

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

***SINGLE AUDIT***

**For the Year Ended December 31, 2024**







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City Council  
City of Maple Heights  
5353 Lee Road  
Maple Heights, Ohio 44137

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

KEITH FABER  
Ohio Auditor of State

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

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

December 01, 2025

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**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY  
SINGLE AUDIT  
For the Year Ending December 31, 2024**

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**INDEPENDENT AUDITOR'S REPORT**

City of Maple Heights  
Cuyahoga County  
5353 Lee Road  
Maple Heights, Ohio 44137

To the Members of the City Council:

***Report on the Audit of the Financial Statements***

***Opinion***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maple 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Water/Sewer Maintenance funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

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

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

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

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

***Required Supplementary Information***

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

***Supplementary Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Charles E. Harris & Associates*

***Charles E. Harris & Associates, Inc.***

July 17, 2025

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**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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The discussion and analysis of the City of Maple Heights's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the additional information contained in the basic financial statements and notes to enhance their understanding of the City's financial performance.

## **Financial Highlights**

As you proceed through this discussion and analysis you will notice that total revenues increased and expenses also increased from 2023 levels and the total net position saw an increase of \$647,963 in Government Activities.

## **Using This Annual Financial Report**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These statements are organized so that readers can understand the City as a financial whole or as an entire operating entity. The statements then proceed to provide an increasing detailed look at specific financial conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole City. They provide both an aggregate view of the City's finances in addition to a longer-term view of those assets. Major 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 dollars remain 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.

### ***The City of Maple Heights as a Whole***

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

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and all liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between all the elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, the analysis on the City's condition must also look at the City's tax base, property tax evaluation and the condition of the City's assets.

The *Statement of Activities* presents information showing how the City's net position changed during the recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of cash flows*.

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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Thus, revenues and expenses are reported in this Statement for some items that will only result in cash flows in the future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, security of persons and property (police and fire), public health services, leisure time activities, community environment, basic utility services and transportation. Business-type activities include solid waste collections.

***Reporting the City's Most Significant Funds***

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

**Governmental Funds** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of expendable resources*, as well as on balances of expendable resources available at the end of the year.

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

Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Water/Sewer Maintenance Fund which are considered to be major funds. Data from the other governmental funds are combined into single, aggregated presentation.

The City adopts an annual appropriated budget for each of its funds to demonstrate budgetary compliance.

**Proprietary Funds** The City's only proprietary fund is the Solid Waste Collection Enterprise Fund. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

**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 fiduciary funds is similar to that used for proprietary funds.

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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**Notes to the Basic Financial Statements** The notes provide additional information that are essential for a full understanding of the data provided in the government-wide and fund financial statements.

### The City as a Whole

As noted earlier, the Statement of Net Position looks at the City as a whole. The following table 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	\$ 27,170,267	\$ 27,928,321	\$ 5,427,948	\$ 5,192,990	\$ 32,598,215	\$ 33,121,311
Capital Assets	51,131,322	46,210,585	-	-	51,131,322	46,210,585
<b>Total Assets</b>	<b>78,301,589</b>	<b>74,138,906</b>	<b>5,427,948</b>	<b>5,192,990</b>	<b>83,729,537</b>	<b>79,331,896</b>
<b>Deferred Outflows of Resources</b>						
Deferral on Refunding	36,785	44,022	-	-	36,785	44,022
Pension	7,501,244	7,945,275	61,462	91,851	7,562,706	8,037,126
OPEB	939,172	1,232,749	5,354	13,891	944,526	1,246,640
<b>Total Deferred Outflows of Resources</b>	<b>8,477,201</b>	<b>9,222,046</b>	<b>66,816</b>	<b>105,742</b>	<b>8,544,017</b>	<b>9,327,788</b>
<b>Liabilities</b>						
Current and Other Liabilities	3,440,510	1,881,856	153,022	146,254	3,593,532	2,028,110
Long-term Liabilities:						
Due within One Year	2,814,546	2,379,672	21,368	9,485	2,835,914	2,389,157
Due in More than One Year:						
Net Pension Liability	24,168,385	23,258,303	170,400	209,890	24,338,785	23,468,193
Net OPEB Liability	1,486,150	1,491,778	-	4,515	1,486,150	1,496,293
Other Amounts	9,504,752	11,020,977	39,708	39,015	9,544,460	11,059,992
<b>Total Liabilities</b>	<b>41,414,343</b>	<b>40,032,586</b>	<b>384,498</b>	<b>409,159</b>	<b>41,798,841</b>	<b>40,441,745</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	7,483,006	5,313,850	-	-	7,483,006	5,313,850
Lease	222,906	234,098	-	-	222,906	234,098
Pension	851,836	1,343,468	983	2,153	852,819	1,345,621
OPEB	1,490,452	1,768,666	3,602	1,489	1,494,054	1,770,155
<b>Total Deferred Inflows of Resources</b>	<b>10,048,200</b>	<b>8,660,082</b>	<b>4,585</b>	<b>3,642</b>	<b>10,052,785</b>	<b>8,663,724</b>
<b>Net Position</b>						
Net Investment in Capital Assets	41,052,152	36,972,815	-	-	41,052,152	36,972,815
Restricted	4,598,750	4,859,891	8,399	3,834	4,607,149	4,863,725
Unrestricted	(10,334,655)	(7,164,422)	5,097,282	4,882,097	(5,237,373)	(2,282,325)
<b>Total Net Position</b>	<b>\$ 35,316,247</b>	<b>\$ 34,668,284</b>	<b>\$ 5,105,681</b>	<b>\$ 4,885,931</b>	<b>\$ 40,421,928</b>	<b>\$ 39,554,215</b>

\* Restated

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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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 Pensions—an Amendment of GASB Statement 27.” The City previously adopted GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB, and net pension 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/asset* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio’s statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability 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 *against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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, respectively, not accounted for as deferred inflows/outflows.

Capital assets increased during 2024 mostly due to progress made on various construction projects through the year. Current liabilities increased from 2023 mainly due to an increase in contracts payable. Changes in deferred outflows of resources, net pension liability, net OPEB liability, net pension asset, net OPEB asset and deferred inflows of resources are mainly due to the recording of GASB 68 and 75 as previously discussed.

Total net position for governmental and business-type activities increased from 2023 levels.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further detail regarding the results of activities for the current year.

**Table 2 - Change in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 4,725,452	\$ 2,498,897	\$ 2,158,109	\$ 2,213,678	\$ 6,883,561	\$ 4,712,575
Operating Grants and Contributions	2,156,730	7,810,435	-	-	2,156,730	7,810,435
Capital Grants and Contributions	3,110,309	190,555	-	-	3,110,309	190,555
General Revenues:						
Property Taxes	6,028,553	5,923,062	-	-	6,028,553	5,923,062
Municipal Income Taxes	8,997,305	8,452,352	-	-	8,997,305	8,452,352
Franchise Taxes	236,630	179,592	-	-	236,630	179,592
Grants and Entitlements	1,907,214	1,924,107	-	-	1,907,214	1,924,107
Investment Earnings	207,966	207,839	-	-	207,966	207,839
All Other Revenues	914,449	987,741	100	881	914,549	988,622
<b>Total Revenues</b>	<b>28,284,608</b>	<b>28,174,580</b>	<b>2,158,209</b>	<b>2,214,559</b>	<b>30,442,817</b>	<b>30,389,139</b>

Continued

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

**Table 2 - Change in Net Position (continued)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
<b>Program Expenses</b>						
Security of Persons and Property	13,610,190	12,973,409	-	-	13,610,190	12,973,409
Public Health Services	171,832	156,544	-	-	171,832	156,544
Leisure Time Activities	736,302	665,365	-	-	736,302	665,365
Community Environment	1,186,361	1,001,745	-	-	1,186,361	1,001,745
Basic Utility Services	3,580,754	1,498,417	-	-	3,580,754	1,498,417
Transportation	3,172,270	2,671,986	-	-	3,172,270	2,671,986
General Government	5,000,705	4,461,451	-	-	5,000,705	4,461,451
Interest and Fiscal Charges	178,231	862,553	-	-	178,231	862,553
Solid Waste Collection	-	-	1,938,459	2,090,990	1,938,459	2,090,990
<b>Total Program Expenses</b>	<b>27,636,645</b>	<b>24,291,470</b>	<b>1,938,459</b>	<b>2,090,990</b>	<b>29,575,104</b>	<b>26,382,460</b>
Change in Net Position	647,963	3,883,110	219,750	123,569	867,713	4,006,679
Net Position, Beginning of Year	34,668,284	30,785,174	4,885,931	4,762,362	39,554,215	35,547,536
<b>Net Position, End of Year</b>	<b>\$ 35,316,247</b>	<b>\$ 34,668,284</b>	<b>\$ 5,105,681</b>	<b>\$ 4,885,931</b>	<b>\$ 40,421,928</b>	<b>\$ 39,554,215</b>

\* Restated

### ***Governmental Activities***

Several revenue sources fund governmental activities with City municipal income tax being the largest contributor. The City has a current municipal income tax rate of 2.5 percent and grants a 2.5 percent credit to residents who pay municipal income tax to another city. Property tax collections are the next largest source of general revenue for governmental activities. The City collects 3.2 mills of inside millage and has approved 16.8 mills of outside millage.

The outside millage is generated from a 10.5 mill general fund operating levy, 1 mill street lighting levy, a 2 mill police levy, a 2 mill fire levy, and a 1.3 mill senior center levy. The City periodically reviews its fee structure to ensure that all fees constitute a fair charge for the cost of providing government services.

Operating grants and contributions decreased by \$5,653,705 mainly due a decrease in accrual entries related to the recording of unearned revenue in the Local fiscal recovery fund from 2023. Operating grants and contributions also decreased because the majority of grants received to the Water/Sewer Maintenance Fund were recorded as Capital grants and contributions in 2024 and were not in 2023. Capital grants and contributions increased by \$2,919,754 due to Water/Sewer Maintenance grants received as previously mentioned.

Major expense activities, under the accrual basis of accounting, included: security of persons and property expenses which accounted for 49.25 percent of total program expenses; general government expenses which accounted for 18.09 percent; basic utility services which accounted for 12.96 percent, and transportation which accounted for 11.48 percent. Overall, program expenses increased by \$3,345,175 from 2023 program expense totals, this was mainly due to a \$2,082,337 increase in basic utility expense. The increase in basic utility expense is mostly due to increased Water/Sewer Maintenance costs in 2024.

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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***Business-Type Activities***

The City's business-type activities are comprised of one enterprise fund, which is the City's Solid Waste Collection Fund. In 2024, charges for services for the collection of garbage fees and all other revenues are the only revenue sources for the Fund. As a result of garbage collections and expenses decreasing during the year, the City was also able to increase the net position.

***Governmental Funds Financial Analysis***

A review of the City's governmental funds provides information on near-term inflows, outflows and balances of spendable resources and serves as a useful measure of a government's net resources. Governmental fund information can be found on page 17 and is accounted for using the modified accrual basis of accounting.

The City's major governmental funds are the General Fund and the Water/Sewer Maintenance Fund.

The General Fund revenues and other financing sources were less than expenditures and other financing uses for the year with revenues and expenditures increasing from the previous year. The increase in revenues is largely due to an increase in municipal income taxes which was caused by increase in collections. The increase in expenses was due to an increase in security of persons and property which was caused by an increase in union contracts. Expenses also increased because of increased transfers out of the General Fund. The fund balance decreased by \$3,190,211 from 2023.

The Water/Sewer Maintenance Fund expenditures exceeded revenues for the year, with revenues and expenditures increasing from the previous year. Revenues increased mostly due to the issuance of loans. Expenses increased due to increased basic utility expenses for sewer and watermain repairs and maintenance. The fund balance decreased by \$1,792,464 from 2023.

**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 accordingly to avoid waiting until the end of the year to adjust appropriations. The control level of the General Fund is by object within each department. This allows the City to make small interdepartmental budget modifications within departments. Actual revenue was equal to the final budget due to updated budgeting. Total actual expenditures were less than the final budgeted amount. This was due to monitoring the City's budget to keep the City's spending in line with its estimates.

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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**Capital Assets and Debt Administration**

**Capital Assets**

Table 3 shows 2024 balances of capital assets as compared to 2023.

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

	Governmental Activities	
	2024	2023
Land	\$ 340,339	\$ 340,339
Construction-in-progress	11,242,108	7,940,084
Buildings and Improvements	4,514,334	4,648,847
Machinery and Equipment	880,839	722,920
Vehicles	1,497,164	972,899
Infrastructures	32,656,538	31,585,496
<b>Total Capital Assets</b>	<b>\$ 51,131,322</b>	<b>\$ 46,210,585</b>

For 2024, the primary addition for governmental activities was the construction of roads and sewer lines, the purchase of new vehicles, buildings, and machinery and equipment. Additional information concerning capital assets can be found in Note 9 to the basic financial statements.

**Debt**

Table 4 summarizes the City's long-term obligations outstanding at December 31, 2024.

**Table 4 - Outstanding Obligations at December 31**

	Governmental Activities	
	2024	2023
General Obligation Bonds	\$ 6,945,000	\$ 8,249,244
OPWC and OWDA Loans	1,312,800	1,261,809
Finance Purchased Payable	807,553	344,916
Cuyahoga County Payable	737,990	1,095,532
Accrued police and fire pension liability	192,415	206,765
Asset Retirement Obligation	60,000	60,000
<b>Total Outstanding Obligations</b>	<b>\$ 10,055,758</b>	<b>\$ 11,218,266</b>

At December 31, 2024, the general obligation bonds outstanding consists of the 2021 Various Purpose Refunding Bonds. The OPWC loans outstanding are for infrastructure improvement projects, which are being repaid using sanitation fees from the Sewer Maintenance Fund. The other long-term obligations consist of police and fire pension liability, financed purchases for police vehicles and ambulance equipment, and compensated absences. Additional information concerning debt issuances can be found in Note 11 to the basic financial statements.

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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### **Current Related Financial Activities**

The City is diligently working to maintain a careful watch over its financial operations. The City remains open to providing the citizens of the City of Maple Heights with full disclosure of the financial position of the City.

In conclusion, 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 the implementation of GASB Statement No. 68 and 75. This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold, and distributes pensions to our employees, not the City of Maple Heights. These calculations are as follows:

	Governmental Activities	Business-Type Activities
Total Net Position at December 31, 2023 (with GASB 68 and 75)	\$ 35,316,247	\$ 5,105,681
GASB 68 and 75 Calculations:		
Add: Deferred Inflows related to Pension	851,836	983
Net Pension Liability	24,168,385	170,400
Deferred Inflows related to OPEB	1,490,452	3,602
Net OPEB Liability	1,486,150	-
Less: Deferred Outflows related to Pension	(7,501,244)	(61,462)
Net Pension Asset	(66,609)	(2,521)
Net OPEB Asset	(155,340)	(5,878)
Deferred Outflows related to OPEB	(939,172)	(5,354)
Total Net Position at December 31, 2023 (without GASB 68 and 75)	<u>\$ 54,650,705</u>	<u>\$ 5,205,451</u>

### **Contacting the City of Maple Heights' Financial Management**

This financial report is designed to provide the citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Finance Director, City of Maple Heights, 5353 Lee Road, Maple Heights, Ohio 44137.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF MAPLE 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	\$ 10,714,890	\$ 3,161,688	\$ 13,876,578
Accounts Receivable	1,116,028	2,257,781	3,373,809
Intergovernmental Receivable	3,172,240	-	3,172,240
Lease Receivable	239,142	-	239,142
Municipal Income Taxes Receivable	2,943,376	-	2,943,376
Property Taxes Receivable	8,143,153	-	8,143,153
Materials and Supplies Inventory	202,422	-	202,422
Prepaid Items	274,267	80	274,347
Loans Receivable	142,800	-	142,800
Net Pension Asset	66,609	2,521	69,130
Net OPEB Asset	155,340	5,878	161,218
Nondepreciable Capital Assets	11,582,447	-	11,582,447
Depreciable Capital Assets	39,548,875	-	39,548,875
<b>Total Assets</b>	<b>78,301,589</b>	<b>5,427,948</b>	<b>83,729,537</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	36,785	-	36,785
Pension	7,501,244	61,462	7,562,706
OPEB	939,172	5,354	944,526
<b>Total Deferred Outflows of Resources</b>	<b>8,477,201</b>	<b>66,816</b>	<b>8,544,017</b>
<b>LIABILITIES</b>			
Accounts Payable	554,635	145,039	699,674
Contracts Payable	1,405,320	-	1,405,320
Accrued Wages and Benefits	279,552	3,978	283,530
Intergovernmental Payable	241,380	4,005	245,385
Matured Compensated Absences Payable	89,774	-	89,774
Accrued Interest Payable	45,416	-	45,416
Retainage Payable	318,962	-	318,962
Unearned Revenue	505,471	-	505,471
Long-term Liabilities:			
Due within one year	2,814,546	21,368	2,835,914
Due in more than one year:			
Net Pension Liability	24,168,385	170,400	24,338,785
Net OPEB Liability	1,486,150	-	1,486,150
Other amounts	9,504,752	39,708	9,544,460
<b>Total Liabilities</b>	<b>41,414,343</b>	<b>384,498</b>	<b>41,798,841</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	7,483,006	-	7,483,006
Lease	222,906	-	222,906
Pension	851,836	983	852,819
OPEB	1,490,452	3,602	1,494,054
<b>Total Deferred Inflows of Resources</b>	<b>10,048,200</b>	<b>4,585</b>	<b>10,052,785</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	41,052,152	-	41,052,152
Restricted for:			
Debt Service	699,066	-	699,066
Capital Projects	197,862	-	197,862
Streets and Highways	1,431,610	-	1,431,610
Sewer Maintenance	846,884	-	846,884
Community Development	166,739	-	166,739
Other Purposes	1,034,640	-	1,034,640
Pension/OPEB	221,949	8,399	230,348
Unrestricted	(10,334,655)	5,097,282	(5,237,373)
<b>Total Net Position</b>	<b>\$ 35,316,247</b>	<b>\$ 5,105,681</b>	<b>\$ 40,421,928</b>

See accompanying Notes to the Basic Financial Statements

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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	Program Revenues						Net (Expense) Revenue and Changes in Net Position						
	Expenses	Operating		Capital		Governmental Activities	Business-type Activities	Total					
		Charges for Services	Grants and Contributions	Grants and Contributions									
<b>Primary Government:</b>													
<b>Governmental activities:</b>													
Security of Persons and Property	\$ 13,610,190	\$ 1,573,125	\$ 164,765	\$ -	\$ (11,872,300)	\$ -	\$ -	\$ (11,872,300)					
Public Health Services	171,832	-	-	-	(171,832)	-	-	(171,832)					
Leisure Time Activities	736,302	18,150	259,681	-	(458,471)	-	-	(458,471)					
Community Environment	1,186,361	132,800	5,933	-	(1,047,628)	-	-	(1,047,628)					
Basic Utility Services	3,580,754	1,023,715	520,201	3,110,309	1,073,471	-	-	1,073,471					
Transportation	3,172,270	1,266,166	240,562	-	(1,665,542)	-	-	(1,665,542)					
General Government	5,000,705	711,496	965,588	-	(3,323,621)	-	-	(3,323,621)					
Interest and Fiscal Charges	178,231	-	-	-	(178,231)	-	-	(178,231)					
<b>Total Governmental activities</b>	<b>27,636,645</b>	<b>4,725,452</b>	<b>2,156,730</b>	<b>3,110,309</b>	<b>(17,644,154)</b>	<b>-</b>	<b>-</b>	<b>(17,644,154)</b>					
<b>Business-type activities:</b>													
Solid Waste Collection	1,938,459	2,158,109	-	-	-	219,650	-	219,650					
<b>Total Business-type activities</b>	<b>1,938,459</b>	<b>2,158,109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>219,650</b>	<b>-</b>	<b>219,650</b>					
<b>Total Primary Government</b>	<b>\$ 29,575,104</b>	<b>\$ 6,883,561</b>	<b>\$ 2,156,730</b>	<b>\$ 3,110,309</b>	<b>(17,644,154)</b>	<b>219,650</b>	<b>-</b>	<b>(17,424,504)</b>					
<b>General Revenues:</b>													
Property Taxes levied for:													
General Purposes					3,384,501	-	-	3,384,501					
Debt Service Purpose					838,067	-	-	838,067					
Other Purposes					1,805,985	-	-	1,805,985					
Municipal Income Taxes levied for:													
General Purposes					8,997,305	-	-	8,997,305					
Franchise Taxes					236,630	-	-	236,630					
Grants & Entitlements not restricted to specific programs					1,907,214	-	-	1,907,214					
Investment Income					207,966	-	-	207,966					
All Other Revenues					914,449	100	-	914,549					
Total General Revenues					<u>18,292,117</u>	<u>100</u>	<u>-</u>	<u>18,292,217</u>					
Change in Net Position					647,963	219,750	-	867,713					
Net Position - Beginning of the Year, as Previously Reported					35,428,241	4,903,991	-	40,332,232					
Change in Accounting Principle					(759,957)	(18,060)	-	(778,017)					
<b>Net Position - Beginning of the Year, as Restated</b>					<b>34,668,284</b>	<b>4,885,931</b>	<b>-</b>	<b>39,554,215</b>					
<b>Net Position - End of Year</b>					<b>\$ 35,316,247</b>	<b>\$ 5,105,681</b>	<b>-</b>	<b>\$ 40,421,928</b>					

See accompanying Notes to the Basic Financial Statements

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	<b>General Fund</b>	<b>Water/Sewer Maintenance</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 6,004,061	\$ 480,368	\$ 4,230,461	\$ 10,714,890
Materials and Supplies Inventory	38,429	-	163,993	202,422
Accounts Receivable	396,839	-	719,189	1,116,028
Interfund Receivable	660,642	-	-	660,642
Intergovernmental Receivable	1,039,664	1,097,435	1,035,141	3,172,240
Municipal Income Taxes Receivable	2,943,376	-	-	2,943,376
Property Taxes Receivable	4,877,421	-	3,265,732	8,143,153
Prepaid Items	237,318	123	36,826	274,267
Lease Receivable	239,142	-	-	239,142
Loans Receivable	-	-	142,800	142,800
<b>Total Assets</b>	<b>\$ 16,436,892</b>	<b>\$ 1,577,926</b>	<b>\$ 9,594,142</b>	<b>\$ 27,608,960</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 196,059	\$ 180,614	\$ 177,962	\$ 554,635
Accrued Wages and Benefits	222,143	4,680	52,729	279,552
Contracts Payable	59,068	581,104	765,148	1,405,320
Intergovernmental Payable	88,123	2,907	150,350	241,380
Matured Compensated Absences Payable	45,130	-	44,644	89,774
Retainage Payable	16,126	111,710	191,126	318,962
Interfund Payable	-	250,000	410,642	660,642
Unearned Revenue	319,325	-	186,146	505,471
<b>Total Liabilities</b>	<b>945,974</b>	<b>1,131,015</b>	<b>1,978,747</b>	<b>4,055,736</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes and Lease	4,705,048	-	3,000,864	7,705,912
Unavailable Revenue-Delinquent Property Taxes	395,279	-	264,868	660,147
Unavailable Revenue- Municipal Income Taxes	1,630,170	-	-	1,630,170
Unavailable Revenue-Special assessments	344,549	-	-	344,549
Unavailable Revenue-Other	620,077	624,174	1,165,813	2,410,064
<b>Total Deferred Inflows of Resources</b>	<b>7,695,123</b>	<b>624,174</b>	<b>4,431,545</b>	<b>12,750,842</b>
<b>FUND BALANCES</b>				
Nonspendable	275,747	123	200,819	476,689
Restricted	-	-	2,420,537	2,420,537
Committed	324,330	-	1,134,729	1,459,059
Assigned	4,682,689	-	-	4,682,689
Unassigned (Deficits)	2,513,029	(177,386)	(572,235)	1,763,408
<b>Total Fund Balances</b>	<b>7,795,795</b>	<b>(177,263)</b>	<b>3,183,850</b>	<b>10,802,382</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 16,436,892</b>	<b>\$ 1,577,926</b>	<b>\$ 9,594,142</b>	<b>\$ 27,608,960</b>

See accompanying Notes to the Basic Financial Statements

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2024**

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**Total Governmental Funds Balance** \$ 10,802,382

*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 51,131,322

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

Delinquent Property Taxes	\$ 660,147
Municipal Income taxes	1,630,170
Special assessments	344,549
Intergovernmental	2,002,160
Charges for services	<u>407,904</u>
<b>Total</b>	<b>5,044,930</b>

In the Statement of Activities, interest is accrued on outstanding  
bonds, whereas in Governmental funds, an interest expenditure  
is reported when due. (45,416)

The net pension liability/asset and net OPEB liability are not due and payable  
in the current period; and the net pension asset are not available for  
spending in the current period; therefore, the liability/asset and related deferred  
inflows/outflows are not reported in governmental funds:

Net Pension Asset	66,609
Net OPEB Asset	155,340
Deferred Outflows - Pension	7,501,244
Deferred Inflows - Pension	(851,836)
Net Pension Liability	(24,168,385)
Deferred Outflows - OPEB	939,172
Deferred Inflows - OPEB	(1,490,452)
Net OPEB Liability	<u>(1,486,150)</u>
<b>Total</b>	<b>(19,334,458)</b>

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

General obligation bonds	(6,945,000)
OWDA Loans	(137,449)
OPWC Loans	(1,175,351)
Financed Purchased Payables	(807,553)
Police and Fire Pension Liability	(192,415)
Compensated absences	(2,263,540)
Asset Retirement Obligations	(60,000)
Deferral on Refunding	36,785
Cuyahoga County Payable	(737,990)
<b>Total</b>	<b>(12,282,513)</b>

**Net Position of Governmental Activities**

See accompanying Notes to the Basic Financial Statements

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	(Formerly Major)				
	General Fund	Water/Sewer Maintenance	Construction Maintenance and Repair	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 3,371,271	\$ -		\$ 2,678,980	\$ 6,050,251
Municipal Income Taxes	8,918,463	-		-	8,918,463
Franchise Taxes	228,038	-		-	228,038
Intergovernmental	1,918,525	3,236,500		2,790,390	7,945,415
Interest	201,263	-		6,703	207,966
Fees, Licenses, and Permits	634,139	-		41,747	675,886
Fines and Forfeitures	241,354	-		-	241,354
Charges for Services	268,418	1,003,987		1,234,742	2,507,147
Contributions and Donations	25,293	-		10,300	35,593
Lease	11,192	-		-	11,192
All Other Revenues	416,020	61,288		437,141	914,449
<b>Total Revenues</b>	<b>16,233,976</b>	<b>4,301,775</b>		<b>7,200,003</b>	<b>27,735,754</b>
<b>EXPENDITURES</b>					
Security of Persons and Property	8,933,429	-		3,970,069	12,903,498
Public Health Services	171,832	-		-	171,832
Leisure Time Activities	36,325	-		543,858	580,183
Community Environment	1,123,808	-		27,905	1,151,713
Basic Utility Services	207,604	6,237,742		-	6,445,346
Transportation	-	287,488		3,276,909	3,564,397
General Government	4,960,373	-		1,115,891	6,076,264
Capital Outlay	62,589	-		882,265	944,854
Debt Service:					
Principal Retirement	369,635	89,553		1,219,650	1,678,838
Interest and Fiscal Charges	1,337	-		167,502	168,839
<b>Total Expenditures</b>	<b>15,866,932</b>	<b>6,614,783</b>		<b>11,204,049</b>	<b>33,685,764</b>
Excess of Revenues (Under) Expenditures	<b>367,044</b>	<b>(2,313,008)</b>		<b>(4,004,046)</b>	<b>(5,950,010)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Assets	4,971	-		-	4,971
Issuance of Financed Purchase	94,959	-		520,071	615,030
OPWC/OWDA Loans Issued	-	520,544		-	520,544
Transfers In	-	-		3,657,185	3,657,185
Transfers Out	(3,657,185)	-		-	(3,657,185)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,557,255)</b>	<b>520,544</b>		<b>4,177,256</b>	<b>1,140,545</b>
Net Change in Fund Balances	(3,190,211)	(1,792,464)		173,210	(4,809,465)
Fund Balances - Beginning of Year, as previously presented	10,986,006	1,615,201	736,311	2,274,329	15,611,847
Change within financial reporting entity (Major to Nonmajor Fund)	-	-	(736,311)	736,311	-
Fund Balances (Deficits) - Beginning of Year, as adjusted	10,986,006	1,615,201	-	3,010,640	15,611,847
<b>Fund Balances - End of Year</b>	<b>\$ 7,795,795</b>	<b>\$ (177,263)</b>	<b>\$ -</b>	<b>\$ 3,183,850</b>	<b>\$ 10,802,382</b>

See accompanying Notes to the Basic Financial Statements

**CITY OF MAPLE 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** \$ (4,809,465)

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

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

Capital Outlay	\$ 6,863,832
Depreciation	(1,935,683)
Total	4,928,149

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (7,412)

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

Delinquent Property taxes	(21,698)
Municipal income taxes	78,842
Special assessments	(25,140)
Intergovernmental	162,658
Charges for services	(25,808)
Total	168,854

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of loans and financed purchases. (1,135,574)

Repayment of various debt obligations are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 2,058,838

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

Pension	1,755,389
OPEB	42,125

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

Pension	(2,605,116)
OPEB	103,480

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	(81,157)
Accrued interest on bonds	(2,155)
Amortization of bond premiums	239,244
Deferral on Refunding	(7,237)
Total	148,695

**Change in Net Position of Governmental Activities** \$ 647,963

See accompanying Notes to the Basic Financial Statements

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP) BASIS AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 7,844,025	\$ 8,656,644	\$ 8,932,600	\$ 275,956
Property Taxes	3,056,941	3,373,631	3,371,271	(2,360)
Intergovernmental	1,655,733	1,827,262	1,724,763	(102,499)
Charges for Services	367,998	406,121	279,459	(126,662)
Fees, Licenses, and Permits	544,995	601,455	647,304	45,849
Fines and Forfeitures	162,474	179,306	208,370	29,064
Franchise Taxes	201,666	222,558	199,022	(23,536)
Contributions and Donations	6,977	7,700	9,696	1,996
Interest	174,761	192,866	194,037	1,171
Other	455,098	502,245	402,985	(99,260)
<b>Total Revenues</b>	<b>14,470,668</b>	<b>15,969,788</b>	<b>15,969,507</b>	<b>(281)</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	10,567,818	9,684,311	9,246,149	438,162
Public Health Services	171,832	171,832	171,832	-
Leisure Time Activities	73,530	46,030	36,106	9,924
Community Environment	1,254,945	1,152,126	1,111,274	40,852
Basic Utility Services	161,759	217,835	206,086	11,749
General Government	5,353,801	5,219,850	4,899,934	319,916
<b>Total Expenditures</b>	<b>17,583,685</b>	<b>16,491,984</b>	<b>15,671,381</b>	<b>820,603</b>
Excess of Revenues Over (Under) Expenditures	<b>(3,113,017)</b>	<b>(522,196)</b>	<b>298,126</b>	<b>820,322</b>
<b>Other Financing Sources (Uses)</b>				
Sale of Equipment	4,250	4,690	4,971	281
Transfer Out	(1,161,358)	(3,903,293)	(3,657,185)	246,108
Advances In	302,601	302,601	302,601	-
Advances Out	(495,433)	(892,189)	(488,229)	403,960
<b>Total Other Financing Sources (Uses)</b>	<b>(1,349,940)</b>	<b>(4,488,191)</b>	<b>(3,837,842)</b>	<b>650,349</b>
Net Change in Fund Balance	<b>(4,462,957)</b>	<b>(5,010,387)</b>	<b>(3,539,716)</b>	<b>1,470,671</b>
Fund Balance at Beginning of Year	8,691,514	8,691,514	8,691,514	-
Prior Year Encumbrances Appropriated	33,596	33,596	33,596	-
<b>Fund Balance- End of Year</b>	<b>\$ 4,262,153</b>	<b>\$ 3,714,723</b>	<b>\$ 5,185,394</b>	<b>\$ 1,470,671</b>

See accompanying Notes to the Basic Financial Statements

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP) BASIS AND ACTUAL**  
**WATER/SEWER MAINTENANCE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance With Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 5,689,862	\$ 3,662,480	\$ 3,662,479	\$ (1)
Charges for Services	1,342,711	864,283	864,283	-
Other	356,837	229,691	229,691	-
<b>Total Revenues</b>	<b>7,389,410</b>	<b>4,756,454</b>	<b>4,756,453</b>	<b>(1)</b>
<b>Expenditures:</b>				
Current:				
Basic Utility Services	8,333,955	5,864,830	5,751,268	113,562
Transportation	418,183	294,287	283,319	10,968
Debt Service:				
Principal Retirement	130,953	92,155	89,553	2,602
<b>Total Expenditures</b>	<b>8,883,091</b>	<b>6,251,272</b>	<b>6,124,140</b>	<b>127,132</b>
Excess of Revenues Over (Under) Expenditures	(1,493,681)	(1,494,818)	(1,367,687)	127,131
<b>Other Financing Sources (Uses)</b>				
Advances In	250,000	250,000	250,000	-
Advances Out	(5,000)	(5,000)	-	5,000
<b>Total Other Financing Sources (Uses)</b>	<b>245,000</b>	<b>245,000</b>	<b>250,000</b>	<b>5,000</b>
Net Change in Fund Balance	(1,248,681)	(1,249,818)	(1,117,687)	132,131
Fund Balance at Beginning of Year	1,250,736	1,250,736	1,250,736	-
<b>Fund Balance- End of Year</b>	<b>\$ 2,055</b>	<b>\$ 918</b>	<b>\$ 133,049</b>	<b>\$ 132,131</b>

See accompanying Notes to the Basic Financial Statements

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
STATEMENT OF FUND NET POSITION  
ENTERPRISE FUND  
DECEMBER 31, 2024**

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	<b>Solid Waste Collection</b>
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,161,688
Accounts Receivable	2,257,781
Prepaid Items	80
Net Pension Assets	2,521
Net OPEB Assets	5,878
<b>Total Assets</b>	<b>5,427,948</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension	61,462
OPEB	5,354
<b>Total Deferred Outflows of Resources</b>	<b>66,816</b>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accounts Payable	145,039
Accrued Wages and Benefits	3,978
Compensated Absences Payable	21,368
Intergovernmental Payable	4,005
<b>Total Current Liabilities</b>	<b>174,390</b>
<b>Noncurrent Liabilities:</b>	
Compensated Absences Payable	39,708
Net Pension Liability	170,400
<b>Total Noncurrent Liabilities</b>	<b>210,108</b>
<b>Total Liabilities</b>	<b>384,498</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension	983
OPEB	3,602
<b>Total Deferred Inflows of Resources</b>	<b>4,585</b>
<b>NET POSITION</b>	
Restricted for:	
Pension/OPEB	8,399
Unrestricted	5,097,282
<b>Total Net Position</b>	<b>\$ 5,105,681</b>

See accompanying Notes to the Basic Financial Statements

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**ENTERPRISE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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	<b>Solid Waste Collection</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 2,158,109
Miscellaneous	100
<b>Total Operating Revenues</b>	<b>2,158,209</b>
<b>OPERATING EXPENSES</b>	
Salaries	144,067
Fringe Benefits	42,710
Contractual Services	1,730,678
Other	21,004
<b>Total Operating Expenses</b>	<b>1,938,459</b>
Change in Net Position	219,750
Net Position - Beginning of the Year, as Previously Reported	4,903,991
Change in Accounting Principle	(18,060)
<b>Net Position - Beginning of the Year, as Restated</b>	<b>4,885,931</b>
<b>Net Position - End of Year</b>	<b>\$ 5,105,681</b>

See accompanying Notes to the Basic Financial Statements

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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	<b>Solid Waste Collection</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Charges for Services	\$ 2,121,376
Cash Payments to Employees for Services	(130,436)
Cash Payments for Employee Benefits	(50,829)
Cash Payments for Goods and Services	(1,726,990)
Other Cash Payments	(21,004)
<b>Net Cash Provided by Operating Activities</b>	<b>192,117</b>
Net Increase in Cash and Cash Equivalents	192,117
Cash and Cash Equivalents - Beginning of Year	2,969,571
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 3,161,688</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 219,750
Adjustments:	
Accounts Receivable	(36,833)
Net Pension Assets	(119)
Net OPEB Assets	(5,878)
Deferred Outflows of Resources - Pension	30,389
Deferred Outflows of Resources - OPEB	8,537
Prepaid Items	(11)
Increase (Decrease) in Liabilities:	
Accounts Payable	2,551
Accrued Wages	1,135
Compensated Absences Payable	12,576
Intergovernmental Payable	3,082
Net Pension Liability	(39,490)
Net OPEB Liability	(4,515)
Deferred Inflows of Resources - Pension	(1,170)
Deferred Inflows of Resources - OPEB	2,113
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 192,117</b>

See accompanying Notes to the Basic Financial Statements

**CITY OF MAPLE HEIGHTS**  
**CUYAHOGA COUNTY, OHIO**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**DECEMBER 31, 2024**

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	<b>Custodial Fund</b>
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,113
<b>Total Assets</b>	<hr/> 1,113 <hr/>
<b>NET POSITION</b>	
Restricted For:	
Individuals, Organizations, and Other Governments	1,113
<b>Total Net Position</b>	<hr/> \$ 1,113 <hr/>

See accompanying Notes to the Basic Financial Statements

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
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	\$ 5,356
<b>Total Additions</b>	<u>5,356</u>
<b>DEDUCTIONS</b>	
Distributions to the State of Ohio	4,210
<b>Total Deductions</b>	<u>4,210</u>
Net Increase (Decrease) in Fiduciary Net Position	1,146
Net Position - Beginning of Year	(33)
<b>Net Position - End of Year</b>	<u>\$ 1,113</u>

See accompanying Notes to the Basic Financial Statements

**NOTES TO THE  
BASIC FINANCIAL STATEMENTS**

**CITY OF MAPLE 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**

**Description of the City**

The City of Maple Heights (the “City”) is a home rule municipal corporation established and operated under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a Council/Mayor form of government, was adopted in 1932. Legislative authority is vested in an eight-member Council. The President of Council is elected at-large, and seven members are elected from districts, all for four-year terms. The Mayor is elected to a four-year term.

**Reporting Entity**

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, agencies, boards, and departments that are not legally separate from the City. For the City of Maple Heights, this includes the agencies and departments that provide the following services: police and fire protection, emergency medical response, parks and recreation, planning, zoning, street maintenance and repair, refuse collection, sanitary sewer service and general administrative services.

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 deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The reporting entity of the City does not include any component units.

The City participates in three jointly governed organizations and an insurance purchasing pool. These organizations are the Southeast Area Law Enforcement Organization, the Northeast Ohio Public Energy Council (NOPEC), the Chagrin/Southeast Council of Governments and the Northern Ohio Risk Management Association (NORMA). These organizations are presented in Notes 18 and 19 to the basic financial statements.

**CITY OF MAPLE 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**

The financial statements of the City of Maple Heights 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 principles. The more 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. These statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

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

**CITY OF MAPLE 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)

***Governmental Funds*** Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used.

Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The following is the City's major governmental funds:

**General Fund**

The General Fund is the operating fund of the City and is used to account for and report all financial resources except those required to be accounted for and reported in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Maple Heights and/or the general laws of Ohio.

**Water/Sewer Maintenance Fund**

The Water/Sewer Maintenance Fund accounts for and reports funds accumulated for the repair and maintenance of water and sewer lines within the City.

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

***Proprietary Funds*** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no internal service funds.

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

**Solid Waste Collection Fund**

The Solid Waste Collection Fund accounts for and reports the fees collected to cover the refuse pick-up and hauling system provided through the City.

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

The City's custodial fund accounts for building assessment fees collected for the Ohio Board of Building Standards.

**CITY OF MAPLE 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 Accounting** (Continued)

***Measurement Focus***

**Government-wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Like the government-wide statements, the Enterprise Fund is 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 the fund are included on the Statement of Net Position. The Statement of Revenues, Expenses, and 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 and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/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.

**CITY OF MAPLE 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 Accounting** (Continued)

***Basis of Accounting*** (Continued)

On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year-end.

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 8). 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 taxes, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), 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 represent a consumption of net position 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 plans are explained in Notes 15 and 16.

**CITY OF MAPLE 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 Accounting** (Continued)

***Basis of Accounting*** (Continued)

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, lease, pension, OPEB and unavailable revenue. 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 a deferred inflow on both the government-wide statement of net position and 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, intergovernmental, special assessment, and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. The deferred inflows of resources related pension are explained in Notes 15 and 16.

***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 agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The 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 resolution is Council's authorization to spend resources and set 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 object level within each department for all funds. For the other object level, the Finance Director has been authorized to allocate appropriations within each department and any object level on the books, other than personal services. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

**CITY OF MAPLE 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 Accounting** (Continued)

***Budgetary Data (Continued)***

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

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as original budgeted amounts reflect the first appropriation resolution 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 that year.

***Cash and Cash Equivalents***

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Cash and Cash Equivalents."

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.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2024 amounted to \$201,263.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

**CITY OF MAPLE 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 Accounting** (Continued)

***Inventory***

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

***Capital Assets***

The City's only capital assets are general capital assets. General capital assets are those assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received.

The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15-65 years
Machinery and Equipment	5-20 years
Vehicles	5-25 years
Infrastructure	20-75 years

The City's infrastructure consists of roads and sidewalks, storm sewers and traffic signals and includes infrastructure acquired prior to December 31, 1980.

**CITY OF MAPLE 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)

**Fund Accounting** (Continued)

***Interfund Balances***

On fund financial statements, receivables and payables resulting in short term interfund loans are classified as “interfund receivables/payables”. Interfund balance amounts are eliminated in the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***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, no monetary obligation exists. 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.

***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, compensated absences and claims payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, long-term loans, and financed purchases are recognized as a liability on the governmental fund financial statements when due.

**CITY OF MAPLE 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 Accounting** (Continued)

***Accrued Liabilities and Long-Term Obligations*** (Continued)

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.

***Fund Balance***

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

***Nonspendable*** The nonspendable fund balance 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.

***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 or enabling legislation (City ordinances).

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinances or resolution, as both are equally binding) of City Council.

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

**CITY OF MAPLE 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 Accounting** (Continued)

***Fund Balance*** (Continued)

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by council. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2025'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.

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.

***Net Position***

Net Position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

***Interfund Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

**CITY OF MAPLE 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 Accounting** (Continued)

***Interfund Activity*** (Continued)

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

***Bond Premium***

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are received in the year the bonds are issued.

***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for solid waste collection services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

***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.

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

For purposes of measuring the net pension/OPEB liability, net pension asset, net 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 MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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**NOTE 3: FUND BALANCES**

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

Fund Balances	General	Water/Sewer Maintenance	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepaid Items	\$ 237,318	\$ 123	\$ 36,826	\$ 274,267
Inventories	38,429	-	163,993	202,422
<i>Total Nonspendable</i>	<u>275,747</u>	<u>123</u>	<u>200,819</u>	<u>476,689</u>
<i>Restricted for</i>				
Road Improvements	-	-	440,845	440,845
Muni Motor Vehicle	-	-	19,822	19,822
Police and Fire Operations	-	-	174,489	174,489
Drug and Alcohol Enforcement	-	-	412,249	412,249
Economic Development	-	-	166,723	166,723
Recreation	-	-	191,416	191,416
Computer Technology	-	-	5,212	5,212
COPS and NHS Grant	-	-	200,000	200,000
Opioid Settlement	-	-	50,416	50,416
Debt Payment	-	-	561,503	561,503
Capital Improvements	-	-	197,862	197,862
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>2,420,537</u>	<u>2,420,537</u>
<i>Committed to</i>				
Ambulance Billing	-	-	1,134,729	1,134,729
Mayor's Court	324,330	-	-	324,330
<i>Total Committed</i>	<u>324,330</u>	<u>-</u>	<u>1,134,729</u>	<u>1,459,059</u>
<i>Assigned to</i>				
Fiscal Year 2025 Appropriations	4,666,906	-	-	4,666,906
Purchases on Order:				
Community Environment	6,465	-	-	6,465
General Government	9,318	-	-	9,318
<i>Total Assigned</i>	<u>4,682,689</u>	<u>-</u>	<u>-</u>	<u>4,682,689</u>
<i>Unassigned (Deficit)</i>	<u>2,513,029</u>	<u>(177,386)</u>	<u>(572,235)</u>	<u>1,763,408</u>
<i>Total Fund Balances</i>	<u>\$ 7,795,795</u>	<u>\$ (177,263)</u>	<u>\$ 3,183,850</u>	<u>\$ 10,802,382</u>

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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**NOTE 4: CHANGES 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. For fiscal year 2024, the Street Construction Maintenance and Repair Fund as well as the Local Fiscal Recovery Fund presentation was adjusted from major to nonmajor due to the funds falling below the quantitative threshold for a major fund. This change is separately displayed in the financial statements.

*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.

	Governmental Funds		Government-Wide	
	Street Construction Maintenance and Repair	Nonmajor Governmental	Governmental Activities	Business-Type Activities
December 31, 2023, as previously reported	\$ 736,311	\$ 2,274,329	\$ 35,428,421	\$ 4,903,991
Change from major to nonmajor fund	(736,311)	736,311		
Change in accounting principle (GASB 101)	-	-	(759,957)	(18,060)
December 31, 2023, as adjusted or restated	<u><u>\$ -</u></u>	<u><u>\$ 3,010,640</u></u>	<u><u>\$ 34,668,464</u></u>	<u><u>\$ 4,885,931</u></u>

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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**NOTE 5: ACCOUNTABILITY AND COMPLIANCE**

**Accountability**

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

	<u>Deficit</u>
<u>Major Governmental Funds</u>	
Water/Sewer Maintenance	\$ 177,263
<u>Nonmajor Governmental Funds</u>	
Street Lighting	69,600
Police Services Levy	25,174
Fire Services Levy	5,732
EMS Grant	18,558
SAFER Grant	40,114
Street Construction Maintenance and Repair	108,204
FEMA Fire Grant	57,896
COPS Grant	79,908
Total Nonmajor Governmental Funds	<u>405,186</u>
Total	<u><u>\$ 582,449</u></u>

The nonmajor fund deficits were caused by the recognition of expenditures on the modified accrual basis of accounting which are substantially greater than expenditures recognized on the cash basis. The General Fund is liable for any deficits in this fund and provides transfers when cash is required, not when accruals occur.

**NOTE 6: BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), 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 for the General Fund, and the Water/Sewer Maintenance Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP basis).
3. The Unclaimed Funds Fund, Trust and Agency Fund and Mayor's Court Fund are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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**NOTE 6: BUDGETARY BASIS OF ACCOUNTING (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the General Fund and the Water/Sewer Maintenance Fund

	General	Water/Sewer Maintenance
GAAP Basis	\$ (3,190,211)	\$ (1,792,464)
Revenue Accruals	(11,842)	184,134
Expenditure Accruals	(290,261)	837,962
Unclaimed Funds Fund	(629)	-
Trust and Agency Fund	(12,265)	-
Mayor's Court Fund	14,675	-
Encumbrances (Budget Basis) outstanding at year end	<u>(49,183)</u>	<u>(347,319)</u>
 Budget Basis	 <u>\$ (3,539,716)</u>	 <u>\$ (1,117,687)</u>

**NOTE 7: DEPOSITS AND INVESTMENTS**

The City has chosen to follow State statutes and classify monies held by the City into three categories.

Active deposits are public monies determined to be necessary to meet current demands upon 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 five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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**NOTE 7: DEPOSITS AND INVESTMENTS (Continued)**

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

Interim monies held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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NOTE 7: **DEPOSITS AND INVESTMENTS** (Continued)

**Cash on Hand**

The City has \$2,800 in undeposited cash on hand, which is reported on the balance sheet as part of "Equity in Pooled Cash and Cash Equivalents".

**Deposits**

**Custodial Credit Risk** Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the carrying amount of the City's deposits was \$12,685,064 and \$250,000 of the City's bank balance of \$12,822,958 was covered by Federal Depository Insurance and the remaining amount of \$12,572,958 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair 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.

**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. At December 31, 2024, the City had \$1,189,827 invested in STAR Ohio.

**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. To date, no investments have been purchased with a life greater than five years.

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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NOTE 7: **DEPOSITS AND INVESTMENTS** (Continued)

***Credit Risk*** Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

***Custodial Credit Risk*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the City Treasurer or qualified trustee.

NOTE 8: **RECEIVABLES**

Receivables at December 31, 2024, consisted primarily of municipal income taxes, property taxes, lease, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements, and shared revenues. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes. All receivables are expected to be collected within one year except for delinquent property taxes. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible personal 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 (other than public utility property) are for 2023 taxes.

2024 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are collected in and intended to finance 2025.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2024 public utility property taxes which became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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NOTE 8: **RECEIVABLES** (Continued)

The full tax rate for all City operations for the year ended December 31, 2024, was \$20.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2024 property tax receipts were based as follows:

Property Category	Assessed Value	Percent
Real Estate		
Residential/Agriculture	\$23,401,500	17.44
Commercial Industrial/Public Utility	\$91,834,470	68.46
Tangible Personal Property		
Public Utility	18,915,940	14.10
Total	<u><u>\$134,151,910</u></u>	<u><u>100.00</u></u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Maple Heights, and periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2024 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2024 operations is offset to deferred inflows of resources – property taxes. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**Income Taxes**

The City levies an income tax of 2.50 percent on all income earned within the City as well as income of residents earned outside the City. The City allows a 100 percent credit on the income tax rate of 2.50 percent on the income earned outside the City and paid to another municipality. Employers within the City are required to withhold income tax on employee compensation and remit this tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits taxes collected to the City each month.

**Intergovernmental Receivable**

A summary of the principal items of intergovernmental receivables follows:

Revenue Description	Amount
Local Government	\$ 599,291
Homestead and Rollback	370,414
Gasoline Tax and Auto Registration	635,127
Utility Billing	629,337
Grants and others	938,071
Total	<u><u>\$ 3,172,240</u></u>

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)**

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NOTE 8: **RECEIVABLES** (Continued)

**Leases Receivable**

In previous years, the City entered into a lease as Lessor for the use of Cell Tower. An initial lease receivable was recorded in the amount of \$255,549. As of December 31, 2024, the value of the lease receivable is \$239,142. The lessee is required to make monthly fixed payments of \$1,034 for the current year and increase an additional 2 percent each year. The lease has an interest rate of 2.99 percent. The value of the deferred inflow of resources as of December 31, 2024 was \$222,906, and the City of Maple Heights recognized lease revenue of \$11,192 during the fiscal year. The lessee has 5 extension options, each for 60 months, and is currently in the first extension and it is reasonably certain they will extend. The table below is the payment schedule.

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 6,481	\$ 6,992	\$ 13,473
2026	6,950	6,793	13,743
2027	7,420	6,597	14,017
2028	7,945	6,352	14,297
2029	8,475	6,109	14,584
2030 - 2034	51,086	26,326	77,412
2035 - 2039	67,295	17,544	84,839
2040- 2044	83,490	6,006	89,496
Total	<b>\$ 239,142</b>	<b>\$ 82,719</b>	<b>\$ 321,861</b>

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**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)**

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**NOTE 9: CAPITAL ASSETS**

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

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
<b><u>Governmental Activities</u></b>				
Capital Assets, not being depreciated:				
Land	\$ 340,339	\$ -	\$ -	\$ 340,339
Construction in progress	7,940,084	5,212,282	(1,910,258)	11,242,108
Total non-depreciable assets	<u>8,280,423</u>	<u>5,212,282</u>	<u>(1,910,258)</u>	<u>11,582,447</u>
Capital Assets, being depreciated:				
Buildings and Improvements	13,025,566	45,476	-	13,071,042
Machinery and Equipment	2,731,164	335,821	(6,000)	3,060,985
Vehicles	5,495,687	834,668	(96,590)	6,233,765
Infrastructure:				
Roads	34,611,587	1,910,258	-	36,521,845
Traffic Signals	3,376,472	435,585	-	3,812,057
Storm Sewers	23,788,883	-	-	23,788,883
Sidewalks	1,424,833	-	-	1,424,833
Total Capital Assets, being depreciated	<u>84,454,192</u>	<u>3,561,808</u>	<u>(102,590)</u>	<u>87,913,410</u>
Less Accumulated depreciation:				
Buildings and Improvements	(8,376,719)	(179,989)	-	(8,556,708)
Machinery and Equipment	(2,008,244)	(177,902)	6,000	(2,180,146)
Vehicles	(4,522,788)	(302,991)	89,178	(4,736,601)
Infrastructure:				
Roads	(18,888,756)	(888,968)	-	(19,777,724)
Traffic Signals	(3,062,954)	(44,912)	-	(3,107,866)
Storm Sewers	(8,709,083)	(305,300)	-	(9,014,383)
Sidewalks	(955,486)	(35,621)	-	(991,107)
Total Accumulated depreciation	<u>(46,524,030)</u>	<u>(1,935,683)</u>	<u>95,178</u>	<u>(48,364,535)</u>
Total Capital Assets being depreciated, net	<u>37,930,162</u>	<u>1,626,125</u>	<u>(7,412)</u>	<u>39,548,875</u>
<b>Governmental Activities Capital Assets, net</b>	<b><u>\$ 46,210,585</u></b>	<b><u>\$ 6,838,407</u></b>	<b><u>\$ (1,917,670)</u></b>	<b><u>\$ 51,131,322</u></b>

Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property	\$ 303,941
Transportation	943,930
General Government	179,954
Leisure Time Activities	156,022
Community Environment	5,959
Basic Utility Services	345,877
	<u><u>\$ 1,935,683</u></u>

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FOR THE YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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**NOTE 10: INTERFUND TRANSFERS AND BALANCES**

**Interfund Transfers**

During 2024, the General Fund transferred \$3,657,185 to other governmental funds as debt payments came due, to pay for street maintenance, repayment of debt, street lighting payments, and to provide additional resources for current operations.

**Interfund Balances**

During 2024, Other Governmental Funds had interfund payables to the General Fund in the amount of \$660,642. The interfund receivables and payable are the result of short-term advances from the General Fund and are expected to be repaid within one year.

**NOTE 11: LONG-TERM OBLIGATIONS**

The original issuance amounts for the City's long-term obligations are as follows:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Year of Maturity</u>
<b>Governmental Activities</b>			
<i>General Obligation Bonds</i>			
General Obligation Various Purpose	2.14%	\$ 7,020,000	2030
Capital Appreciation Bonds	7.25%-7.5%	1,647,911	2024
<i>OWDA Loan - Direct Borrowings</i>			
Lee Road & Raymond St Sewer Improvements *	0%	600,000	2031
<i>OPWC Loans - Direct Borrowings</i>			
Industrial Avenue/E. 141st Improvement	0%	556,403	2023
Northfield Road Improvements	0%	360,000	2030
East 141st Street and Maple Heights Improvements	0%	333,013	2034
Broadway Sanitary Interceptor Extension	0%	91,860	2043
Broadway Avenue Reconstruction	0%	381,774	2039
Sanitary Sewer Repair	0%	196,560	2047
Libby Road Reconstruction	0%	298,792	2037
Lee Road Pavement Repairs	0%	246,502	2042
Various Sewer Repair	0%	104,364	2043
Libby Road Watermain, Reconstruction and Signal *	0%	418,500	2054

\* Loan is not complete, therefore no amortization schedule is not available

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CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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**NOTE 11: LONG-TERM OBLIGATIONS (Continued)**

Changes in long-term obligations of the City during 2024 are as follows:

	Restated Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024	Due in One Year
<b>Governmental Activities</b>					
General Obligations Bonds					
Various Purpose and Refunding, due 2030	\$ 6,970,000		\$ (25,000)	\$ 6,945,000	\$ 1,095,000
Capital Appreciation Bonds, due 2024	359,195		(359,195)	-	-
Accretion on Bonds	680,805	-	(680,805)	-	-
Unamortized Premium	239,244	-	(239,244)	-	-
Total general Obligation Bonds	<u>8,249,244</u>	<u>-</u>	<u>(1,304,244)</u>	<u>6,945,000</u>	<u>1,095,000</u>
OWDA Loans - Direct Borrowings					
Lee Road & Raymond St Sewer Improvements	-	137,449	-	137,449	-
Schreiber Rd Sewer Improvements & SSO Elimination	-	380,000	(380,000)	-	-
Total OWDA Loans	<u>-</u>	<u>517,449</u>	<u>(380,000)</u>	<u>137,449</u>	<u>-</u>
OPWC Loans - Direct Borrowings					
Northfield Road	117,000	-	(18,000)	99,000	18,000
East 141st Street and Maple Heights	174,831	-	(16,651)	158,180	16,651
Broadway Sanitary Interceptor Extension	62,771	-	(3,062)	59,709	3,062
Broadway Avenue Reconstruction	236,701	-	(15,271)	221,430	15,271
Sanitary Sewer Repair	157,248	-	(6,552)	150,696	6,552
Libby Road Reconstruction	216,622	-	(14,940)	201,682	14,940
Lee Road Pavement Repair	192,272	-	(9,860)	182,412	9,860
Various Sewer Repair	104,364	-	(5,217)	99,147	5,218
Libby Road Watermain, Reconstruction and Signal	-	3,095	-	3,095	-
Total OPWC Loans	<u>1,261,809</u>	<u>3,095</u>	<u>(89,553)</u>	<u>1,175,351</u>	<u>89,554</u>
Other long-term obligations:					
Net Pension Liability:					
OPERS	4,705,869	-	(202,804)	4,503,065	-
OP&F	18,552,434	1,112,886	-	19,665,320	-
Total Net Pension Liability	<u>23,258,303</u>	<u>1,112,886</u>	<u>(202,804)</u>	<u>24,168,385</u>	<u>-</u>
Net OPEB Liability:					
OPERS	101,236	-	(101,236)	-	-
OP&F	1,390,542	95,608	-	1,486,150	-
Total Net OPEB Liability	<u>1,491,778</u>	<u>95,608</u>	<u>(101,236)</u>	<u>1,486,150</u>	<u>-</u>
Financed Purchases Payables	344,916	615,030	(152,393)	807,553	225,721
Cuyahoga County Payable	1,095,532	-	(357,542)	737,990	343,278
Compensated absences	2,182,383	81,157	-	2,263,540	1,046,064
Accrued police and fire pension liability	206,765	-	(14,350)	192,415	14,929
Asset Retirement Obligations	60,000	-	-	60,000	-
Total other long-term obligations	<u>28,639,677</u>	<u>1,904,681</u>	<u>(828,325)</u>	<u>29,716,033</u>	<u>1,629,992</u>
Total governmental Long-term Liabilities	<u>\$ 38,150,730</u>	<u>\$ 2,425,225</u>	<u>\$ (2,602,122)</u>	<u>\$ 37,973,833</u>	<u>\$ 2,814,546</u>
Business-Type Activities					
Other long-term obligations:					
Net Pension Liability:					
OPERS	\$ 209,890	\$ -	\$ (39,490)	\$ 170,400	\$ -
Net OPEB Liability:					
OPERS	4,515	-	(4,515)	-	-
Compensated absences	48,500	12,576	-	61,076	21,368
Total Business-Type Long-term Liabilities	<u>\$ 262,905</u>	<u>\$ 12,576</u>	<u>\$ (44,005)</u>	<u>\$ 231,476</u>	<u>\$ 21,368</u>

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
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(CONTINUED)**

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NOTE 11: **LONG-TERM OBLIGATIONS** (Continued)

***General obligation bonds*** General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from both voted and unvoted general property taxes levied on all taxable property located within the City as well as municipal income taxes. Tax monies will be received in and the debt will be retired from the Bond Retirement Debt Service Fund.

***2010 Bonds*** On June 23, 2010, the City issued \$12,922,911 in general obligations bonds to partially refund the 1998 Capital Purpose and Refunding Bond, refund the 2000 Capital Purpose Bond and to pay the costs of various other improvements within the City. The bonds will be retired through the Bond Retirement Fund.

On January 2022, the City issued Refunding General Obligation Bonds in the amount of 7,020,000 at the interest rate of 2.14 percent.

***OWDA Loan*** In 2024, the City entered into a loan agreement with OWDA for Lee Road and Raymond Street Sewer improvements. The loan is interest free and will be paid from the fund. As of December 31, 2024, the project is still open.

***OPWC Loans*** OPWC loans consist of money owed to the Ohio Public Works Commission for road improvements and for sanitary sewer improvements. The loans are interest free. OPWC loans will be paid from the Water/Sewer Maintenance Fund. The City's direct borrowings from OPWC contain a provision that in an 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.

***Financed Purchase Payables*** Financed purchase obligations will be paid from the fund that maintains custody of the related assets. Financed purchase will be paid from the General Fund, Police Levy Fund, Fire Levy Fund and the Street Construction Maintenance and Repair Fund.

***Net Pension Liability and Net OPEB Liability*** The City pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension contributions are made from the following funds; the General Fund, the Police pension, Fire pension, Sewer Maintenance, Police Levy, Fire Levy, Ambulance Billing, Street Construction Maintenance and Repair, Computer Fee, Senior Center, and Solid Waste Collection Funds.

***Asset Retirement Obligations*** See Note 20 for further explanations on Asset Retirement Obligations.

On July 19, 2022 the City entered into a payment plan with Cuyahoga County for delinquent taxes on City owned properties. The City is to make monthly payments of \$29,795 for sixty months. During 2023, the City was granted for an exemption credit of three years which reduced the amount of the payable in that year.

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)**

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**NOTE 11: LONG-TERM OBLIGATIONS (Continued)**

The table below is the amortization schedule.

Year	Cuyahoga County Payable	
	Principal	
2025	\$ 343,278	
2026	313,523	
2027	81,189	
	<hr/>	
	\$ 737,990	

***Accrued Police and Fire Pension Liability*** The police and fire pension liability will be paid from the Police and Fire Pension Special Revenue funds. This includes an accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters.

The City's overall legal debt margin was \$28,962,486 with an unvoted debt margin of \$11,654,890 at December 31, 2024.

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

Year	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2025	\$ 1,095,000	\$ 148,624
2026	1,125,000	125,190
2027	1,145,000	101,114
2028	1,165,000	76,612
2029	1,195,000	51,680
2030	1,220,000	26,108
	<hr/>	
	\$ 6,945,000	\$ 529,328

Year	Governmental Activities		
	OPWC Loans	Accrued Police and Fire Pension	
	Principal	Principal	Interest
2025	\$ 89,554	\$ 14,929	\$ 9,227
2026	89,553	15,610	8,637
2027	89,553	16,280	8,020
2028	89,553	16,979	7,378
2029	89,553	17,738	6,707
2030-2034	358,441	57,820	18,701
2035-2039	244,467	53,059	3,387
2040-2044	101,925	-	-
2045-2047	19,657	-	-
	<hr/>		
	\$ 1,172,256	\$ 192,415	\$ 62,057

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)**

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**NOTE 12: FINANCED PURCHASE PAYABLE**

In 2024, the City entered into a lease for vehicles. In prior years, the City entered into finance purchase agreements for a street sweeper, police cruisers, an ambulance, fire truck, and police vehicles. All agreements are secured by the related property as mentioned above. Payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

In the event of a default the lender may require the City, at the City's cost, to promptly deliver possession of the collateral to the lender, and may recover all expenses and collection costs which the lender has incurred.

	Governmental Activities
Vehicles	\$ 1,384,316
Less: Accumulated Depreciation	<u>563,631</u>
<b>Total</b>	<b><u>\$ 820,685</u></b>

The following is a schedule of the future minimum financed purchase payments and the present value of the minimum lease payments as of December 31, 2024.

Year	Governmental Activities
2025	\$ 266,996
2026	223,427
2027	144,939
2028	144,939
2029	<u>144,938</u>
<b>Total minimum lease payments</b>	<b><u>925,239</u></b>
<b>Less: Amount representing interest</b>	<b><u>(117,686)</u></b>
<b>Present value of minimum lease payments</b>	<b><u>\$ 807,553</u></b>

**NOTE 13: COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave liabilities are derived from negotiated agreements and State laws. City employees earn vacation leave at graduated rates based on length of service. The City accrues the vacation leave benefits as earned. The City's current vacation policy specifies that accumulated vacation leave must be used prior to December 31 of the year following the year in which it is earned. City employees are paid for earned unused vacation leave at the time of termination or retirement. Employees earn sick leave at a rate for 4.6 hours for every 80 hours worked. City employees earn sick leave which, if not taken, accumulates until retirement or separation from employment. Upon retirement or death, an employee can be paid up to 40 percent of accumulated sick leave, subject to certain limitations and depending on number of service years, calculated at current wage rates.

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(CONTINUED)**

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**NOTE 14: 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 omissions; injuries to employees and natural disasters. In October 1989, the City joined together with neighboring cities to form the Northern Ohio Risk Management Association (NORMA), a not-for-profit corporation, for the purpose of obtaining property, liability and vehicle insurance and providing for a formalized, jointly administered self-insurance fund. The City pays an annual premium to NORMA for its insurance coverage. The agreement of formation of NORMA provides that NORMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the limits described in the agreement. This coverage is paid from the General Fund. NORMA is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of NORMA. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the City. The City is not liable nor will it receive a cash balance of past claims upon departure from the pool.

There has not been a significant reduction in coverage from the prior year and claims have not exceeded coverage provided by NORMA in any of the last three years.

**Employee Insurance Benefits**

The City provides life, health, vision 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. Once the employees meet their deductible, the insurance company will pay the employee's remaining annual health care costs.

**Workers' Compensation**

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)**

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**NOTE 15: DEFINED BENEFIT PENSION PLAN**

**Net Pension Liability/Asset**

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability/(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)**

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features.

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**NOTE 15: DEFINED BENEFIT PENSION PLAN (Continued)**

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 consolidation 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. 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>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<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 57 with 25 years of service credit or Age 62 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.

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**NOTE 15: DEFINED BENEFIT PENSION PLAN (Continued)**

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.

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 shown on the following page:

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NOTE 15: **DEFINED BENEFIT PENSION PLAN** (Continued)

	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 contributions was \$480,213 for fiscal year ending December 31, 2024. Of this amount, \$56,521 is reported as an intergovernmental payable.

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

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

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NOTE 15: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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. The COLA amount for a member with at least 15 years of service credits as of July 1, 2013 is equal to 3 percent of their base pension or disability benefit.

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

	Police	Firefighters
<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	<hr/> 19.50 %	<hr/> 24.00 %
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 \$1,292,685 for 2024. Of this amount, \$165,497 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2024, the specific liability of the City was \$192,415 payable in semi-annual payments through the year 2035.

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NOTE 15: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.016641%	0.023869%	0.1953087%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.017851%	0.022490%	0.2035457%	
Change in Proportionate Share	<u>0.001210%</u>	<u>-0.001379%</u>	<u>0.0082370%</u>	
Proportionate Share of the Net Pension Liability	\$ 4,673,465	\$ -	\$ 19,665,320	\$ 24,338,785
Proportionate Share of the Net Pension (Asset)	\$ -	\$ (69,130)	\$ -	\$ (69,130)
Pension Expense	\$ 663,481	\$ 3,636	\$ 1,945,118	\$ 2,612,235

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**NOTE 15: DEFINED BENEFIT PENSION PLAN (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	\$ 943,302	\$ 11,246	\$ 2,228,494	\$ 3,183,042
Differences between expected and actual experience	76,384	2,800	631,314	710,498
Changes of assumptions	-	2,569	1,242,826	1,245,395
Changes in proportion and differences between City contributions and proportionate share of contributions	151,138	18,038	481,697	650,873
City contributions subsequent to the measurement date	468,143	12,070	1,292,685	1,772,898
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 1,638,967</u></b>	<b><u>\$ 46,723</u></b>	<b><u>\$ 5,877,016</u></b>	<b><u>\$ 7,562,706</u></b>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$ -	\$ 6,834	\$ 219,933	\$ 226,767
Changes of assumptions	-	-	298,642	298,642
Changes in proportion and differences between City contributions and proportionate share of contributions	9,357	10,781	307,272	327,410
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 9,357</u></b>	<b><u>\$ 17,615</u></b>	<b><u>\$ 825,847</u></b>	<b><u>\$ 852,819</u></b>

\$1,772,898 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 in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F	Total
<b>Year Ending December 31:</b>				
2025	\$ 334,730	\$ 2,261	\$ 941,647	\$ 1,278,638
2026	359,097	4,640	1,052,093	1,415,830
2027	601,963	8,121	1,601,658	2,211,742
2028	(134,323)	(661)	(12,544)	(147,528)
2029	-	1,572	170,514	172,086
Thereafter	-	1,105	5,116	6,221
<b>Total</b>	<b><u>\$ 1,161,467</u></b>	<b><u>\$ 17,038</u></b>	<b><u>\$ 3,758,484</u></b>	<b><u>\$ 4,936,989</u></b>

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NOTE 15: **DEFINED BENEFIT PENSION PLAN** (Continued)

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

	<b>Traditional Pension Plan</b>	<b>Combined Plan</b>
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

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**NOTE 15: DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

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.

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, 2023, these best estimates are summarized in the table on the following page:

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NOTE 15: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

***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)	Current		
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Pension Plan	\$ 7,357,290	\$ 4,673,465	\$ 2,441,303
Combined Plan	\$ (41,831)	\$ (69,130)	\$ (90,635)

**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.

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NOTE 15: **DEFINED BENEFIT PENSION PLAN** (Continued)

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.

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 on the following page:

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**NOTE 15: DEFINED BENEFIT PENSION PLAN (Continued)**

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
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	2.00	3.50
 Total	 <u>125.00 %</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 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 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	\$ 26,048,181	\$ 19,665,320	\$ 14,357,350

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**NOTE 16: DEFINED BENEFIT OPEB PLAN**

**Net OPEB Liability/Asset**

The net OPEB liability/asset reported on the statement of net position represents a liability or 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/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The 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/asset.

Resulting adjustments to the net OPEB liability/asset 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 are presented as a long-term *net OPEB liability/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.

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NOTE 16: **DEFINED BENEFIT OPEB PLAN** (Continued)

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

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, 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.

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:

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**NOTE 16: DEFINED BENEFIT OPEB PLAN (Continued)**

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.

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> or, 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 \$8,414 for 2024.

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NOTE 16: **DEFINED BENEFIT OPEB PLAN** (Continued)

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

Plan Description – 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.

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.

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**NOTE 16: DEFINED BENEFIT OPEB PLAN (Continued)**

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 2024, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The City's contractually required contribution to OP&F was \$34,018 for 2024. Of this amount, \$3,877 is reported as an intergovernmental payable.

**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. 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:

	OPERS	OP&F	Total
Proportion of the Net OPEB Liability/Asset			
Prior Measurement Date	0.016772%	0.1953087%	
Proportion of the Net OPEB Liability			
Current Measurement Date	0.017863%	0.2035457%	
Change in Proportionate Share	<u>0.001091%</u>	<u>0.0082370%</u>	
Proportionate Share of the Net OPEB			
Liability	\$ (161,218)	\$ 1,486,150	\$ 1,324,932
OPEB Expense	\$ (16,161)	\$ (86,755)	\$ (102,916)

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**NOTE 16: DEFINED BENEFIT OPEB PLAN (Continued)**

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>			
Differences between expected and actual experience	\$ -	\$ 71,464	\$ 71,464
Changes of assumptions	41,506	511,398	552,904
Net difference between projected and actual earnings on pension plan investments	96,818	109,743	206,561
Changes in proportion and differences between City contributions and proportionate share of contributions	123	71,042	71,165
City contributions subsequent to the measurement date	<u>8,414</u>	<u>34,018</u>	<u>42,432</u>
Total Deferred Outflows of Resources	<u><u>\$ 146,861</u></u>	<u><u>\$ 797,665</u></u>	<u><u>\$ 944,526</u></u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 22,946	\$ 273,104	\$ 296,050
Changes of assumptions	69,303	957,048	1,026,351
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>6,535</u>	<u>165,118</u>	<u>171,653</u>
Total Deferred Inflows of Resources	<u><u>\$ 98,784</u></u>	<u><u>\$ 1,395,270</u></u>	<u><u>\$ 1,494,054</u></u>

\$42,432 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or 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	\$ (8,168)	\$ (146,284)	\$ (154,452)
2026	5,157	(64,574)	(59,417)
2027	75,366	(34,648)	40,718
2028	(32,692)	(122,139)	(154,831)
2029	-	(127,283)	(127,283)
Thereafter	<u>-</u>	<u>(136,695)</u>	<u>(136,695)</u>
Total	<u><u>\$ 39,663</u></u>	<u><u>\$ (631,623)</u></u>	<u><u>\$ (591,960)</u></u>

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NOTE 16: **DEFINED BENEFIT OPEB PLAN** (Continued)

**Actuarial Assumptions - OPERS**

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

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

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.

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**NOTE 16: DEFINED BENEFIT OPEB PLAN (Continued)**

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.

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 asset 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).

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**NOTE 16: DEFINED BENEFIT OPEB PLAN (Continued)**

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.

***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 (asset)	\$ (88,600)	\$ (161,218)	\$ (368,156)

***Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 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	Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ (167,912)	\$ (161,218)	\$ (153,622)

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NOTE 16: **DEFINED BENEFIT OPEB PLAN** (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.

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**NOTE 16: DEFINED BENEFIT OPEB PLAN (Continued)**

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 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 16: DEFINED BENEFIT OPEB PLAN (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	\$ 1,830,524	\$ 1,486,150	\$ 1,196,119

**NOTE 17: CONTINGENCIES**

**Grants**

The City received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2024.

**NOTE 18: JOINTLY GOVERNED ORGANIZATIONS**

**Litigation**

The City is party to various legal proceedings. City management is of the opinion that ultimate settlement of such claims not covered by insurance will not result in a material adverse effect on the City's financial position.

**CITY OF MAPLE HEIGHTS  
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NOTE 18: **JOINTLY GOVERNED ORGANIZATIONS** (Continued)

**Southeast Area Law Enforcement Organization**

The Southeast Area Law Enforcement Organization is comprised of seven municipalities in southeastern Cuyahoga County for the purpose of providing assistance in the form of a SWAT team, Bomb Unit, Investigation Unit, Narcotics Unit, Crisis Negotiation Team, and Communications Unit. The Organization is governed by a Board of Directors made up of one representative from each participating government. The degree of control exercised by any participating government is limited to its representation on the Board. In 2024 the City contributed \$7,000 to the Organization. The Southeast Area Law Enforcement Organization financial statements may be obtained by contacting the Finance Director of the City of Bedford, Ohio.

**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 electricity. NOPEC is currently comprised of over 200 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity 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 eight-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. The City of Maple Heights did not contribute to NOPEC during 2024. Financial information can be obtained by contacting the Board Chairman, at 31360 Solon Rd, Suite 33, Solon, Ohio 44139 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

**Chagrin/Southeast Council of Governments**

The Chagrin/Southeast Council of Governments operates the Chagrin/Southeast HazMat Response Team. The team was formed in 1990 to assist local fire departments in responding to incidents involving industrial chemicals. The council is governed by a Board of Directors made up of one representative from each participating government. The degree of control exercised by any participating government is limited to its representation on the Board. In 2024, the City contributed \$3,500 to the Organization. The Chagrin/Southeast Council of Governments financial statements may be obtained by contacting the Finance Director of the City of Bedford Heights, Ohio.

The Council has established two subsidiary organizations, the West Shore Hazardous Materials Committee ("HAZ MAT") which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team.

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**NOTE 19: SHARED RISK POOL**

The Northern Ohio Risk Management Association (NORMA) is a shared risk pool comprised of the cities of Bedford Heights, Maple Heights, Highland Heights, Hudson, Mayfield Heights, Richmond Heights, Solon, South Euclid, Eastlake, University Heights, Beachwood, and the Village of Chagrin Falls. NORMA was formed to enable its members to obtain property and liability insurance, including vehicles, and provide for a formalized, jointly administered self-insurance fund. The members formed a not-for-profit corporation known as NORMA, Inc. to administer the pool. NORMA is governed by a board of trustees that consists of the Mayor from each of the participating members.

Each entity must remain a member for at least three years from the commencement date of October 1, 1987, with the exception of the City of Solon whose commencement date is October 1, 1989, and the City of Maple Heights, whose commencement date is October, 1, 1993. After the initial three years, each City may extend its term in three-year increments.

Each member provides operating resources to NORMA based on actuarially determined rates. In the event of losses, the first \$2,500 of any valid claim will be paid by the member. The next payment, generally a maximum of \$100,000 per occurrence, will come from the self-insurance pool with any excess paid from the stop-loss coverage carried by the pool.

The self-insurance pool will pay up to \$750,000 per policy year before the aggregate stop-loss coverage takes over. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments up to a maximum of the regular annual payment.

In 2024, the City of Maple Heights paid \$332,017 in premiums from the General Fund. Financial information can be obtained by contacting the board chairman, the Finance Director at the City of Highland Heights, 5827 Highland Road, Highland Heights, Ohio 44143.

**NOTE 20: ASSET RETIREMENT OBLIGATIONS**

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code Section 1301-7-9 and require a City classified as an “owner” or “operator,” to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. These assets’ retirement obligations (ARO) of \$60,000 associated with the City’s underground storage tanks was estimated by the City Service Director.

The USTs are fully depreciated. The City maintains insurance related to any potential pollution remediation associated with the USTs.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**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	0.017851%	0.016641%	0.016610%	0.015567%	0.015122%	0.015250%	0.014828%	0.016882%	0.019225%	0.023435%
City's Proportionate Share of the Net Pension Liability	\$ 4,673,465	\$ 4,915,759	\$ 1,445,137	\$ 2,305,134	\$ 2,988,966	\$ 4,176,666	\$ 2,326,226	\$ 3,833,615	\$ 3,330,013	\$ 2,826,523
City's Covered Payroll	\$ 2,938,300	\$ 2,576,071	\$ 2,415,579	\$ 2,192,543	\$ 2,127,664	\$ 2,096,014	\$ 1,853,892	\$ 2,186,775	\$ 2,393,275	\$ 2,882,650
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.05%	190.82%	59.83%	105.14%	140.48%	199.27%	125.48%	175.31%	139.14%	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)	0.022490%	0.023869%	0.022635%	0.022010%	0.032745%	0.021277%	0.027624%	0.029329%	0.006110%	0.010312%
City's Proportionate Share of the Net Pension (Asset)	\$ (69,130)	\$ (56,257)	\$ (87,610)	\$ (63,535)	\$ (68,281)	\$ (23,792)	\$ (37,606)	\$ (16,324)	\$ (2,972)	\$ (3,970)
City's Covered Payroll	\$ 103,275	\$ 110,750	\$ 103,193	\$ 97,000	\$ 145,764	\$ 109,550	\$ 96,977	\$ 114,167	\$ 22,242	\$ 37,975
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Payroll	66.94%	50.80%	84.90%	65.50%	46.84%	21.72%	38.78%	14.30%	13.36%	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 MAPLE 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**

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	<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	0.203546%	0.195309%	0.196769%	0.198379%	0.200890%	0.201635%	0.205147%	0.225962%	0.261680%	0.240157%
City's Proportionate Share of the Net Pension Liability	\$ 19,665,320	\$ 18,552,434	\$ 12,293,016	\$ 13,523,642	\$ 13,553,197	\$ 16,458,744	\$ 12,590,793	\$ 14,312,207	\$ 16,834,067	\$ 12,441,155
City's Covered Payroll	\$ 5,214,073	\$ 4,808,862	\$ 5,024,555	\$ 4,821,727	\$ 4,745,089	\$ 4,493,494	\$ 4,039,901	\$ 4,712,498	\$ 4,581,162	\$ 5,409,373
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	377.16%	385.80%	244.66%	280.47%	285.63%	366.28%	311.66%	303.71%	367.46%	229.99%
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 MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY CONTRIBUTIONS - PENSION**  
**OHIO PUBLIC EMPLOYEE RETIREMENT SYSTEM**  
**LAST TEN YEARS**

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	<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	\$ 468,143	\$ 411,362	\$ 360,650	\$ 338,181	\$ 306,956	\$ 297,873	\$ 293,442	\$ 241,006	\$ 262,413	\$ 287,193
Combined Plan	12,070	12,393	15,505	14,447	13,580	20,407	15,337	12,607	13,700	2,669
Total Required Contributions	\$ 480,213	\$ 423,755	\$ 376,155	\$ 352,628	\$ 320,536	\$ 318,280	\$ 308,779	\$ 253,613	\$ 276,113	\$ 289,862
Contributions in Relation to the Contractually Required Contribution	(480,213)	(423,755)	(376,155)	(352,628)	(320,536)	(318,280)	(308,779)	(253,613)	(276,113)	(289,862)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>City's Covered Payroll</u>										
Traditional Plan	\$ 3,343,879	\$ 2,938,300	\$ 2,576,071	\$ 2,415,579	\$ 2,192,543	\$ 2,127,664	\$ 2,096,014	\$ 1,853,892	\$ 2,186,775	\$ 2,393,275
Combined Plan	\$ 100,583	\$ 103,275	\$ 110,750	\$ 103,193	\$ 97,000	\$ 145,764	\$ 109,550	\$ 96,977	\$ 114,167	\$ 22,242
<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 MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY CONTRIBUTIONS - PENSION**  
**OHIO POLICE AND FIRE PENSION FUND**  
**LAST TEN YEARS**

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	<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>
Contractually Required Contributions	\$ 1,292,685	\$ 1,106,437	\$ 1,025,429	\$ 1,069,725	\$ 1,029,017	\$ 1,013,695	\$ 962,819	\$ 868,447	\$ 1,001,778	\$ 966,366
Contributions in Relation to the Contractually Required Contribution	<u>(1,292,685)</u>	<u>(1,106,437)</u>	<u>(1,025,429)</u>	<u>(1,069,725)</u>	<u>(1,029,017)</u>	<u>(1,013,695)</u>	<u>(962,819)</u>	<u>(868,447)</u>	<u>(1,001,778)</u>	<u>(966,366)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
City's Covered Payroll	\$ 6,803,605	\$ 5,214,073	\$ 4,808,862	\$ 5,024,555	\$ 4,821,727	\$ 4,745,089	\$ 4,493,494	\$ 4,039,901	\$ 4,712,498	\$ 4,581,162
Contributions as a Percentage of Covered Payroll	19.00%	21.22%	21.32%	21.29%	21.34%	21.36%	21.43%	21.50%	21.26%	21.09%

See accompanying notes to the required supplementary information

**CITY OF MAPLE 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	0.017863%	0.016772%	0.016399%	0.015418%	0.015326%	0.015119%	0.015030%	0.016930%
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (161,218)	\$ 105,751	\$ (513,642)	\$ (274,684)	\$ 2,116,919	\$ 1,971,161	\$ 1,632,147	\$ 1,709,988
City's Covered Payroll	\$ 3,153,471	\$ 2,788,043	\$ 2,562,179	\$ 2,331,707	\$ 2,315,429	\$ 2,230,365	\$ 2,129,194	\$ 2,339,831
City's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-5.11%	3.79%	-20.05%	-11.78%	91.43%	88.38%	76.66%	73.08%
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 MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDEULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**OHIO POLICE AND FIRE PENSION FUND**  
**LAST EIGHT YEARS (1)**

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	2024	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.2035457%	0.1953087%	0.1967694%	0.1983785%	0.2011895%	0.2016353%	0.2051470%	0.2259600%
City's Proportionate Share of the Net OPEB Liability	\$ 1,486,150	\$ 1,390,542	\$ 2,156,762	\$ 2,101,853	\$ 1,987,295	\$ 1,836,198	\$ 11,623,344	\$ 10,725,813
City's Covered Payroll	\$ 5,214,073	\$ 4,808,862	\$ 5,024,555	\$ 4,821,727	\$ 4,745,089	\$ 4,493,494	\$ 4,039,901	\$ 4,712,498
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	28.50%	28.92%	42.92%	43.59%	41.88%	40.86%	287.71%	227.60%
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 MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY CONTRIBUTIONS - OPEB**  
**OHIO PUBLIC EMPLOYEE RETIREMENT SYSTEM**  
**LAST TEN YEARS (1)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 8,414	\$ 6,541	\$ 4,049	\$ 1,736	\$ 1,687	\$ 1,680	\$ 1,389	\$ 22,988	\$ 47,663	\$ 48,300
Contributions in Relation to the Contractually Required Contribution	<u>(8,414)</u>	<u>(6,541)</u>	<u>(4,049)</u>	<u>(1,736)</u>	<u>(1,687)</u>	<u>(1,680)</u>	<u>(1,389)</u>	<u>(22,988)</u>	<u>(47,663)</u>	<u>(48,300)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>							
City Covered Payroll	\$ 3,604,514	\$ 3,153,471	\$ 2,788,043	\$ 2,562,179	\$ 2,331,707	\$ 2,315,429	\$ 2,230,365	\$ 2,129,194	\$ 2,339,831	\$ 2,426,989
Contributions as a Percentage of Covered Payroll	0.23%	0.21%	0.15%	0.07%	0.07%	0.07%	0.06%	1.08%	2.04%	1.99%

See accompanying notes to the required supplementary information

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY CONTRIBUTIONS - OPEB**  
**OHIO POLICE AND FIRE PENSION FUND**  
**LAST TEN YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 34,018	\$ 26,071	\$ 24,044	\$ 25,122	\$ 24,108	\$ 23,726	\$ 22,467	\$ 23,573	\$ 23,563	\$ 22,909
Contributions in Relation to the Contractually Required Contribution	(34,018)	(26,071)	(24,044)	(25,122)	(24,108)	(23,726)	(22,467)	(23,573)	(23,563)	(22,909)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Covered Payroll	\$ 6,803,605	\$ 5,214,073	\$ 4,808,862	\$ 5,024,555	\$ 4,821,727	\$ 4,745,089	\$ 4,493,494	\$ 4,039,901	\$ 4,712,498	\$ 4,581,162
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 MAPLE 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/(Asset)***

*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/(Asset)***

*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. The base allowance for Medicare eligible retirees will be reduced.

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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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.

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY, OHIO**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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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. 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.

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**  
(Prepared by Management)

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal</b> <b>AL</b> <b>Number</b>	<b>Total Federal</b> <b>Expenditures</b>	<b>Non- Cash</b> <b>Expenditures</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
<i>Passed Through Cuyahoga County:</i>			
Community Development Block Grants/ Entitlement Grants	14.218	\$ 124,121	\$ -
<b>Total U.S. Department of Housing and Urban Development</b>		<b>124,121</b>	<b>\$ -</b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
Direct Program: Public Safety Partnership and Community Policing Grants	16.710	2,706	-
<b>Total U.S. Department of Justice</b>		<b>2,706</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<i>Passed Through Ohio Department of Public Safety</i>			
National Priority Safety Programs	20.616	450	-
<b>Total U.S. Department of Transportation</b>		<b>450</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>			
<i>Passed Through Cuyahoga County:</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	576,066	-
<i>Passed Through Ohio Office of Criminal Justice</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	12,329	-
<b>Total U.S. Department of Treasury</b>		<b>588,395</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
Direct Program: Assistance to Firefighters	97.044	21,130	-
Direct Program: Staffing for Adequate Fire & Emergency Response	97.083	132,794	-
<b>Total U.S. Department of Homeland Security</b>		<b>153,923</b>	<b>-</b>

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2024**  
(Prepared by Management)

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal</b> <b>AL</b> <b>Number</b>	<b>Total Federal</b> <b>Expenditures</b>	<b>Non- Cash</b> <b>Expenditures</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed Through Western Reserve Area Agency on Aging:</i>			
Aging Cluster:			
Special Programs for the Aging- Title III-B	93.044	17,181	-
Nutrition Services- Title III-C1	93.045	111,836	27,154
Nutrition Services- Title III-C2	93.045	10,561	101,580
Total Special Programs for the Aging- Title III C		122,397	128,734
Nutrition Services Incentive Program	93.053	-	15,487
Total Aging Cluster		139,578	144,221
Total U.S. Department of Health and Human Services		<b>139,578</b>	<b>144,221</b>
<b>Total Expenditures of Federal Awards</b>		<b>\$ 1,009,172</b>	<b>\$ 144,221</b>

*The accompanying notes are an integral part of this schedule.*

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

The City has elected not to use the 10/15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D – FOOD DONATION PROGRAM**

The City reports commodities consumed on the Schedule at the entitlement value. The City allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

**NOTE E - MATCHING REQUIREMENTS**

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

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

City of Maple Heights  
Cuyahoga County  
5353 Lee Road  
Maple Heights, Ohio 44137

To the Members of the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maple Heights, Cuyahoga County, (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 July 17, 2025.

***Report on Internal Control Over Financial Reporting***

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

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

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

City of Maple Heights  
Cuyahoga County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and On Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

***Report on Compliance and Other Matters***

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

However, we noted certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated July 17, 2025.

***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.

*Charles E. Harris & Associates*

**Charles E. Harris & Associates, Inc.**

July 17, 2025

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

City of Maple Heights  
Cuyahoga County  
5353 Lee Road  
Maple Heights, Ohio 44137

To the Members of the City Council:

***Report on Compliance for the Major Federal Program***

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

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

***Basis for Opinion on the Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

City of Maple Heights  
Cuyahoga County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control Over  
Compliance Required by the Uniform Guidance  
Page 2

***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

***Report on Internal Control Over Compliance***

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

City of Maple Heights  
Cuyahoga County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control Over  
Compliance Required by the Uniform Guidance  
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Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Charles E. Harris & Associates*

**Charles E. Harris & Associates, Inc.**

July 17, 2025

**CITY OF MAPLE HEIGHTS  
CUYAHOGA COUNTY**

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

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

# OHIO AUDITOR OF STATE KEITH FABER



CITY OF MAPLE 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 12/11/2025

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)