.03%	276.68%	355.24%	287.63%	292.33%	301.07%	242.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.63%	62.90%	75.03%	70.65%	69.89%	63.07%	70.91%	68.36%	66.77%	71.71%

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

See accompanying notes to the required supplementary information

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Required Supplementary Information*  
*Schedule of the City's Contributions - Pension*  
*Ohio Public Employees Retirement System*  
*Last Ten Years*

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<u>Contractually Required Contributions</u>										
Traditional Plan	\$ 851,041	\$ 812,826	\$ 761,594	\$ 697,355	\$ 651,573	\$ 764,485	\$ 734,338	\$ 652,974	\$ 612,982	\$ 569,599
Combined Plan	<u>17,982</u>	<u>10,879</u>	<u>12,721</u>	<u>11,543</u>	<u>18,201</u>	<u>23,150</u>	<u>21,005</u>	<u>27,505</u>	<u>17,540</u>	<u>13,397</u>
Total Required Contributions	\$ 869,023	\$ 823,705	\$ 774,315	\$ 708,898	\$ 669,774	\$ 787,635	\$ 755,343	\$ 680,479	\$ 630,522	\$ 582,996
Contributions in Relation to the Contractually Required Contribution	<u>(869,023)</u>	<u>(823,705)</u>	<u>(774,315)</u>	<u>(708,898)</u>	<u>(669,774)</u>	<u>(787,635)</u>	<u>(755,343)</u>	<u>(680,479)</u>	<u>(630,522)</u>	<u>(582,996)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll										
Traditional Plan	\$ 6,078,864	\$ 5,805,900	\$ 5,439,957	\$ 4,981,107	\$ 4,654,093	\$ 5,460,607	\$ 5,245,271	\$ 5,022,877	\$ 5,108,183	\$ 4,746,658
Combined Plan	\$ 149,850	\$ 90,658	\$ 90,864	\$ 82,450	\$ 130,007	\$ 165,357	\$ 150,036	\$ 211,577	\$ 146,167	\$ 111,642
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%
Combined Plan	12.00%	12.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

See accompanying notes to the required supplementary information

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Required Supplementary Information*  
*Schedule of the City's Contributions - Pension*  
*Ohio Police and Fire Pension Fund*  
*Last Ten Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	\$ 1,221,283	\$ 1,100,247	\$ 1,147,500	\$ 1,085,838	\$ 1,018,909	\$ 950,598	\$ 914,032	\$ 841,108	\$ 876,835	\$ 816,351
Contributions in Relation to the Contractually Required Contribution	<u>(1,221,283)</u>	<u>(1,100,247)</u>	<u>(1,147,500)</u>	<u>(1,085,838)</u>	<u>(1,018,909)</u>	<u>(950,598)</u>	<u>(914,032)</u>	<u>(841,108)</u>	<u>(876,835)</u>	<u>(816,351)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 5,841,315	\$ 5,269,006	\$ 5,494,857	\$ 5,216,536	\$ 4,891,692	\$ 4,570,289	\$ 4,389,695	\$ 4,064,582	\$ 4,230,118	\$ 3,947,836
Contributions as a Percentage of Covered Payroll	20.91%	20.88%	20.88%	20.82%	20.83%	20.80%	20.82%	20.69%	20.73%	20.68%

See accompanying notes to the required supplementary information

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net OPEB Liability/Asset*  
*Ohio Public Employees Retirement System*  
*Last Eight Years (1)*

	2024	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability/Asset	0.035211%	0.035161%	0.034258%	0.033273%	0.039194%	0.039015%	0.038740%	0.039710%
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (317,788)	\$ 221,697	\$ (1,073,013)	\$ (592,785)	\$ 5,413,710	\$ 5,086,635	\$ 4,206,879	\$ 4,010,845
City's Covered Payroll	\$ 6,216,107	\$ 5,851,414	\$ 5,342,243	\$ 5,031,223	\$ 5,922,300	\$ 5,658,997	\$ 5,486,799	\$ 5,487,561
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-5.11%	3.79%	-20.09%	-11.78%	91.41%	89.89%	76.67%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.04%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net OPEB Liability*  
*Ohio Police and Fire Pension Fund*  
*Last Eight Years (1)*

	2024	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.1857797%	0.1942037%	0.2003557%	0.1951980%	0.1877072%	0.1910420%	0.1904840%	0.1952300%
City's Proportionate Share of the Net OPEB Liability	\$ 1,356,435	\$ 1,382,674	\$ 2,196,071	\$ 2,068,154	\$ 1,854,121	\$ 1,739,732	\$ 10,792,545	\$ 9,267,129
City's Covered Payroll	\$ 5,269,006	\$ 5,494,857	\$ 5,216,536	\$ 4,891,692	\$ 4,570,289	\$ 4,389,695	\$ 4,064,582	\$ 4,230,118
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	25.74%	25.16%	42.10%	42.28%	40.57%	39.63%	265.53%	219.07%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	51.89%	52.59%	46.86%	45.42%	47.08%	46.57%	14.13%	15.96%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Required Supplementary Information*  
*Schedule of the City's Contributions - OPEB*  
*Ohio Public Employees Retirement System*  
*Last Ten Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 14,190	\$ 14,595	\$ 12,824	\$ 11,190	\$ 9,885	\$ 11,853	\$ 10,547	\$ 62,438	\$ 114,435	\$ 97,185
Contributions in Relation to the Contractually Required Contribution	(14,190)	(14,595)	(12,824)	(11,190)	(9,885)	(11,853)	(10,547)	(62,438)	(114,435)	(97,185)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Covered Payroll	\$ 6,508,529	\$ 6,216,107	\$ 5,851,414	\$ 5,342,243	\$ 5,031,223	\$ 5,922,300	\$ 5,658,997	\$ 5,486,799	\$ 5,487,561	\$ 5,097,678
Contributions as a Percentage of Covered Payroll	0.22%	0.23%	0.22%	0.21%	0.20%	0.20%	0.19%	1.14%	2.09%	1.91%

See accompanying notes to the required supplementary information

**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Required Supplementary Information*  
*Schedule of the City's Contributions - OPEB*  
*Ohio Police and Fire Pension Fund*  
*Last Ten Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 29,206	\$ 26,345	\$ 27,474	\$ 26,083	\$ 24,458	\$ 22,851	\$ 21,949	\$ 20,323	\$ 21,430	\$ 19,602
Contributions in Relation to the Contractually Required Contribution	(29,206)	(26,345)	(27,474)	(26,083)	(24,458)	(22,851)	(21,949)	(20,323)	(21,430)	(19,602)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 5,841,315	\$ 5,269,006	\$ 5,494,857	\$ 5,216,536	\$ 4,891,692	\$ 4,570,289	\$ 4,389,695	\$ 4,064,582	\$ 4,230,118	\$ 3,947,836
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information



**CITY OF BROADVIEW HEIGHTS**  
Cuyahoga County, Ohio  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2024*

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**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

***Net Pension Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2024.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023. For 2024, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were decreased from 3.00% simple through 2023 then 2.05% simple, to 2.30% simple through 2024 then 2.05% simple.

***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018-2024.

*Changes in assumptions:* For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing.

## CITY OF BROADVIEW HEIGHTS

Cuyahoga County, Ohio

*Notes to the Required Supplementary Information*

*For the Year Ended December 31, 2024*

*(continued)*

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The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036. For 2024, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 5.22% to 5.70% (b) the municipal bond rate changed from 4.05% to 3.77% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2036 to 5.50% initial and 3.50% ultimate in 2038.

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

#### ***Net Pension Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2024.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the investment rate of return was reduced from 8.25 percent to 8.00 percent (b) the projected salary increases was reduced from 4.25% to 3.75% (c) the payroll increases was reduced from 3.75% to 3.25% (d) the inflation assumptions was reduced from 3.25% to 2.75% (e) the cost of living adjustments was reduced from 2.60% to 2.20% (f) rates of withdrawal, disability and service retirement were updated to reflect recent experience (g) mortality rates were updated to the RP-2014 Total Employee and Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2016 (h) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2016. For 2019-2021, there have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation of the pension plan as of the measurement date. For 2022, the investment rate of return was reduced from 8.00 percent to 7.50 percent. For 2023, Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% 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 68 adjusted by 108.9% for males and 131% for females.

## CITY OF BROADVIEW HEIGHTS

Cuyahoga County, Ohio

*Notes to the Required Supplementary Information*

*For the Year Ended December 31, 2024*

*(continued)*

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Mortality for active members is based on the Pub-2010 Below Medium Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale. For 2024, the Municipal Bond Index Rate decreased from 3.65 percent to 3.38 percent.

### ***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018 and 2020-2024. For 2019, see below regarding changes to stipend-based model.

*Changes in assumptions:* For 2018, the single discount rate changed from 3.79 percent to 3.24 percent. For 2019, the changes of assumptions were: (a) beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years (b) beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5% (c) the single discount rate changed from 3.24 percent to 4.66 percent. For 2020, the single discount rate changed from 4.66 to 3.56. For 2021, the single discount rate changed from 3.56 to 2.96. For 2022, the single discount rate changed from 2.96 to 2.84. For 2023, the changes of assumptions were: (a) the single discount rate changed from 2.84 percent to 4.27 percent (b) the depletion year of OPEB assets is projected in year 2036 (c) 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. For 2024, the changes of assumptions were: (a) the single discount rate changed from 4.27 to 4.07 (b) the depletion year of OPEB assets is projected in year 2038.

**INDEPENDENT AUDITOR'S 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**

City of Broadview Heights  
Cuyahoga County  
9543 Broadview Road  
Broadview Heights, Ohio 44147

To the Members of City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Broadview Heights, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 18, 2025, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

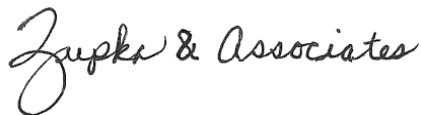
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of This Report**

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

A handwritten signature in cursive script that reads "Zupka & Associates".

Zupka & Associates  
Certified Public Accountants

June 18, 2025

**CITY OF BROADVIEW HEIGHTS  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
DECEMBER 31, 2024**

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The prior issued audit report, as of December 31, 2023, included no findings. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF BROADVIEW HEIGHTS**

**CUYAHOGA COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 11/6/2025**

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

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