



Annual Comprehensive

FINANCIAL REPORT

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



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Columbus, Ohio 43215
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City Council
City of Solon
34200 Bainbridge Road
Solon, OH 44139-2955

We have reviewed the *Independent Auditor's Report* of the City of Solon, Cuyahoga County, prepared by Zupka & Associates, for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recovery

City of Solon Fraud Policy (effective September 29, 2021) Section 5 – Prohibited Acts indicates; fraud and misuse of the City of Solon assets are prohibited. Examples of fraud and misuse of City assets include, but are not limited to: (a) Embezzlement; (b) Misappropriation, misapplication, destruction, removal, or concealment of City of Solon property; (c) Alteration or falsification of documents; (d) Theft of any asset (money, tangible property etc.); (e) Authorizing or receiving compensation for goods not received or services not performed; (f) Authorizing or receiving compensation for hours not worked; and (g) Misrepresentation of fact.

Morgan McParland was hired by the City of Solon on March 7, 2024 to work as a part-time coordinator for the Blue Ribbon Adapted Recreation program for the City's recreation department. At this time Morgan McParland was also working full-time for the Cuyahoga County Board of Development Disabilities. Due to the nature of the positions, Morgan was granted permission to work from home for both jobs.

The City of Solon H/R department identified some unusual patterns with Morgan McParland's time sheets and conducted an internal investigation with assistance from their local police department to compare the hours Morgan was logging with the City to those being logged by Cuyahoga County.

This investigation revealed there were 4,593 minutes or 76.55 hours of time where Morgan McParland was being compensated by both the City of Solon and Cuyahoga County at the same time. It is not determined as to which entity Morgan was actively performing work at during these times. Based upon the City of Solon \$32.21 hourly rate this aggregates to \$2,465.68 for the City.

In accordance with the foregoing facts and pursuant to Ohio Rev Code § 117.24, a Finding for Recovery for public monies illegally expended is hereby issued against Morgan McParland in the amount of \$2,465.68 in favor of the City of Solon's General Fund.

City Council
City of Solon
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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 Solon is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

December 28, 2025



Annual Comprehensive

FINANCIAL REPORT

For The Year Ended December 31, 2024

INTRODUCTORY SECTION

City of Solon, Ohio

Annual Comprehensive Financial Report

For the Year Ended December 31, 2024

*Prepared by the Department of
Finance*

*Matthew Rubino
Director of Finance*

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City of Solon, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2024
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June 16, 2025

Residents of the City of Solon
Honorable Mayor Edward H. Kraus and
Members of Solon City Council:

I am pleased to present to you the City of Solon's (the City) Annual Comprehensive Financial Report (ACFR) for the fiscal year ending December 31, 2024. The City of Solon has continued to deliver critical services while maintaining a strong financial footing during the 2024 fiscal year. As stewards of taxpayer dollars, the City of Solon remains committed to maintaining transparency, accountability, and fiscal responsibility in all our endeavors.

This comprehensive report provides a detailed overview of the City's financial position, including revenue and expenditure analyses, fund balances, debt obligations, and capital improvements. It also includes valuable insights into our economic climate, budgetary policies, and strategic initiatives aimed at promoting fiscal resilience and enhancing service delivery to our residents. In addition, the annual report has undergone rigorous examination and review by independent auditors to ensure compliance with generally accepted accounting principles (GAAP) and to provide assurance regarding the accuracy and reliability of the financial information presented herein.

The Administration of the City of Solon assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of maintaining adequate internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a Generally Accepted Accounting Principle (GAAP) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an annual unaudited report with the Auditor of State within 150 days of the audit year end. Pursuant to Governmental Accounting Standards Board Statement No.14 and Statement No. 61, the City of Solon has included in this report all funds, agencies, boards and commissions for which the City is financially accountable. Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's report, provides a narrative introduction, overview, and analysis of the basic financial statements of the City. The MD&A is intended to compliment this letter of transmittal and should be read in conjunction with it.

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting (IPA) firm. For the 2024 audit year, the City of Solon was audited by the IPA firm Zupka & Associates. Their unmodified opinion is included in the financial section of this report.

As you review this report, I trust you will gain a deeper understanding of the City's financial performance, challenges, and opportunities. Your feedback and insights are invaluable to us as we strive for continuous improvement and excellence in financial management and governance.

Reporting Entity

The City of Solon is located in the southeast corner of Cuyahoga County about 15 miles southeast of downtown Cleveland. It was originally organized as a township around 1825 and became a village in 1938. On November 2, 1954, the voters of Solon approved a charter. Solon officially gained the status of City in 1960.

The form of government established by the City's Charter is the Mayor and Council format. There are seven City Council members; each is elected from a ward, for a term of four years. The Mayor's term is also four years beginning on December 1st of the corresponding election year. The Mayor appoints all department directors, with a required confirmation of City Council pursuant to applicable language in the City Charter and ordinances.

The current population of the City stands at approximately 24,070 (refer to page S20 of the Statistical Section) and the City's geographical location enables residents to participate in employment opportunities in proximity of the greater Cleveland and Akron areas. Solon benefits from its proximity to local highways which provides immediate access to the various interstate highways that make up the regional transportation network.

City Services

The City of Solon provides a full range of services to its citizens. The Police Department protective services include patrol, investigations, jail facilities, drug abuse prevention programs and safety for schools. The Fire Department provides fire protection service including regular safety inspections, emergency medical services and fire safety education. Additionally, the City has a Service Department that provides refuse collection, leaf and brush pickup, recycling, road maintenance and repair, storm sewer maintenance and repair, snow plowing services, operation of two cemeteries as well as provision of various other supportive services to residents and businesses.

The City offers residents a comprehensive offering of community life programming. The Recreation Department sponsors a full range of activities from its headquarters in the City's Community Center. The Senior Services Department operates from a dedicated space within the Community Center and provides a multitude of programs ranging from physical fitness activities to weekly trips and guest speakers. The City is unique in that it operates the Solon Center for the Arts which has served to culturally enrich the community and has served as an important educational tool for the children participating in theater, art and music events. These program offerings are offered throughout the year and thousands of residents participate in them.

The City presently has two enterprise operations: Solon Water Reclamation Treatment Plant and Grantwood Golf Course. The operating expenses of both of these City enterprises have been, and continue to be, covered by user charges or program fees. Part of the financial management efforts of the City are directed to monitoring and analyzing operations of these two enterprise funds. This oversight is to ensure that ongoing revenues are adequate to support ongoing operations and to maintain acceptable levels of cash resources in each of the operating funds. Both enterprise funds have ended the year with adequate ending balances and have continued to support operating expenditures and the recommended capital investments without relying on direct General Fund support.

The administrative functions of the City include planning and zoning, engineering, building inspection, economic development, finance, human resources, legal, and information technology. The combined focus of these functional areas is to support the critical operations of the City and maintain a viable tax base. Beginning in January 2015, the City began using the Regional Income Tax Agency (RITA) to administer and collect municipal income taxes. The net cost of collections for 2024 was approximately 0.78 percent of total collections as determined by the Agency. The City strives to optimize its administrative departments to provide effective management of City operations to achieve the defined strategic goals of the City.

The efficient use of administrative services within the City government has enabled the City to allocate resources to the critical functions of public safety and general services.

Economic Condition & Outlook

The City of Solon is home to more than 900 businesses, a testament to the community's ability to attract and retain employers. Solon's appeal stems from access to a highly skilled workforce, proximity to major freeways and airports, excellent city services, outstanding schools and a proactive approach to economic development.

Solon's diverse and thriving business community has been the cornerstone of the City's continued economic strength. The strong mix of industries has created a resilient tax base that supports high-quality municipal services and infrastructure.

With its established presence and upscale suburban reputation, Solon truly offers "the best of both worlds." The City's convenient location, competitive tax structure, access to restaurants, proximity to Cleveland Metroparks and exceptional City services continue to draw businesses and residents alike. Solon's success is reflected in numerous accolades:

- Cleveland Magazine recognized Solon as one of the region's premier suburbs in its 2024 issue.
- Solon City Schools received the #1 district ranking for the 15th consecutive year.
- Northeast Ohio Parent Magazine named Solon one of the top three best towns to raise a family in 2024.

Economic Incentive Programs

The City's Economic Development Department administers several programs to support job creation and business growth:

- **Job Creation Grant Program:** In 2024, the City awarded nine grants totaling over \$2.5 million, which resulted in a net gain of \$3.7 million in new payroll tax revenues and more than 2,500 new jobs. These grants also helped retain approximately 5,000 existing jobs.
- **Community Reinvestment Area (CRA):** Solon currently maintains one active CRA agreement for Swagelok's Global Headquarters & Innovation Center.
- **Growth and Revitalization Incentive Program (GRIP):** In 2024, the City allocated \$150,000 in financial assistance to support four renovation projects valued at \$3.66 million. This program encourages commercial property owners to reinvest in aging buildings, enhancing the City's infrastructure and appearance.

These programs are designed to strengthen Solon's most vital long-term revenue source of municipal income tax. Income tax collections remained stable in 2024, despite ongoing hybrid and remote work trends that the City has continued to monitor. This resilience underscores the financial stability of the City and its employment base.

Through thoughtful planning, strategic investment, and strong public-private partnerships, the City of Solon continues to build upon its reputation as a premier location to live, work, and thrive. These initiatives reinforce Solon's long-term economic vitality and position the City for sustainable growth in the years ahead.

Relevant Financial Policies

The Administration is responsible for submitting an annual operating and capital budget to City Council for consideration. The annual budget serves as the foundation for the City's financial planning and management process. Solon City Council is required to adopt the annual budget by no later than the close of the fiscal year. The operating budget process begins in July of each year and culminates with budget hearings in November. The annual operating budget is prepared by fund and department and appropriated by the expenditure categories of personal services and other expenditures. The budget is typically adopted by City Council in December and effective on January 1 of the budget year. During the year, department heads may request to transfer resources within their area of responsibility if deemed necessary and in fulfillment of approved departmental objectives. Appropriation amendments or transfers between legally approved budget categories require review and approval by the Finance Committee and City Council.

The City has maintained a policy of matching annual expenditures in the budget with estimated current revenues to preserve structural balance in the General Fund. The 2024 operating budget was balanced within current resources prior to allocating the excess resources to capital planned investments. Adhering to a balanced budget policy has enabled the City to build-up and maintain cash reserves that are adequate to insulate the City's finances from a potential shortfall in income

tax receipts or economic downturn. The City has a General Fund Cash Reserve Policy that establishes the use of cash reserves and sets a standard for the amount of the annual unencumbered ending balance in the General Fund. The General Fund available ending balance was \$21.9 million or 46.7 percent of total expenditures on a non-GAAP basis at the end of 2024. Compliance with the above policies are monitored by the administration and communicated to City Council on a periodic basis throughout the year.

In addition to preserving an adequate level of reserve in the General Fund, the City established a Budget Stabilization (“rainy day”) Fund. The fund, created in 2013, is used to segregate resources that will only be employed should pre-determined economic stress levels be reached. The combination of accumulating unencumbered cash reserves and maintaining a separate rainy day fund demonstrates the City’s resolve with respect to prudent fiscal management. The reserve fund was tapped in 2020 to cover a portion of anticipated revenue loss in 2020. The reserve fund was replenished by 2022 and has an available balance of \$6.6 million. There has not been cause to utilize stabilization funding since the aforementioned instance.

The City has been able to maintain and follow a plan to minimize its debt over the past ten years. The City no longer has any bonded debt outstanding. The reduction of debt burden was achieved as a result of concerted efforts to limit the unnecessary expansion of general operating expenditures and by directing available funds to retire outstanding debt in prior years. The current debt of the City consists of \$6.2 million in outstanding loans and financing arrangements that were entered into to fund City water and sewer improvements and the acquisition of equipment. The City had an unvoted debt capacity of \$74.9 million at the end of 2024 and could utilize that source of financing for future capital investments if deemed necessary.

In addition to minimizing the use of debt financing, the City’s capital planning process incorporates annual investments in general capital needs that are planned in five-year increments with an emphasis on cash funding approved projects and equipment. This approach to capital planning has enabled the City to address ongoing capital needs while maintaining operational balance in the general fund.

Long-term Financial Planning

The City’s Administration and Council have a long established policy of maintaining a five-year plan for operating and capital expenditures. The budget plan is updated by the Administration and reviewed every year by City Council during the annual budget hearing process. Included in the five-year plan is a schedule of infrastructure projects to be paid from the Infrastructure Capital Improvement Fund. This fund receives one-half of one percent (25 percent of receipts) of City income tax each year as enacted by a levy approved by voters in 1995 and revised in November of 2023. The newly approved changes will permit the City to allocate funding from 25 percent of income tax receipts towards improvements of municipal buildings and park facilities in addition to traditional infrastructure needs. The City is able to leverage this dedicated source of tax revenue towards federal highway funds and state road project assistance that can be applied to major roadway and infrastructure projects in a given capital planning year.

Capital expenditures for new buildings, vehicles and equipment are also included in the five year plan. The City has allocated approximately \$2.5 million per year on average from the General Fund towards these purposes and continues to allocate funding each year. The City has in place a five-year voted 0.50 mill property tax levy that generates approximately \$460,000 in support of acquiring critical service and safety vehicles. The inclusion of general capital in the multi-year planning process encourages identifying project funding for acquisition two or three years before it is needed and allows the City to accommodate scheduled capital replacements and emergency expenditures without burdening or restructuring the current year budget. Investment in general capital needs via cash funding of projects has continued without having to incur any new bonded indebtedness.

Major Initiatives

The City continued its annual focus on capital improvements to provide for the upgrade, maintenance and improvement of street and sewer infrastructure and buildings and equipment. The City allocates resources on an annual basis from income tax collections and other sources to invest in capital needs. This continual investment of improving City infrastructure and capital assets is necessary in order to provide Solon residents and businesses the highest level of services possible.

Solon allocates resources to fund the improvement of its roadways and City streets which are a critical component of the City's infrastructure. In 2024, the City of Solon expended \$18.7 million towards improvement projects and the ongoing maintenance of roadways, sanitary sewers and other appurtenances. The investments were made possible by the 25 percent portion of income tax collections (\$11.5 million in 2024) dedicated for this purpose and the ability to leverage federal highway dollars and other grants as secondary sources to fund the costs of infrastructure projects.

The primary focus of the City officials is to implement policies that encourage economic growth within the City. It is imperative that the approach of Solon's elected officials and administration remains centered on structured leadership and management principles that are designed to increase the City's efficiency as an entity and improve stewardship and accountability to the community. It is to these ends that the City has given primacy to the use of economic development tools for the continued attraction and retention of businesses.

Below are the major economic development projects that took place in 2024:

- **Annual Solon Job Fair:** Connected local companies with job seekers, aligning skills and career opportunities.
- **Solon-to-Chagrin Falls Trail:** Construction began on a 10-foot-wide, mostly paved trail starting at SOM Center Road, improving regional connectivity.
- **Norfolk Southern Rail Bed Acquisition:** The City continued efforts to purchase a 7.3-mile section of rail bed extending from Harper Road to Treat Road in Aurora, with plans to connect to the Solon-Chagrin trail.

- **Liberty Ford Redevelopment:** In partnership with RHM Real Estate, plans moved forward to transform the vacant Liberty Ford site into a mixed-use development, with approved economic development and compensation agreements.
- **Solon Community Park Phase 1:** Work is underway, and naming and sponsorship opportunities are available to Solon businesses.
- **Business Growth:** Solon welcomed 31 new businesses, including:
 - Ace Pickleball
 - Palm Beach Tan
 - Ming's Bubble Tea
 - University Hospitals Urgent Care
 - Tractor Supply
 - Annex Bar and Grille (renovation)
 - Groovy Café
 - Mavis Public House
 - Mobility Plus
 - John Roberts Salon (new location)
 - Solon Eye Care

In addition, the following are upcoming and announced projects:

- **Michael Angelo's Winery Expansion:** The Ciocca brothers plan to open a second winery at 37500 Aurora Road, pending a rezoning vote in November 2025.
- **Solon Innovation Center:** In collaboration with the Cuyahoga County Public Library, Solon expanded its library branch to include an innovation center that opened in 2025.
- **New Commercial Openings:**
 - Onyx Health Club (Old Navy space, Uptown Solon)
 - Sheetz Gas Station (opening summer 2025)
 - Swagelok Distribution Center (completion expected late 2025 or early 2026)
- **Expanded Dining Options:** Capriccio's and Olé opened in 2025.
- **Central Retail District Focus:** Redevelopment efforts continue at key locations, including the former Liberty Ford dealership and aging retail centers, to align with current market trends and consumer demand.

All of the above projects and programs serve to strengthen the City in terms of long-term financial goals and continue our reputation as a wonderful place to live, work and thrive.

Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Solon for its annual comprehensive financial report for the fiscal year ending December 31, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

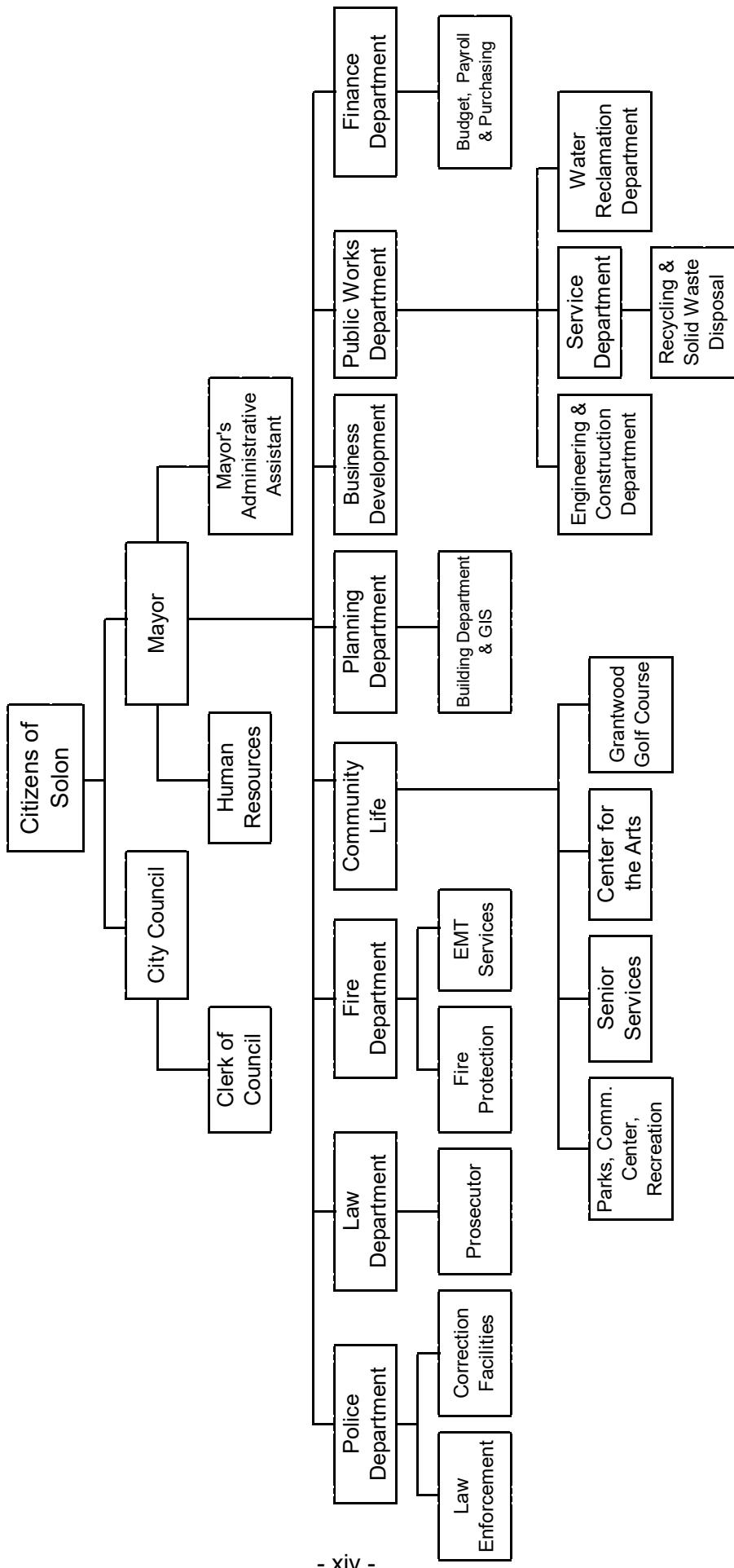
The preparation of this report would not be possible without the diligent and valuable work by the dedicated team members in the Department of Finance who have continued to devote their time and efforts for the City and its residents. Their efforts are greatly appreciated. In addition, my gratitude and compliments extend to the Auditor of State's Section of Local Government Services who assisted in the production and thorough review of this report. Finally, I would extend a thank you to Mayor Edward H. Kraus and current members of the Solon City Council and the Council Finance Committee for their continued support of the Department of Finance and for recognizing the benefit of compiling an Annual Comprehensive Financial Report.

Respectfully submitted,



Matthew Rubino
Director of Finance
City of Solon, Ohio

City of Solon Organizational Chart December 31, 2024



City of Solon, Ohio

Principal Officials

December 31, 2024

Elected Officials

Edward H. Kraus Mayor

City Council

Eugene Macke Bentley IV	Ward 1
Robert N. Pelunis	Ward 2
Jeremy A Zelwin	Ward 3
Michael S. Kan	Ward 4
Nancy E. Meany	(Vice Mayor) Ward 5
Robert P. Shimits	Ward 6
Brian M. Laubscher	Ward 7
Donna J. Letourneau	Clerk of Council (appointed)

Appointed Officials

Thomas G. Lobe	Director of Law
Matthew J. Rubino	Director of Finance
Richard A. Tonelli	Chief of Police
Mark G. Vedder	Chief of Fire and Rescue
Michael Ionna	Director of Planning
Angela P. Shaker	Director of Economic Development
Richard N. Parker	Director of Recreation
Jill K. Frankel	Director of Senior Services
Tracy A. Sullivan	Director of Community & Cultural Enrichment
William J. Drsek	Public Works Commissioner
John J. Busch	City Engineer
Mark S. Hawley	Director of City Services
Paul J. Solanics	Director of Water Reclamation
Samikia Burton	Director of Human Resources
Jim Gibbs	Director of Information Technology



Government Finance Officers Association

**Certificate of
Achievement
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**City of Solon
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Monell

Executive Director/CEO



Annual Comprehensive

FINANCIAL REPORT

For The Year Ended December 31, 2024

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

City of Solon
Cuyahoga County
34200 Bainbridge Road
Solon, Ohio 44139

To the Members of City Council:

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Solon as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

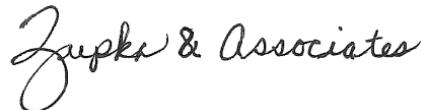
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Zupka & Associates
Certified Public Accountants

June 16, 2025

City of Solon, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
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The discussion and analysis of the City of Solon's 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. To obtain a more detailed understanding, readers should also review the basic financial statements and the notes to the basic financial statements.

Financial Highlights

Key Financial Highlights for 2024 are as follows:

- The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of 2024 by \$240,709,715.
- The City's total net position increased by \$3,496,487 or 1.5 percent in 2024. Net position of the governmental activities increased by \$4,580,067 which represents a 2.7 percent increase over the prior year. Net position of the business-type activities decreased by \$1,083,580 or (1.6) percent from the prior year.
- The City's investment in capital assets for governmental and business-type activities as of December 31, 2024 totaled \$225,503,352 net of accumulated depreciation/amortization of \$221,253,098. Net capital assets increased by \$17,269,695 due to current year additions outpacing annual depreciation/amortization and current year deletions.
- General fund revenues totaled \$51,315,310 in 2024 and exceeded expenditures by \$2,574,156. Total governmental funds expenditures of \$85,064,487 exceeded revenues in 2024 by \$12,038,315 due to significantly higher capital outlay expenditures than in the previous year.
- The City reported a total fund balance in the general fund of \$29,993,579 at the end of the 2024 fiscal year. The unassigned fund balance for the general fund was \$25,117,171 or 51.5 percent of total expenditures in 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Solon's basic financial statements. The City of Solon's basic financial statements are composed of these parts:

1. Management's Discussion and Analysis
2. Government-Wide Financial Statements
3. Fund Financial Statements
4. Notes to the Basic Financial Statements

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In addition, this report also contains other supplementary information:

1. Transmittal Letter
2. Required Supplementary Information
3. Combining Statements
4. Individual Fund Schedules
5. Statistical and Demographic Data

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the City of Solon's finances in a manner similar to private sector businesses. The Statement of Net Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those 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 non-major funds presented in total in one column.

The Statement of Net Position presents information on all of the City of Solon's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference 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 of Solon is improving or deteriorating. The Statement of Activities presents information showing how the City's net position changed during the recent fiscal 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 the cash flows. Thus, revenue and expenses are reported in this statement for some items that will effect cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish programs of the City of Solon that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Solon include security of persons and property, public health and welfare, leisure time activities, community environment, basic utility services, transportation and general government. The business-type activities include water reclamation and Grantwood recreation.

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 of Solon, like all other state and local governments, uses fund accounting to ensure and demonstrate compliance with legal requirements. All of the funds of the City of Solon can be divided into three categories: governmental, proprietary and fiduciary.

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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 the near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

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

The City of Solon maintains several governmental funds. Information is presented separately in the governmental funds balance sheet and in the government funds statement of revenue, expenditures, and changes in fund balances for the general fund and the infrastructure capital projects fund, which are considered to be major funds. Data from the other governmental funds are combined into single, aggregate presentation. Individual fund data for each of these non-major government funds is provided in the form of combining statements elsewhere in this report.

The City of Solon adopts an annual appropriated budget for each of its funds. A budget comparison statement (non-GAAP basis) has been provided for each governmental and proprietary fund to demonstrate budgetary compliance.

PROPRIETARY FUNDS – use the same basis of accounting as business-type activities. The City of Solon has two enterprise operations and two internal service funds under the proprietary fund classification. They are the water reclamation (wastewater) operation and Grantwood (golf course) recreation, the internal service fund accounting for run-off self-insured workers' compensation claims and the medical self insurance fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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 of Solon's own programs.

Notes to the Basic Financial Statements

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

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Other Information

In addition to the basic financial statements, accompanying notes and the required supplemental information, this report also presents certain other information that the City believes readers will find useful. After the notes to the required supplementary information, the combining statements referred to earlier in connection with non-major funds are presented, as well as individual detailed budgetary comparisons for all non-major funds.

Government-Wide Financial Analysis

The Statement of Net Position and the Statement of Activities provide an overall view of the City of Solon. These statements include all assets and deferred outflows of resources and 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.

These two statements report the City's net position and the changes in net position. The change in net position is important because it indicates if the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

The Statement of Net Position and the Statement of Activities are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning and End of Year

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The City of Solon as a Whole

The following provides a summary of the City's net position for the City as a whole for 2024 compared to 2023:

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other Assets	\$80,452,156	\$88,303,448	\$12,567,850	\$13,722,740	\$93,020,006	\$102,026,188
Net Pension Asset	110,858	91,446	13,702	11,303	124,560	102,749
Net OPEB Asset	658,305	0	81,369	0	739,674	0
Capital Assets, Net	163,234,412	145,550,323	62,268,940	62,683,334	225,503,352	208,233,657
Total Assets	244,455,731	233,945,217	74,931,861	76,417,377	319,387,592	310,362,594
Deferred Outflows of Resources						
Pension	18,038,492	21,948,846	810,554	1,075,801	18,849,046	23,024,647
OPEB	2,284,014	3,731,150	72,414	163,454	2,356,428	3,894,604
Asset Retirement Obligation	0	0	600,000	650,000	600,000	650,000
Total Deferred Outflows of Resources	20,322,506	25,679,996	1,482,968	1,889,255	21,805,474	27,569,251
Liabilities						
Current Liabilities	8,607,006	6,654,456	515,213	582,165	9,122,219	7,236,621
Long-term Liabilities						
Due within one Year	1,565,833	2,427,581	545,844	597,570	2,111,677	3,025,151
Due in More than one Year						
Net Pension Liability	60,865,300	62,164,906	2,393,875	2,582,208	63,259,175	64,747,114
Net OPEB Liability	3,135,993	3,532,820	0	54,301	3,135,993	3,587,121
Other Amounts	7,275,121	4,929,071	4,381,088	4,958,132	11,656,209	9,887,203
Total Liabilities	81,449,253	79,708,834	7,836,020	8,774,376	89,285,273	88,483,210
Deferred Inflows of Resources						
Property Taxes	5,251,799	4,484,503	0	0	5,251,799	4,484,503
Leases	295,406	353,394	0	0	295,406	353,394
Pension	2,219,143	3,061,821	7,956	21,927	2,227,099	3,083,748
OPEB	3,374,645	3,851,367	49,129	18,430	3,423,774	3,869,797
Total Deferred Inflows of Resources	11,140,993	11,751,085	57,085	40,357	11,198,078	11,791,442
Net Position						
Net Investment in Capital Assets	158,499,293	143,232,123	59,205,180	59,061,139	217,704,473	202,293,262
Restricted for:						
Capital Projects	23,284,684	28,663,259	0	0	23,284,684	28,663,259
Debt Service	1,058,324	1,267,427	0	0	1,058,324	1,267,427
Other Purposes	1,822,125	1,861,462	0	0	1,822,125	1,861,462
Pension and OPEB Plans	769,163	91,446	95,071	11,303	864,234	102,749
Unrestricted (Deficit)	(13,245,598)	(6,950,423)	9,221,473	10,419,457	(4,024,125)	3,469,034
Total Net Position	\$172,187,991	\$168,165,294	\$68,521,724	\$69,491,899	\$240,709,715	\$237,657,193

New Accounting Pronouncements

For 2024, the City implemented GASB Statement No. 101 Compensated Absences. The City also implemented GASB Statement No. 100 Accounting Changes and Error Corrections, which does not require Management Discussion and Analysis information for years prior to periods presented

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in the basic financial statements to be restated for changes in accounting principle. The implementation of GASB 101 resulted in recognizing an additional compensated absences liabilities of \$557,370 in governmental activities and (\$113,405) in business-type activities at January 1, 2024. These amounts also impacted beginning net position for the cumulative effect of additional compensated absences expense. (See Note 3).

Governmental and Business-Type Activities

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2024. GASB notes that pension and other post-employment benefits (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.

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.

Total current and other assets for governmental activities decreased primarily due to a decrease in cash and cash equivalents resulting from cash basis expenditures outpacing cash basis revenues. Capital assets increased due to additions outpacing depreciation/amortization and deletions. Long-term liabilities decreased due to reductions in the net pension and net OPEB liabilities attributable to changes into the pension system valuations.

Total current and other assets for business-type activities decreased due to a decrease in cash and cash equivalents attributable primarily to lower charges for services revenue and higher materials and supplies expense. Capital assets decreased as a result of current year deletions and depreciation/amortization outpacing additions. The decrease in long-term liabilities for business-type activities was due to reductions in the net pension and net OPEB liabilities as well as to a decrease in long-term debt obligations.

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Further details of the changes in net position between 2024 and 2023 can be observed in Table 2.

(Table 2)
Changes in Net Position

	Governmental Activities		Business -Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program Revenues						
Charges for Services and Sales	\$6,133,563	\$6,081,723	\$5,829,202	\$6,526,900	\$11,962,765	\$12,608,623
Operating Grants and Contributions	1,897,334	1,896,238	0	0	1,897,334	1,896,238
Capital Grants, Contributions and Capital Assessments	2,553,936	841,307	0	0	2,553,936	841,307
<i>Total Program Revenues</i>	<u>10,584,833</u>	<u>8,819,268</u>	<u>5,829,202</u>	<u>6,526,900</u>	<u>16,414,035</u>	<u>15,346,168</u>
General Revenues						
Property Taxes	5,015,114	4,904,897	0	0	5,015,114	4,904,897
Municipal Income Taxes	51,988,213	52,899,372	0	0	51,988,213	52,899,372
Grants and Entitlements	904,310	744,711	0	0	904,310	744,711
Unrestricted Contributions	89	45	0	0	89	45
Investment Earnings/Interest	3,227,186	3,158,422	465,090	552,818	3,692,276	3,711,240
Gain on Sale of Capital Assets	0	0	685	0	685	0
Miscellaneous	1,112,252	1,256,365	106,328	45,760	1,218,580	1,302,125
<i>Total General Revenues</i>	<u>62,247,164</u>	<u>62,963,812</u>	<u>572,103</u>	<u>598,578</u>	<u>62,819,267</u>	<u>63,562,390</u>
<i>Total Revenues</i>	<u>72,831,997</u>	<u>71,783,080</u>	<u>6,401,305</u>	<u>7,125,478</u>	<u>79,233,302</u>	<u>78,908,558</u>
Program Expenses						
Security of Persons and Property						
Police	12,424,149	12,570,157	0	0	12,424,149	12,570,157
Fire	13,203,700	13,345,185	0	0	13,203,700	13,345,185
Public Health and Welfare	181,307	168,630	0	0	181,307	168,630
Leisure Time Activities	6,696,999	6,856,108	0	0	6,696,999	6,856,108
Community Environment	5,861,471	5,179,169	0	0	5,861,471	5,179,169
Basic Utility Services	4,129,034	4,178,378	0	0	4,129,034	4,178,378
Transportation	17,212,543	15,422,852	0	0	17,212,543	15,422,852
General Government	8,455,882	8,605,472	0	0	8,455,882	8,605,472
Interest	86,845	80,879	0	0	86,845	80,879
Water Reclamation	0	0	6,147,983	6,083,642	6,147,983	6,083,642
Grantwood Recreation	0	0	1,336,902	1,203,121	1,336,902	1,203,121
<i>Total Program Expenses</i>	<u>68,251,930</u>	<u>66,406,830</u>	<u>7,484,885</u>	<u>7,286,763</u>	<u>75,736,815</u>	<u>73,693,593</u>
<i>Excess before Transfers</i>	<u>4,580,067</u>	<u>5,376,250</u>	<u>(1,083,580)</u>	<u>(161,285)</u>	<u>3,496,487</u>	<u>5,214,965</u>
<i>Transfers</i>	<u>0</u>	<u>(119,269)</u>	<u>0</u>	<u>119,269</u>	<u>0</u>	<u>0</u>
<i>Change in Net Position</i>	<u>4,580,067</u>	<u>5,256,981</u>	<u>(1,083,580)</u>	<u>(42,016)</u>	<u>3,496,487</u>	<u>5,214,965</u>
Net Position Beginning of Year as Previously Reported	168,165,294	162,908,313	69,491,899	69,533,915	237,657,193	232,442,228
Restatement - Change in Accounting Principle	(557,370)	0	113,405	0	(443,965)	0
Restated Net Position Beginning of Year	167,607,924	162,908,313	69,605,304	69,533,915	237,213,228	232,442,228
Net Position End of Year	<u>\$172,187,991</u>	<u>\$168,165,294</u>	<u>\$68,521,724</u>	<u>\$69,491,899</u>	<u>\$240,709,715</u>	<u>\$237,657,193</u>

New Accounting Pronouncements

The above table separately reflects the restatement for changes in accounting principles related to the implementation of GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 100, *Accounting Changes and Error Corrections* does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The 2023 information does not reflect activity related

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to the additional compensated absences expenses required under GASB 101, *Compensated Absences*. (See also explanation of new accounting pronouncements provided related to Net Position - Table 1 and explanation provided in Note 3.)

Governmental Activities

The net position of the City increased in 2024 from 2023 for reasons previously stated, as the City continues to strive for financial stability through an effective budget development and monitoring process.

The funding for governmental activities comes from several different sources, the most significant being municipal income taxes. In addition, property taxes and charges for services provide revenue for governmental activities, as well as permit fee revenue and investment earnings/interest. Governmental expenses were less than governmental revenues due to in part to decreases in pension and OPEB expenses as well as to careful management of resources. Charges for services revenue went up due to higher ambulance charges and recreation/community center customer charges. Capital grants increased in 2024 as a result of the City receiving a greater amount of grant funding for ongoing infrastructure projects. Municipal income tax revenues decreased due to lower collections from withholdings. Investment income increased in 2024 attributable to the increase in short-term interest rates.

Security of persons and property for police and fire collectively comprise the largest portion of the City's governmental expenses. The City has made safety forces a priority for the community as a whole. Transportation expenses make up the second largest portion of expenses for the City. The care and upkeep of the City's streets has been deemed significant for the Administration. General government expenses are the third largest portion of governmental expenses and are composed of the departments responsible for the running of the City which include the Mayor, the Finance Department, the Law Director and City Council amongst others.

Business-Type Activities

The City has two business-type operations. They are Water Reclamation (wastewater) and Grantwood (Golf course). The largest sources of revenue for both Water Reclamation and Grantwood in 2024 were charges for services. On the expense side, the largest expenses were for payroll and employee benefits for both operations, as well as depreciation/amortization expense for the Water Reclamation fund.

Financial Analysis of the City's Funds

Governmental Funds – provide near term inflows, outflows and balances of spendable resources. This information is useful in evaluating the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins with the balance sheet. These funds are accounted for by using the modified accrual basis of accounting.

As of the end of 2024, the City of Solon's governmental funds reported a positive combined ending fund balance. The largest portion of the ending fund balance is unassigned. The remainder of the fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for new spending because it has been specifically marked for expenditures as designated by grant agreements, City ordinances or intent of use.

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The general fund is the main governmental and operating fund of the City. There was an overall decrease in the general fund's fund balance between 2024 and 2023. The decrease was primarily due to an increase in transfers out and expenditures related to security of persons and property, community environment and transportation. The general fund is the recipient of the largest portion of income taxes collected by the City. The City benefits from a robust economy that has a significant business-base located within City limits. This allows for the general fund to make transfers out to subsidize recreational and capital improvements.

The infrastructure fund is the largest capital improvement governmental fund of the City. It receives one half of one percent of the City income tax (levy) to pay for new construction and repair of the City's infrastructure. There was an overall decrease in the infrastructure fund balance between 2024 and 2023 due to a significant increase in capital outlay expenditures related to the Aurora Road reconstruction project and various other projects during 2024.

Business-Type Funds – report the City's Water Reclamation (wastewater) operation and Grantwood (golf course) Recreation on an accrual basis. In 2024, the net position for the Water Reclamation fund decreased due mainly to decreases in charges for services revenue and capital contributions. The Grantwood Recreation fund increased due to a slight increase in charges for services as current year revenues continued to exceed current year expenses.

General Fund Budgeting Highlights

Solon's largest budgeted fund is the general fund. Its expenditure budget (appropriations), along with all other funds, is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures and encumbrances. Ohio Law limits appropriations for each fund to the estimated receipts plus the unencumbered cash reserve (or carryover) from the prior year for that particular fund.

In 2024, the total general fund revenues of \$50,105,183 ended the year 0.35 percent over the original estimate for general revenue sources. The small favorable variance was mainly attributable to higher than estimated charges for services and miscellaneous revenue. Actual expenditures of \$46,842,284 were 3.2 percent under the final revised budget for 2024. The favorable budget outcome for 2024 was primarily driven by a moderation in City operations during the first half of the year and the continued adherence to the adopted budgets for City departments during the 2024 fiscal period.

Capital Assets

Governmental capital assets, net of depreciation, increased due to current year additions outpacing annual depreciation/amortization and deletions. Specific governmental additions include Aurora Road reconstruction, community park project construction, Miles Road retaining wall, building and land improvements, various equipment, new vehicles and road infrastructure improvements.

Business-type capital assets, net of depreciation, decreased slightly due to current year depreciation/amortization and deletions outpacing current year additions. Specific additions include the water reclamation plant renovation project, building improvements, a new vehicle, and various equipment. For additional information on capital assets, please see note 9 to the basic financial statements.

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A five year capital plan, involving all assets and capital projects is maintained by the administration. It is updated and approved by City Council every year.

Outstanding Long-Term Obligations

Ohio Water Development Authority Loans compose most of the outstanding debt obligations. In addition, outstanding obligations include net pension/OPEB liability, compensated absences (sick leave, etc.), lease payable, financed purchases, subscriptions payable, claims payable, and asset retirement obligations.

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Asset retirement obligations (ARO) of \$2,000,000 associated with the City waste water treatment facilities were estimated by the City engineer.

Governmental activities debt is serviced by property taxes and special assessments that are credited to the bond retirement fund. Most of this debt was issued for the construction of new infrastructure. Most of the business-type debt is for the water reclamation utility and improvements made to the wastewater plant. User fees are used to service that debt.

The net pension/OPEB liability establishes standards for measuring and recognizing pension/OPEB liabilities, deferred outflows/inflows of resources and expense/expenditure.

The compensated absence category represents the dollar value of accumulated but unused sick and compensatory leave at year end. The liability represents amounts that will either be taken as leave or paid out upon termination or retirement.

The City last received a credit rating of AAA from Standard & Poor's in 2008. In 2010 Moody's Investor Service recalibrated the City's existing credit rating to Aaa. The debt associated with both ratings has since been retired and the City has not undertaken any process to update the ratings at this time. For additional information on long-term obligations, please see note 18 to the basic financial statements.

Economic Factors and Current Financial Issues

The City presently has in place a municipal income tax at the rate of 2 percent applicable to income earned in the City (withholding) or by residents and/or businesses (individual/net profit). The tax rate has been in place since 1989 and the general financial condition of the City does not require any immediate or future action with respect to increasing the rate or decreasing any existing credit for reciprocity. Municipal income tax collections routinely represent the largest portion of the City's total governmental revenue.

Controlled spending and the strong municipal income tax collections have allowed the City to avoid pursuing alternative revenue streams (tax increases, new or increased fees and charges, etc.) while concurrently not having to implement any significant budget reductions. The loss of local government funds distributed to political subdivisions from the State of Ohio have forced many entities to search for new revenue and/or implement spending cuts that significantly and negatively impact services. Effective management of the departmental budgets has placed the City of Solon in position to successfully maintain its high level of services to its residential and commercial inhabitants.

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

Another indicator of the conservative fiscal management is the low rate of property tax assessed to residents and businesses in the City. Many northeast Ohio municipalities carry real property rates more than double the level that is assessed by Solon currently. The City does not foresee the need to adjust upward the rate of tax applied to property in the City. Further, due to calculated efforts to reduce debt, more of the property tax collected may be employed to offset losses in local government funding and direct the funding towards general operations of the City.

Due to a strong commitment to consistently fund infrastructure improvements, due in large part to the ongoing allocation of income tax revenue to infrastructure projects, the City is in a good position with respect to avoiding major repairs or renovations to any of its facilities, streets, sewers and other assets. The City does not contemplate the necessity for any debt issuance relative to infrastructure in the immediate future. Rather, the calculated dedication of a sizable portion of our annual revenue will be used to maintain, upgrade and otherwise improve items which other municipalities have deferred due to budget constraints.

The general fund finished 2024 with an unassigned fund balance of \$25,117,171. Beginning in 2013, the City implemented a policy whereby 20 percent of its unencumbered general fund balance will be maintained in reserve as well as having created a budget stabilization fund that will allow for a segregation of additional reserves that will be accumulated to use in emergency situations in times of revenue fluctuations.

The economic development efforts of the Administration and Council have kept Solon a primary destination for new business relocation in northeast Ohio. Additionally, the level of City services and the various retention programs employed by the economic development staff have been very effective in retaining and encouraging expansion of existing businesses in the City.

City property values remain stable, both for commercial and residential properties. Property valuations have continued to appreciate. The improvement in property values was demonstrated by the nearly 20 percent average increase in values as determined by Cuyahoga County's last reappraisal for tax year 2024. An increase in property values benefits not only municipal operations but the local school systems as well. The retention of property values in Solon has contributed to the strong state of the City itself as well as the highly rated school system.

Requests for Information and Data

This financial report is designed to provide a general overview of the City of Solon's finances for everyone with an interest. Questions concerning any of the information and data presented in this report, or requests for additional financial information, should be addressed to the Finance Department, City of Solon, 34200 Bainbridge Road, Solon, Ohio 44139.

Basic Financial Statements

City of Solon, Ohio
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$57,215,221	\$10,972,468	\$68,187,689
Cash and Cash Equivalents:			
With Fiscal Agents	557,507	0	557,507
Accounts Receivable	411,271	1,368,495	1,779,766
Intergovernmental Receivable	1,651,481	0	1,651,481
Leases Receivable	295,406	0	295,406
Internal Balances	63,264	(63,264)	0
Municipal Income Taxes Receivable	12,346,750	0	12,346,750
Materials and Supplies Inventory	555,501	241,017	796,518
Accrued Interest Receivable	256,583	49,134	305,717
Prepaid Items	311,852	0	311,852
Property Taxes Receivable	5,395,151	0	5,395,151
Special Assessments Receivable	1,392,169	0	1,392,169
Net Pension Asset (See Note 12)	110,858	13,702	124,560
Net OPEB Asset (See Note 13)	658,305	81,369	739,674
Nondepreciable Capital Assets	35,134,834	7,090,650	42,225,484
Depreciable Capital Assets, Net	128,099,578	55,178,290	183,277,868
<i>Total Assets</i>	<i>244,455,731</i>	<i>74,931,861</i>	<i>319,387,592</i>
Deferred Outflows of Resources			
Pension	18,038,492	810,554	18,849,046
OPEB	2,284,014	72,414	2,356,428
Asset Retirement Obligation	0	600,000	600,000
<i>Total Deferred Outflows of Resources</i>	<i>20,322,506</i>	<i>1,482,968</i>	<i>21,805,474</i>
Liabilities			
Accounts Payable	729,478	33,801	763,279
Accrued Wages	703,688	47,619	751,307
Contracts Payable	2,489,777	130,303	2,620,080
Deposits Held Payable	1,194,790	0	1,194,790
Intergovernmental Payable	540,817	28,285	569,102
Retainage Payable	781,016	183,994	965,010
Matured Compensated Absences Payable	4,580	0	4,580
Unearned Revenue	1,108,487	0	1,108,487
Accrued Interest Payable	56,125	42,725	98,850
Claims Payable	469,360	0	469,360
Accrued Vacation Leave Payable	528,888	48,486	577,374
Long-Term Liabilities:			
Due Within One Year	1,565,833	545,844	2,111,677
Due In More Than One Year:			
Net Pension Liability (See Note 12)	60,865,300	2,393,875	63,259,175
Net OPEB Liability (See Note 13)	3,135,993	0	3,135,993
Other Amounts	7,275,121	4,381,088	11,656,209
<i>Total Liabilities</i>	<i>81,449,253</i>	<i>7,836,020</i>	<i>89,285,273</i>
Deferred Inflows of Resources			
Property Taxes	5,251,799	0	5,251,799
Leases	295,406	0	295,406
Pension	2,219,143	7,956	2,227,099
OPEB	3,374,645	49,129	3,423,774
<i>Total Deferred Inflows of Resources</i>	<i>11,140,993</i>	<i>57,085</i>	<i>11,198,078</i>
Net Position			
Net Investment in Capital Assets	158,499,293	59,205,180	217,704,473
Restricted for:			
Capital Projects	23,284,684	0	23,284,684
Debt Service	1,058,324	0	1,058,324
Street, Construction, Maintenance and Repair	706,319	0	706,319
Police Pension	286,295	0	286,295
Fire Pension	372,192	0	372,192
Unclaimed Monies	20,064	0	20,064
Other Purposes	437,255	0	437,255
Pension and OPEB Plans	769,163	95,071	864,234
Unrestricted (Deficit)	(13,245,598)	9,221,473	(4,024,125)
<i>Total Net Position</i>	<i>\$172,187,991</i>	<i>\$68,521,724</i>	<i>\$240,709,715</i>

See accompanying notes to the basic financial statements

City of Solon, Ohio
Statement of Activities
For the Year Ended December 31, 2024

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property:				
Police	\$12,424,149	\$1,217,601	\$126,670	\$0
Fire	13,203,700	2,008,866	198,381	0
Public Health and Welfare	181,307	15,376	0	0
Leisure Time Activities	6,696,999	670,999	24,142	600,000
Community Environment	5,861,471	217,328	0	0
Basic Utility Services	4,129,034	262,586	0	39,231
Transportation	17,212,543	493,724	1,548,141	1,914,705
General Government	8,455,882	1,247,083	0	0
Interest	86,845	0	0	0
<i>Total Governmental Activities</i>	<i>68,251,930</i>	<i>6,133,563</i>	<i>1,897,334</i>	<i>2,553,936</i>
Business-Type Activities:				
Water Reclamation	6,147,983	4,539,291	0	0
Grantwood Recreation	1,336,902	1,289,911	0	0
<i>Total Business-Type Activities</i>	<i>7,484,885</i>	<i>5,829,202</i>	<i>0</i>	<i>0</i>
<i>Total</i>	<i>\$75,736,815</i>	<i>\$11,962,765</i>	<i>\$1,897,334</i>	<i>\$2,553,936</i>

General Revenues

Property Taxes Levied for:

 General Purposes

 Debt Service

 Police Pension

 Fire Pension

 Service and Safety Equipment

Municipal Income Taxes Levied for:

 General Purposes

 Infrastructure

 Community Park Improvements

 General Capital Improvements

Grants and Entitlements not Restricted to Specific Programs

Unrestricted Contributions

Investment Earnings/Interest

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year as Previously Reported

Change in Accounting Principle (See Note 3)

Restated Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$11,079,878)	\$0	(\$11,079,878)
(10,996,453)	0	(10,996,453)
(165,931)	0	(165,931)
(5,401,858)	0	(5,401,858)
(5,644,143)	0	(5,644,143)
(3,827,217)	0	(3,827,217)
(13,255,973)	0	(13,255,973)
(7,208,799)	0	(7,208,799)
(86,845)	0	(86,845)
<hr/>	<hr/>	<hr/>
(57,667,097)	0	(57,667,097)
<hr/>	<hr/>	<hr/>
0	(1,608,692)	(1,608,692)
0	(46,991)	(46,991)
<hr/>	<hr/>	<hr/>
0	(1,655,683)	(1,655,683)
<hr/>	<hr/>	<hr/>
(57,667,097)	(1,655,683)	(59,322,780)
<hr/>	<hr/>	<hr/>
1,696,864	0	1,696,864
375,165	0	375,165
754,294	0	754,294
1,746,753	0	1,746,753
442,038	0	442,038
<hr/>	<hr/>	<hr/>
38,881,158	0	38,881,158
11,460,387	0	11,460,387
1,500,000	0	1,500,000
146,668	0	146,668
904,310	0	904,310
89	0	89
3,227,186	465,090	3,692,276
0	685	685
1,112,252	106,328	1,218,580
<hr/>	<hr/>	<hr/>
62,247,164	572,103	62,819,267
<hr/>	<hr/>	<hr/>
4,580,067	(1,083,580)	3,496,487
<hr/>	<hr/>	<hr/>
168,165,294	69,491,899	237,657,193
<hr/>	<hr/>	<hr/>
(557,370)	113,405	(443,965)
<hr/>	<hr/>	<hr/>
167,607,924	69,605,304	237,213,228
<hr/>	<hr/>	<hr/>
\$172,187,991	\$68,521,724	\$240,709,715

City of Solon, Ohio

Balance Sheet

Governmental Funds

December 31, 2024

	General	Infrastructure	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$24,022,968	\$18,287,604	\$11,042,748	\$53,353,320
Cash and Cash Equivalents:				
With Fiscal Agents	0	0	557,507	557,507
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	1,214,854	0	0	1,214,854
Accrued Interest Receivable	254,075	0	2,508	256,583
Accounts Receivable	264,164	0	143,706	407,870
Leases Receivable	295,406	0	0	295,406
Intergovernmental Receivable	541,798	195,410	914,273	1,651,481
Municipal Income Taxes Receivable	9,260,062	3,086,688	0	12,346,750
Materials and Supplies Inventory	555,501	0	0	555,501
Interfund Receivable	2,699,208	0	0	2,699,208
Prepaid Items	311,852	0	0	311,852
Property Taxes Receivable	1,498,899	0	3,896,252	5,395,151
Special Assessments Receivable	0	647,933	744,236	1,392,169
<i>Total Assets</i>	<u>\$40,918,787</u>	<u>\$22,217,635</u>	<u>\$17,301,230</u>	<u>\$80,437,652</u>
Liabilities				
Accounts Payable	\$577,694	\$24,810	\$124,141	\$726,645
Accrued Wages	649,888	0	26,718	676,606
Contracts Payable	0	1,642,947	846,830	2,489,777
Deposits Held Payable from Restricted Assets	1,194,790	0	0	1,194,790
Intergovernmental Payable	234,689	0	289,621	524,310
Retainage Payable	0	678,051	102,965	781,016
Matured Compensated Absences Payable	4,580	0	0	4,580
Interfund Payable	0	0	2,699,208	2,699,208
Unearned Revenue	0	0	1,108,487	1,108,487
<i>Total Liabilities</i>	<u>2,661,641</u>	<u>2,345,808</u>	<u>5,197,970</u>	<u>10,205,419</u>
Deferred Inflows of Resources				
Property Taxes	1,459,030	0	3,792,769	5,251,799
Leases	295,406	0	0	295,406
Unavailable Revenue	6,509,131	2,867,457	1,780,326	11,156,914
<i>Total Deferred Inflows of Resources</i>	<u>8,263,567</u>	<u>2,867,457</u>	<u>5,573,095</u>	<u>16,704,119</u>
Fund Balances				
Nonspendable	887,417	0	0	887,417
Restricted	0	17,004,370	3,241,189	20,245,559
Committed	831,359	0	4,258,377	5,089,736
Assigned	3,157,632	0	439,344	3,596,976
Unassigned (Deficit)	25,117,171	0	(1,408,745)	23,708,426
<i>Total Fund Balances</i>	<u>29,993,579</u>	<u>17,004,370</u>	<u>6,530,165</u>	<u>53,528,114</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$40,918,787</u>	<u>\$22,217,635</u>	<u>\$17,301,230</u>	<u>\$80,437,652</u>

See accompanying notes to the basic financial statements

City of Solon, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2024

Total Governmental Funds Balances	\$53,528,114
<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	163,234,412
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.	
Delinquent Property Taxes	148,645
Municipal Income Taxes	8,160,100
Intergovernmental	1,246,082
Charges for Services	69,144
Special Assessments	1,392,169
Fees, Licenses and Permits	31,552
Fines, Forfeitures and Settlements	105,215
Miscellaneous	<u>4,007</u>
Total	11,156,914
An internal service fund is used by management to charge the costs of health insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Net Position	2,129,630
Internal Balance	63,264
Claims Payable	<u>5,036</u>
Total	2,197,930
In the statement of activities, interest is accrued on outstanding bonds, leases and financed purchases, whereas in governmental funds, an interest expenditure is reported when due.	(56,125)
Accrued vacation leave payable is not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(528,888)
The net pension asset, net OPEB asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the asset, liability and related deferred outflows/inflows are not reported in governmental funds.	
Net Pension Asset	110,858
Deferred Outflows - Pension	18,038,492
Net Pension Liability	(60,865,300)
Deferred Inflows - Pension	(2,219,143)
Net OPEB Asset	658,305
Deferred Outflows - OPEB	2,284,014
Net OPEB Liability	(3,135,993)
Deferred Inflows - OPEB	<u>(3,374,645)</u>
Total	(48,503,412)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
OWDA Loan Payable	(838,177)
Lease Payable	(51,904)
Financed Purchases Payable	(2,579,873)
Subscription Payable	(296,256)
Compensated Absences	(5,069,708)
Claims Payable	<u>(5,036)</u>
Total	<u>(8,840,954)</u>
<i>Net Position of Governmental Activities</i>	<u><u>\$172,187,991</u></u>

City of Solon, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Infrastructure	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$1,688,273	\$0	\$3,311,700	\$4,999,973
Municipal Income Taxes	38,954,370	11,484,790	1,646,668	52,085,828
Special Assessments	0	21,598	247,184	268,782
Intergovernmental	819,685	2,172,676	2,382,198	5,374,559
Investment Earnings/Interest	3,200,480	0	26,706	3,227,186
Fees, Licenses and Permits	897,294	0	155,823	1,053,117
Fines, Forfeitures and Settlements	194,281	0	57,012	251,293
Leases and Rentals	107,475	0	2,005	109,480
Charges for Services	4,687,862	0	2,530	4,690,392
Contributions and Donations	89	0	169,469	169,558
Miscellaneous	765,501	29,362	1,141	796,004
<i>Total Revenues</i>	<i>51,315,310</i>	<i>13,708,426</i>	<i>8,002,436</i>	<i>73,026,172</i>
Expenditures				
Current:				
Security of Persons and Property:				
Police	10,197,773	0	1,083,740	11,281,513
Fire	10,097,247	0	1,752,446	11,849,693
Public Health and Welfare	181,307	0	0	181,307
Leisure Time Activities	6,050,092	0	154,001	6,204,093
Community Environment	5,252,395	510,083	0	5,762,478
Basic Utility Services	3,090,358	0	0	3,090,358
Transportation	5,807,183	0	1,608,768	7,415,951
General Government	7,859,649	0	11,342	7,870,991
Capital Outlay	0	18,730,647	11,607,642	30,338,289
Debt Service:				
Principal Retirement	185,914	0	815,147	1,001,061
Interest	19,236	0	49,517	68,753
<i>Total Expenditures</i>	<i>48,741,154</i>	<i>19,240,730</i>	<i>17,082,603</i>	<i>85,064,487</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>2,574,156</i>	<i>(5,532,304)</i>	<i>(9,080,167)</i>	<i>(12,038,315)</i>
Other Financing Sources (Uses)				
Sale of Capital Assets	67,600	0	0	67,600
Financed Purchases Issued	0	0	1,794,607	1,794,607
Transfers In	0	0	6,358,309	6,358,309
Transfers Out	(6,358,309)	0	0	(6,358,309)
<i>Total Other Financing Sources (Uses)</i>	<i>(6,290,709)</i>	<i>0</i>	<i>8,152,916</i>	<i>1,862,207</i>
<i>Net Change in Fund Balances</i>	<i>(3,716,553)</i>	<i>(5,532,304)</i>	<i>(927,251)</i>	<i>(10,176,108)</i>
<i>Fund Balances Beginning of Year</i>	<i>33,710,132</i>	<i>22,536,674</i>	<i>7,457,416</i>	<i>63,704,222</i>
<i>Fund Balances End of Year</i>	<i>\$29,993,579</i>	<i>\$17,004,370</i>	<i>\$6,530,165</i>	<i>\$53,528,114</i>

See accompanying notes to the basic financial statements

City of Solon, 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

Net Change in Fund Balances - Total Governmental Funds	(\$10,176,108)
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/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period.	
Capital Asset Additions	26,980,475
Depreciation/Amortization	<u>(9,119,288)</u>
Total	17,861,187
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.	
(177,098)	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Delinquent Property Taxes	15,141
Municipal Income Taxes	<u>(97,615)</u>
Intergovernmental	<u>(188,448)</u>
Charges for Services	37,776
Special Assessments	<u>(268,782)</u>
Fees, Licenses and Permits	1,033
Fines, Forfeitures and Settlements	<u>(9,528)</u>
Miscellaneous	<u>(59,045)</u>
Total	(569,468)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
1,001,061	
Some expenses reported in the statement of activities, such as accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
(18,092)	
Other financing sources, such as financed purchases issued, in the governmental funds increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities.	
(1,794,607)	
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	4,578,399
OPEB	<u>83,947</u>
Total	4,662,346
Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB asset or liability are reported as pension/OPEB expense in the statement of net position.	
Pension	<u>(6,327,057)</u>
OPEB	<u>771</u>
Total	(6,326,286)
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	(140,149)
Accrued Vacation Leave Payable	<u>(45,330)</u>
Claims Payable	<u>(149)</u>
Total	(185,628)
The internal service funds used by management are not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.	
Change in Net Position	297,179
Change in Internal Balance	<u>5,432</u>
Claims Payable	<u>149</u>
Total	302,760
<i>Change in Net Position of Governmental Activities</i>	
	<u>\$4,580,067</u>

City of Solon, 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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,702,895	\$1,700,550	\$1,700,550	\$0
Municipal Income Taxes	39,125,550	39,109,740	39,119,951	10,211
Intergovernmental	765,240	766,203	766,203	0
Interest	2,023,660	2,020,875	2,020,875	0
Fees, Licenses and Permits	860,830	898,524	898,524	0
Fines, Forfeitures and Settlements	199,950	199,676	199,676	0
Rentals	49,555	49,487	49,487	0
Charges for Services	4,502,825	4,603,659	4,603,659	0
Contributions and Donations	89	89	89	0
Miscellaneous	699,897	697,673	746,169	48,496
<i>Total Revenues</i>	<i>49,930,491</i>	<i>50,046,476</i>	<i>50,105,183</i>	<i>58,707</i>
Expenditures				
Current:				
Security of Persons and Property				
Police	10,129,865	10,220,578	10,174,444	46,134
Fire	9,790,149	10,244,727	10,088,029	156,698
Public Health and Welfare	182,442	182,380	181,522	858
Leisure Time Activities	6,223,747	6,413,031	6,168,914	244,117
Community Environment	2,869,473	2,801,985	2,558,196	243,789
Basic Utility Services	3,723,326	3,679,281	3,197,988	481,293
Transportation	5,542,771	5,821,065	5,711,715	109,350
General Government	8,903,598	8,996,397	8,711,226	285,171
Debt Service:				
Principal Retirement	46,188	46,188	46,188	0
Interest	4,062	4,062	4,062	0
<i>Total Expenditures</i>	<i>47,415,621</i>	<i>48,409,694</i>	<i>46,842,284</i>	<i>1,567,410</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>2,514,870</i>	<i>1,636,782</i>	<i>3,262,899</i>	<i>1,626,117</i>
Other Financing Sources (Uses)				
Advances Out	0	0	(2,699,208)	(2,699,208)
Transfers Out	(3,010,000)	(8,858,309)	(8,858,309)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(3,010,000)</i>	<i>(8,858,309)</i>	<i>(11,557,517)</i>	<i>(2,699,208)</i>
<i>Net Change in Fund Balance</i>	<i>(495,130)</i>	<i>(7,221,527)</i>	<i>(8,294,618)</i>	<i>(1,073,091)</i>
<i>Fund Balance Beginning of Year</i>	<i>29,024,923</i>	<i>29,024,923</i>	<i>29,024,923</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>1,127,135</i>	<i>1,127,135</i>	<i>1,127,135</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$29,656,928</i>	<i>\$22,930,531</i>	<i>\$21,857,440</i>	<i>(\$1,073,091)</i>

See accompanying notes to the basic financial statements

City of Solon, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2024

	Enterprise			
	Water Reclamation	Grantwood Recreation	Total	Internal Service
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$9,774,084	\$1,198,384	\$10,972,468	\$2,647,047
Materials and Supplies Inventory	204,824	36,193	241,017	0
Accounts Receivable	1,368,495	0	1,368,495	3,401
Accrued Interest Receivable	43,768	5,366	49,134	0
<i>Total Current Assets</i>	<u>11,391,171</u>	<u>1,239,943</u>	<u>12,631,114</u>	<u>2,650,448</u>
<i>Noncurrent Assets:</i>				
Restricted Assets:				
Net Pension Asset	9,965	3,737	13,702	0
Net OPEB Asset	59,179	22,190	81,369	0
Capital Assets:				
Nondepreciable Capital Assets	4,708,486	2,382,164	7,090,650	0
Depreciable Capital Assets, Net	54,283,486	894,804	55,178,290	0
<i>Total Noncurrent Assets</i>	<u>59,061,116</u>	<u>3,302,895</u>	<u>62,364,011</u>	<u>0</u>
<i>Total Assets</i>	<u>70,452,287</u>	<u>4,542,838</u>	<u>74,995,125</u>	<u>2,650,448</u>
Deferred Outflows of Resources				
Pension	589,494	221,060	810,554	0
OPEB	52,665	19,749	72,414	0
Asset Retirement Obligation	600,000	0	600,000	0
<i>Total Deferred Outflows of Resources</i>	<u>1,242,159</u>	<u>240,809</u>	<u>1,482,968</u>	<u>0</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	31,019	2,782	33,801	2,833
Accrued Wages	37,470	10,149	47,619	27,082
Contracts Payable	50,360	79,943	130,303	0
Intergovernmental Payable	23,230	5,055	28,285	16,507
Retainage Payable	175,111	8,883	183,994	0
Accrued Interest Payable	42,725	0	42,725	0
Accrued Vacation Leave Payable	44,536	3,950	48,486	0
Compensated Absences Payable	18,169	2,728	20,897	0
OWDA Loans Payable	513,266	0	513,266	0
Subscription Payable	11,681	0	11,681	0
Claims Payable	0	0	0	473,137
<i>Total Current Liabilities</i>	<u>947,567</u>	<u>113,490</u>	<u>1,061,057</u>	<u>519,559</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable	45,768	4,203	49,971	0
OWDA Loans Payable	2,312,815	0	2,312,815	0
Subscription Payable	18,302	0	18,302	0
Net Pension Liability	1,741,001	652,874	2,393,875	0
Claims Payable	0	0	0	1,259
Asset Retirement Obligation Liability	2,000,000	0	2,000,000	0
<i>Total Long-Term Liabilities</i>	<u>6,117,886</u>	<u>657,077</u>	<u>6,774,963</u>	<u>1,259</u>
<i>Total Liabilities</i>	<u>7,065,453</u>	<u>770,567</u>	<u>7,836,020</u>	<u>520,818</u>
Deferred Inflows of Resources				
Pension	5,787	2,169	7,956	0
OPEB	35,731	13,398	49,129	0
<i>Total Deferred Inflows of Resources</i>	<u>41,518</u>	<u>15,567</u>	<u>57,085</u>	<u>0</u>
Net Position				
Net Investment in Capital Assets	55,928,212	3,276,968	59,205,180	0
Restricted for Pension and OPEB Plans	69,144	25,927	95,071	0
Unrestricted	8,590,119	694,618	9,284,737	2,129,630
<i>Total Net Position</i>	<u>\$64,587,475</u>	<u>\$3,997,513</u>	<u>68,584,988</u>	<u>\$2,129,630</u>

Net position reported for business-type activities in the statement of net position are different because they include accumulated underpayments to the internal service fund: (63,264)
 Net position of business-type activities \$68,521,724

See accompanying notes to the basic financial statements

City of Solon, Ohio
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Enterprise			
	Water Reclamation	Grantwood Recreation	Total	Internal Service
Operating Revenues				
Charges for Services	\$4,423,057	\$1,136,434	\$5,559,491	\$6,373,720
Tap-In Fees	116,234	0	116,234	0
Rentals	0	153,477	153,477	0
Miscellaneous	11,559	94,769	106,328	375,293
<i>Total Operating Revenues</i>	<i>4,550,850</i>	<i>1,384,680</i>	<i>5,935,530</i>	<i>6,749,013</i>
Operating Expenses				
Personal Services	1,889,288	674,500	2,563,788	388,881
Materials and Supplies	653,454	447,914	1,101,368	0
Contractual Services	1,260,883	87,026	1,347,909	1,414,939
Depreciation/Amortization	2,248,021	89,445	2,337,466	0
Claims	0	0	0	4,631,875
Change in Workers' Compensation Estimate	0	0	0	16,139
Other	2,121	37,092	39,213	0
<i>Total Operating Expenses</i>	<i>6,053,767</i>	<i>1,335,977</i>	<i>7,389,744</i>	<i>6,451,834</i>
<i>Operating Income (Loss)</i>	<i>(1,502,917)</i>	<i>48,703</i>	<i>(1,454,214)</i>	<i>297,179</i>
Non-Operating Revenues (Expenses)				
Investment Earnings/Interest	411,682	53,408	465,090	0
Gain on Sale of Capital Assets	0	685	685	0
Interest Expense	(89,709)	0	(89,709)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<i>321,973</i>	<i>54,093</i>	<i>376,066</i>	<i>0</i>
<i>Change in Net Position</i>	<i>(1,180,944)</i>	<i>102,796</i>	<i>(1,078,148)</i>	<i>297,179</i>
<i>Net Position Beginning of Year as Previously Reported</i>	<i>65,682,232</i>	<i>3,867,499</i>		<i>1,832,451</i>
<i>Change in Accounting Principle (See Note 3)</i>	<i>86,187</i>	<i>27,218</i>		<i>0</i>
<i>Restated Net Position Beginning of Year</i>	<i>65,768,419</i>	<i>3,894,717</i>		<i>1,832,451</i>
<i>Net Position End of Year</i>	<i><u>\$64,587,475</u></i>	<i><u>\$3,997,513</u></i>		<i><u>\$2,129,630</u></i>
Some amounts reported for business-type activities in the statement of activities are different because a portion of the change in net position of the internal service fund is reported with business-type activities:				<i>(5,432)</i>
Change in net position of business-type activities				<i><u>(\$1,083,580)</u></i>

See accompanying notes to the basic financial statements

City of Solon, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Enterprise			
	Water Reclamation	Grantwood Recreation	Total	Internal Service
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$4,515,043	\$1,138,535	\$5,653,578	\$0
Cash Received from Tap-In Fees	116,234	0	116,234	0
Cash Received from Rentals	0	153,477	153,477	0
Cash Received from Interfund Services Provided	0	0	0	6,373,720
Cash Received from Other Sources	11,846	94,769	106,615	371,892
Cash Payments to Employees for Services and Benefits	(1,488,380)	(601,911)	(2,090,291)	(385,648)
Cash Payments for Goods and Services	(1,854,723)	(496,593)	(2,351,316)	(1,509,309)
Cash Payments for Interfund Services Provided	(367,771)	(75,546)	(443,317)	0
Cash Payments for Claims	0	0	0	(4,470,341)
Cash Payments for Other Operating Expenses	(2,121)	(37,087)	(39,208)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<i>930,128</i>	<i>175,644</i>	<i>1,105,772</i>	<i>380,314</i>
Cash Flows from Capital and Related Financing Activities				
Proceeds from Sale of Capital Assets	0	2,035	2,035	0
Acquisition of Capital Assets	(1,877,491)	(96,612)	(1,974,103)	0
Principal Paid on OWDA Loans	(497,473)	0	(497,473)	0
Interest Paid on OWDA Loans	(96,005)	0	(96,005)	0
Principal Paid on Subscription Payable	(11,281)	0	(11,281)	
Interest Paid on Subscription Payable	(1,297)	0	(1,297)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<i>(2,483,547)</i>	<i>(94,577)</i>	<i>(2,578,124)</i>	<i>0</i>
Cash Flows from Investing Activities				
Interest on Investments	392,536	50,444	442,980	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<i>(1,160,883)</i>	<i>131,511</i>	<i>(1,029,372)</i>	<i>380,314</i>
<i>Cash and Cash Equivalents Beginning of Year</i>	<i>10,934,967</i>	<i>1,066,873</i>	<i>12,001,840</i>	<i>2,266,733</i>
<i>Cash and Cash Equivalents End of Year</i>	<i>\$9,774,084</i>	<i>\$1,198,384</i>	<i>\$10,972,468</i>	<i>\$2,647,047</i>

(continued)

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

	Enterprise			
	Water Reclamation	Grantwood Recreation	Total	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	(\$1,502,917)	\$48,703	(\$1,454,214)	\$297,179
Adjustments:				
Depreciation/Amortization	2,248,021	89,445	2,337,466	0
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable	92,273	2,101	94,374	(3,401)
Materials and Supplies Inventory	42,783	5,039	47,822	0
Net Pension Asset	874	327	1,201	0
Net OPEB Asset	11,256	4,221	15,477	0
Deferred Outflows - Pension	207,813	77,932	285,745	0
Deferred Outflows - OPEB	62,912	23,592	86,504	0
Deferred Outflows - Asset Retirement Obligation	50,000	0	50,000	0
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	(14,901)	2,060	(12,841)	(1,685)
Accrued Wages	7,753	1,771	9,524	3,233
Contracts Payable	(18,404)	22,365	3,961	0
Retainage Payable	0	8,883	8,883	0
Claims Payable	0	0	0	177,673
Compensated Absences Payable	1,964	(7,817)	(5,853)	0
Accrued Vacation Leave Payable	847	(5,402)	(4,555)	0
Intergovernmental Payable	(11,190)	(4,218)	(15,408)	(92,685)
Net Pension Liability	162,859	61,074	223,933	0
Deferred Inflows - Pension	(327,515)	(122,820)	(450,335)	0
Deferred Inflows - OPEB	(84,300)	(31,612)	(115,912)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$930,128</u></u>	<u><u>\$175,644</u></u>	<u><u>\$1,105,772</u></u>	<u><u>\$380,314</u></u>

Noncash Capital Financing Activity

At December 31, 2023, the City had retainage and contracts payable related to the acquisition of capital assets of \$257,377 in the water reclamation fund.

At December 31, 2024, the City had retainage and contracts payable related to the acquisition of capital assets of \$207,696 in the water reclamation fund.

See accompanying notes to the basic financial statements

City of Solon, Ohio
Statement of Fiduciary Net Position
Custodial Fund
December 31, 2024

Assets

Equity in Pooled Cash and Cash Equivalents	\$83,259
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Liabilities

Intergovernmental Payable	83,259
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Net Position

Restricted for Individuals, Organizations and Other Governments	<u>\$0</u>
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See accompanying notes to the basic financial statements

City of Solon, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2024

Additions

Amounts Received as Fiscal Agent	\$311,888
Fines and Forfeitures Collections for Other Governments	13,712
Special Assessments Collections for Others	9,186
<i>Total Additions</i>	<u>334,786</u>

Deductions

Distributions as Fiscal Agent	311,888
Fines and Forfeitures Distributions to Other Governments	13,712
Special Assessment Distributions to Others	9,186
<i>Total Deductions</i>	<u>334,786</u>

Net Change in Fiduciary Net Position 0

Net Position Beginning of Year 0

Net Position End of Year \$0

See accompanying notes to the basic financial statements

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The City of Solon (the City) is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a mayor-council form of government, was adopted November 2, 1954. The mayor is elected for a four-year term and seven Council members are elected by ward for four-year staggered terms.

A reporting entity is composed 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 Solon consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Solon this includes the agencies and departments that provide the following services: police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair, a public golf course, sanitation system 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 which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The City has no component units.

The City participates in a shared risk pool and two jointly governed organizations. These organizations are the Northern Ohio Risk Management Association, the Northeast Ohio Public Energy Council, and the Regional Income Tax Agency. These organizations are presented in Notes 14 and 15 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid “doubling up” revenues and expenses. The 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. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

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

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

General Fund The general fund accounts for and reports all financial resources not 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 Solon and/or the general laws of Ohio.

Infrastructure Fund The infrastructure fund is used to account for and report one-fourth of the City income tax revenues approved by the voters and special assessments restricted for paying the costs to construct, reconstruct and maintain City-owned infrastructure.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

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 and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

Water Reclamation Fund The water reclamation fund accounts for the revenues and expenses of the City owned wastewater system.

Grantwood Recreation Fund The grantwood recreation fund accounts for the revenues and expenses of the City owned golf course.

Internal Service Funds Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on City departments' cost of its medical self-insurance programs for employee medical benefits and workers' compensation run-off claims.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following 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 arrangement that has certain characteristics. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary funds are custodial funds. The City's custodial funds account for income taxes levied by the Joint Economic Development District, traffic violations and special assessments collected for the benefit of and distributed to others. When the income taxes, fines and fees and special assessments are collected, no further action is needed to release the assets to the beneficiaries.

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 (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and 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

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

For proprietary funds, 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.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust, private purpose trust funds, and custodial funds.

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fees, fines and forfeitures and grants and entitlements.

City of Solon, Ohio
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Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported in the government-wide statement of net position for asset retirement obligations, pension and OPEB. The deferred outflows of resources related to asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, leases 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 the governmental fund financial statements. The deferred inflow for leases is related to leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. 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 local and State monies, charges for services, special assessments, fees, licenses and permits, fines, forfeitures and settlements, and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 21. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (See Notes 12 and 13).

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.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

The City also has a bank account for monies held from the City's central bank account related to the unreleased financed purchase proceeds for the jet/vacuum truck lease. The balance in this account is presented on the financial statements as "cash and cash equivalents with fiscal agents".

During 2024, investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), first American government obligations fund, federal home loan bank bonds, negotiable certificates of deposit, federal farm credit bank bonds, federal home loan mortgage corporation notes, federal national mortgage association notes, a United States treasury note, federal agricultural mortgage corporation notes, and municipal bonds.

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

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the general fund during 2024 amounted to \$3,200,480 which includes \$1,786,512 assigned from other City funds.

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

Prepaid Items

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

Inventory

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

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund include unclaimed monies legally required to be maintained until the end of a five-year holding period and deposits held payable. Restricted assets in the enterprise funds represent amounts held in trust by the pension and OPEB plans for future benefits.

Capital Assets

General capital assets are capital 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. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

City of Solon, Ohio
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All capital assets (except for intangible right-to-use lease assets and subscription assets which are discussed below) 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 backtrending (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 \$5,000 with the exception of land as land was included regardless of cost. 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 capital assets are depreciated or amortized 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/amortization is computed using the straight-line method over the following useful lives:

Description	Governmental Activities	Business Type Activities
	Estimated Lives	Estimated Lives
Land Improvements	20 years	20 years
Buildings	40 years	40 years
Furniture and Equipment	5-30 years	5-65 years
Vehicles	3-20 years	7-20 years
Infrastructure	20 years	20 years
Intangible Right to Use - Building	5 years	N/A
Intangible Right to Use - Software	5 years	5 years

The City reports infrastructure consisting of roadways, sanitary and storm sewers, bridges and culverts, waterlines, traffic signals and sidewalks and includes infrastructure acquired prior to December 31, 1980.

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

Pensions/Other Postemployment Benefits (OPEB)

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

City of Solon, Ohio
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Compensated Absences

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

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

The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service. Since the City's policy limits the accrual of vacation time to the amount accrued in one year, the outstanding liability is recorded as "accrued vacation leave payable" on the statement of net position rather than as a long-term liability.

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid.

Accrued Liabilities and Long-Term Obligations

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

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

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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 borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Of the restricted net position, none has resulted from enabling legislation. Restricted net position for unclaimed monies represents amounts required to be maintained until the end of a five-year holding period offset by any estimated liability for payments to claimants. Restricted net position for pension and OPEB plans represents the corresponding restricted asset amounts held in trust by the pension plans for future benefits. Net position restricted for other purposes include resources restricted for state highway maintenance and law enforcement.

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

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. Nonspendable fund balance in the general fund includes unclaimed monies legally required to be maintained until the end of a five-year holding period offset by any estimated liability for payments to claimants.

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 (ordinance or resolution, as both are equally legally 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 (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the 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

City of Solon, Ohio
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these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned 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 policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance for economic incentives and compensated absences.

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.

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 water reclamation, the Grantwood golf course and the workers' compensation and medical insurance programs. 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. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

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 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.

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

City of Solon, Ohio
Notes to the Basic Financial Statements
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reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported 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.

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.

Budgetary Process

All funds, except custodial 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 sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by the Council at the personal services and other object level within each department for all funds. For the personal service object level the Finance Director has been authorized to allocate and maintain appropriations within each department. For the other object level the Finance Director has been authorized to allocate appropriations within each department and any object level which he maintains on his books, other than personal services. Budgetary statements are presented beyond that legal level of control for informational purposes only.

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 amounts on the certificate of estimated resources when 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 the 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 the Council during the year.

Leases and SBITAs

The City serves as both lessee and lessor in various noncancelable leases which are accounted for as follows:

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

Lessor At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The City is reporting Subscription-Based Information Technology Arrangements (SBITAs) for various noncancelable IT software contracts. At the commencement of the subscription term, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at the commencement of the subscription term, plus certain initial implementation costs. Subsequently, the subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset. Subscription assets are reported with other capital assets and subscription payables are reported with long-term debt on the statement of net position.

Note 3 – Changes in Accounting Principles and Restatement of Fund Balance and Net Position

Change in Accounting Principles

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

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

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

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

GASB 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The City's financial statements report compensated absences in two separate line items. Accrued vacation leave payable is reported separately from the remainder of the compensated absences liability (see page 38). The compensated absences restatement amount includes accrued vacation leave payable of \$6,912 for governmental activities and \$758 for business-type activities (\$624 Water Reclamation enterprise fund and \$134 Grantwood Recreation enterprise fund) and compensated absences payable amounts of \$550,458 for governmental activities and (\$114,163) for business type activities (\$86,811 Water Reclamation enterprise fund and (\$27,352) Grantwood Recreation enterprise fund.) The effects of implementing the GASB pronouncement is shown on the table below.

Restatement of Fund Balances and Net Position

For the City, GASB Statement No. 101 increased the compensated absences liability and the cumulative effects of compensated absence related expense on beginning net position as shown on the following table.

	12/31/2023 As Previously Reported	Change in Accounting Principles GASB 101	12/31/2023 As Restated/ Adjusted
Government-Wide			
Governmental Activities	\$168,165,294	(\$557,370)	\$167,607,924
Business-type Activities	69,491,899	113,405	69,605,304
Total Primary Government	\$237,657,193	(\$443,965)	\$237,213,228
Governmental Funds			
Major Funds:			
General	\$33,710,132	\$0	\$33,710,132
Infrastructure	22,536,674	0	22,536,674
Other Governmental Funds	7,457,416	0	7,457,416
Total Governmental Funds	\$63,704,222	\$0	\$63,704,222
Proprietary Funds			
Enterprise Funds:			
Water Reclamation	\$65,682,232	\$86,187	\$65,768,419
Grantwood Recreation	3,867,499	27,218	3,894,717
Internal Service Reconciliation	(57,832)	0	(57,832)
Total Business-Type Activities	\$69,491,899	\$113,405	\$69,605,304
Internal Service Funds	\$1,832,451	\$0	\$1,832,451
Fiduciary Fund			
Custodial Funds	\$0	\$0	\$0

City of Solon, Ohio
Notes to the Basic Financial Statements
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Note 4 – 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 and described above 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 Balance - Budget (Non-GAAP Basis) and Actual - is presented for the general fund 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 (generally accepted accounting principles) are as follows:

- a) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- b) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- c) Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
- d) Investments are reported at cost (budget) rather than fair value (GAAP).
- e) Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
- f) Budgetary revenues and expenditures of the economic incentive and police training funds are classified to the general fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund:

Net Change in Fund Balance	
GAAP Basis	(\$3,716,553)
Net Adjustment for Revenue Accruals	2,359,551
Beginning Fair Value Adjustment for Investments	(1,162,092)
Ending Fair Value Adjustment for Investments	97,668
Net Adjustment for Expenditure Accruals	(1,883,849)
Perspective Difference:	
Economic Incentive	188,347
Police Training	(61,534)
Advances Out	(2,699,208)
Encumbrances	<u>(1,416,948)</u>
Budget Basis	<u>(\$8,294,618)</u>

Note 5 – 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 in the following table:

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Fund Balances	General	Infrastructure	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>				
Prepads	\$311,852	\$0	\$0	\$311,852
Inventory	555,501	0	0	555,501
Unclaimed Monies	20,064	0	0	20,064
Total Nonspendable	887,417	0	0	887,417
<u>Restricted for:</u>				
Street and Highway Construction, Maintenance and Repair	0	0	160,359	160,359
Police Pension	0	0	206,389	206,389
Fire Pension	0	0	223,792	223,792
Police Department	0	0	198,786	198,786
Opioid Settlement	0	0	73,405	73,405
Debt Service	0	0	335,966	335,966
Capital Improvements	0	17,004,370	2,042,492	19,046,862
Total Restricted	0	17,004,370	3,241,189	20,245,559
<u>Committed to:</u>				
Emergency Medical Service	586,927	0	0	586,927
Cable TV	0	0	499,641	499,641
Tree Planting	0	0	10,845	10,845
Recreation	0	0	39,027	39,027
Police and Fire Departments	0	0	82,849	82,849
Senior Services	0	0	41,693	41,693
Community Development	0	0	5,512	5,512
Cemetery	0	0	5,501	5,501
Capital Improvements	0	0	3,573,309	3,573,309
Materials and Supplies	23,343	0	0	23,343
Contract Services and Other	221,089	0	0	221,089
Total Committed	831,359	0	4,258,377	5,089,736
<u>Assigned to:</u>				
Economic Incentive	1,945,883	0	0	1,945,883
Compensated Absences	338,331	0	0	338,331
Capital Improvements	0	0	439,344	439,344
Purchases on Order:				
Personal Services	4,567	0	0	4,567
Materials and Supplies	334,997	0	0	334,997
Contractual Services	470,585	0	0	470,585
Capital Outlay and Other	63,269	0	0	63,269
Total Assigned	3,157,632	0	439,344	3,596,976
Unassigned (Deficit)	25,117,171	0	(1,408,745)	23,708,426
Total Fund Balances	\$29,993,579	\$17,004,370	\$6,530,165	\$53,528,114

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Budget Stabilization Fund The City Council adopted an ordinance (2013-29) in 2013 to establish and maintain a budget stabilization ("rainy day") fund to segregate resources for predetermined purposes pursuant to O.R.C. 5705.13. The budget stabilization fund is combined with the general fund for reporting purposes. The City can contribute a maximum of 5 percent of operating revenue collected in the preceding year to the fund annually. Fund resources can be used to cover a projected operating deficit in the general fund or to prevent a reduction in levels of service resulting from an unanticipated decrease in operating revenue or increase in expenditures. Transfers from the general fund have typically been made each year in varying amounts. The fund balance is \$6.6 million as of the end of 2024.

Note 6 – 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. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

Interim monies 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

City of Solon, Ohio
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For the Year Ended December 31, 2024

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, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; 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.

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons;
3. Obligations of the City.

City of Solon, Ohio
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Investments

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

Measurement/Investment	Measurement Amount	Maturity	Moody's Rating	Percent of Total Investments
Net Asset Value Per Share:				
STAR Ohio	<u>\$5,361,523</u>	Average 27.2 days	AAAm	N/A
Fair Value - Level One Inputs:				
First American Government Obligations Fund	<u>46,413</u>	Less than one year	AAAm	N/A
Fair Value - Level Two Inputs:				
Federal Home Loan Bank Bonds	12,527,457	Less than five years	Aaa	18.73%
Negotiable Certificates of Deposit	31,346,798	Less than five years	N/A	46.88
Federal Farm Credit Bank Bonds	12,371,624	Less than five years	Aaa	18.50
Federal Home Loan Mortgage Corporation Notes	1,969,420	Less than one year	Aaa	N/A
Federal National Mortgage Association Notes	490,470	Less than one year	Aaa	N/A
United States Treasury Note	1,577,120	Less than five years	Aaa	N/A
Federal Agricultural Mortgage Corporation Notes	641,030	Less than three years	N/A	N/A
Municipal Bonds	<u>538,899</u>	Less than two years	Aa3	N/A
Total Fair Value - Level Two Inputs	<u>61,462,818</u>			
Total Investments	<u>\$66,870,754</u>			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The previous chart identifies the City's recurring fair value measurements as of December 31, 2024. STAR Ohio is measured at net asset value per share. First American Government Obligations is measured at fair value and is valued using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization. The negotiable certificates of deposit are unrated. The City has no investment policy that addresses credit risk.

City of Solon, Ohio
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Concentration of Credit Risk. The City places no limit on the amount it may invest in any one issuer.

Note 7 – Receivables

Receivables at December 31, 2024, consisted of municipal income taxes, property taxes, accounts (billings for user charged services and opioid settlement monies), accrued interest, special assessments, leases, 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 except property taxes, accounts receivable for opioid settlements, leases, and special assessments are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$504,289 in the general obligation bond retirement fund and \$626,335 in the infrastructure capital projects fund. At December 31, 2024, the amount of delinquent special assessments was \$72,295.

Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the City reported \$105,215 as an accounts receivable related to opioid settlement monies in the OneOhio opioid special revenue fund in the accompanying financial statements. Collections of these settlement monies are expected to extend through 2038 with \$92,723 not expected to be collected within one year of the date of the financial statements.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2024 for real and public utility property taxes represents collections of 2023 taxes.

2024 real property taxes were levied after October 1, 2024, on the assessed value as of January 1, 2024, 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.

City of Solon, Ohio
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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.

The full tax rate for all City operations for the year ended December 31, 2024, was \$3.80 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2024 property tax receipts were based are as follows:

Real Estate	
Residential/Agricultural	\$970,390,000
Other Real Estate	354,100,360
Tangible Personal Property	
Public Utility	<u>37,285,290</u>
Total	<u><u>\$1,361,775,650</u></u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2024, and for which there was 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 the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Tax

The City levies and collects an income tax of 2.0 percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least monthly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. In 2024, the general fund received seventy-five percent of the proceeds and the infrastructure fund received twenty-five percent of the proceeds. The infrastructure fund allocated \$1,500,000 of income tax revenues to the community park improvements fund during 2024.

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 0.78 percent.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Intergovernmental Receivable

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Gasoline Tax/Cents per Gallon	\$633,186
Homestead and Rollback	264,317
Local Government	182,192
Department of Transportation	180,410
Prisoner Housing	94,580
SEALE Reimbursement	87,752
CPT Reimbursement	72,279
Auto Regulation	91,021
Northeast Ohio Regional Sewer District	15,000
Bedford City Municipal Court	9,455
Cuyahoga County	7,059
Solon Board of Education	5,548
EMS Grant	3,265
City of Cleveland	2,325
Violation Bureau	2,020
Other	1,072
Total Intergovernmental Receivables	\$1,651,481

Lease Receivable

The City is reporting leases receivable of \$295,406 in the general fund at December 31, 2024. These amounts represent the discounted future lease payments. This discount is being amortized using the interest method. For 2024, the City recognized lease revenue of \$57,988 and interest revenue of \$7,540 in the general fund related to lease payments received. These lease revenue amounts exclude short-term leases. A description of the City's leasing arrangements is as follows:

Cell Tower Leases – The City has entered into various lease agreements for cell towers with multiple companies at varying years and terms as follows:

Company	Lease Commencement Date	Years	Lease Ending Date	Payment Method
Verizon	1996	35	2031	Monthly
Crown Castle	1997	30	2027	Monthly

City of Solon, Ohio
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A summary of future lease amounts receivable is as follows:

Year	General	
	Principal	Interest
2025	\$56,642	\$5,836
2026	58,043	4,435
2027	61,606	2,998
2028	29,030	2,024
2029	29,524	1,530
2030-2031	60,561	1,547
Total	<u>\$295,406</u>	<u>\$18,370</u>

Note 8 – Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Accumulated vacation leave must be taken within twelve months after credited or be forfeited unless approved by the Mayor.

Sick leave is earned at the rate of 4.6 hours per eighty hours worked by each employee to a maximum of 15 days or 120 hours per year for all employees except police and fire who can earn up to a maximum of 159 hours per year. Each employee with the City hired prior to December 31, 1988, is paid for up to 120 days or a maximum of 960 hours in full and one day for every three days of accumulated sick leave in excess of 120 days. Each employee with the City hired after December 31, 1988, is paid for up to 45 days or a maximum of 500 hours in full and one day for every four days of accumulated sick leave in excess of 45 days. Police, fire, and corrections employees hired after December 31, 1988, is paid for up to 45 days or a maximum of 600 hours in full one day for every four days of accumulated sick leave in excess of 45 days. This benefit is paid to an employee upon retirement under a pension plan resulting from his public employment, or his estate upon death.

Various departments allow compensation time to be earned on the same basis as overtime in lieu of overtime. Compensation time is subject to the regulations of the Fair Labor Standards Act.

City employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457 and is considered an other employee benefit plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 9 – Capital Assets

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

	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024
Governmental Activities				
<i>Capital Assets Not Being Depreciated/Amortized</i>				
Land	\$10,968,527	\$0	\$0	\$10,968,527
Construction in Progress	4,935,427	20,447,247	(1,216,367)	24,166,307
<i>Total Capital Assets Not Being Depreciated/Amortized</i>	<u>15,903,954</u>	<u>20,447,247</u>	<u>(1,216,367)</u>	<u>35,134,834</u>
<i>Capital Assets Being Depreciated/Amortized</i>				
<i>Tangible Assets</i>				
Land Improvements	4,493,954	1,418,479	0	5,912,433
Buildings	63,091,774	787,208	0	63,878,982
Furniture and Equipment	9,417,313	720,042	(265,323)	9,872,032
Vehicles	15,140,225	2,770,850	(503,856)	17,407,219
Infrastructure	189,499,949	2,007,040	(842,415)	190,664,574
<i>Total Tangible Assets</i>	<u>281,643,215</u>	<u>7,703,619</u>	<u>(1,611,594)</u>	<u>287,735,240</u>
<i>Intangible Right to Use</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Building	133,819	0	0	133,819
<i>Subscription Assets</i>				
Intangible Right to Use - Software	575,484	45,976	0	621,460
<i>Total Intangible Assets</i>	<u>709,303</u>	<u>45,976</u>	<u>0</u>	<u>755,279</u>
<i>Total Capital Assets Being Depreciated/Amortized</i>	<u>282,352,518</u>	<u>7,749,595</u>	<u>(1,611,594)</u>	<u>288,490,519</u>
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Land Improvements	(2,266,468)	(280,887)	0	(2,547,355)
Buildings	(36,161,817)	(1,874,174)	0	(38,035,991)
Furniture and Equipment	(6,670,171)	(416,730)	230,009	(6,856,892)
Vehicles	(9,886,634)	(1,140,812)	496,606	(10,530,840)
Infrastructure	(97,567,726)	(5,228,939)	707,881	(102,088,784)
<i>Total Depreciation</i>	<u>(152,552,816)</u>	<u>(8,941,542)</u>	<u>1,434,496</u>	<u>(160,059,862)</u>
<i>Amortization</i>				
<i>Intangible Right to Use</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Building	(53,651)	(28,264)	0	(81,915)
<i>Subscription Assets</i>				
Intangible Right to Use - Software	(99,682)	(149,482)	0	(249,164)
<i>Total Amortization</i>	<u>(153,333)</u>	<u>(177,746)</u>	<u>0</u>	<u>(331,079)</u>
<i>Total Accumulated Depreciation/Amortization</i>	<u>(152,706,149)</u>	<u>(9,119,288)</u> *	<u>1,434,496</u>	<u>(160,390,941)</u>
<i>Capital Assets Being Depreciated/Amortized, Net</i>	<u>129,646,369</u>	<u>(1,369,693)</u>	<u>(177,098)</u>	<u>128,099,578</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$145,550,323</u>	<u>\$19,077,554</u>	<u>(\$1,393,465)</u>	<u>\$163,234,412</u>

City of Solon, Ohio
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* Depreciation/amortization expense was charged to governmental activities as follows:

	Depreciation	Amortization		
		Lease Assets	Subscription Assets	Total
Security of Persons and Property				
Police	\$591,468	\$0	\$0	\$591,468
Fire	685,435	0	0	685,435
Leisure Time Activities	807,998	28,264	0	836,262
Community Environment	36,583	0	0	36,583
Basic Utility Service	1,027,857	0	0	1,027,857
Transportation	5,228,938	0	0	5,228,938
General Government	563,263	0	149,482	712,745
Total Depreciation/Amortization Expense	<u>\$8,941,542</u>	<u>\$28,264</u>	<u>\$149,482</u>	<u>\$9,119,288</u>

	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024
Business-Type Activities:				
Capital Assets Not Being Depreciated/Amortized				
Land	\$3,120,877	\$0	\$0	\$3,120,877
Construction in Progress	2,311,597	1,658,176	0	3,969,773
Total Capital Assets	5,432,474	1,658,176	0	7,090,650
Capital Assets Being Depreciated/Amortized				
Tangible Assets				
Land Improvements	409,756	0	0	409,756
Buildings	33,029,020	78,296	0	33,107,316
Furniture and Equipment	6,943,697	159,495	(26,089)	7,077,103
Vehicles	483,917	28,455	0	512,372
Infrastructure	74,887,142	0	0	74,887,142
Total Tangible Assets	115,753,532	266,246	(26,089)	115,993,689
Intangible Right to Use Subscription Assets				
Intangible Right to Use - Software	46,758	0	0	46,758
Total Capital Assets Being Depreciated/Amortized	115,800,290	266,246	(26,089)	116,040,447
Less Accumulated Depreciation/Amortization				
Depreciation				
Land Improvements	(248,121)	(12,195)	0	(260,316)
Buildings	(21,167,885)	(788,731)	0	(21,956,616)
Furniture and Equipment	(5,743,562)	(144,433)	24,739	(5,863,256)
Vehicles	(321,430)	(26,657)	0	(348,087)
Infrastructure	(31,062,938)	(1,354,169)	0	(32,417,107)
Total Depreciation	(58,543,936)	(2,326,185)	24,739	(60,845,382)
Amortization				
Intangible Right to Use Subscription Assets				
Intangible Right to Use - Software	(5,494)	(11,281)	0	(16,775)
Total Accumulated Depreciation/Amortization	(58,549,430)	(2,337,466) *	24,739	(60,862,157)
Capital Assets Being Depreciated, Net	57,250,860	(2,071,220)	(1,350)	55,178,290
Business-Type Activities Capital Assets, Net	\$62,683,334	(\$413,044)	(\$1,350)	\$62,268,940

City of Solon, Ohio
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*Depreciation/amortization expense was charged to business-type activities as follows:

	Depreciation	Amortization	Total
Water Reclamation	\$2,236,740	\$11,281	\$2,248,021
Grantwood Recreation	89,445	0	89,445
Total	\$2,326,185	\$11,281	\$2,337,466

Note 10 – Contingencies

Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or any 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.

Litigation

The City of Solon is a party to legal proceedings. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Note 11 – 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.

City of Solon, Ohio
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Workers' Compensation

On July 3, 2007, the City was approved for self-insured status by the Bureau of Workers' Compensation and began to administer its own workers' compensation program (the program). At that time the City established a workers' compensation internal service fund to account for assets set aside for claim settlements and related liabilities associated with the program. Liabilities of the fund are reported when an employee injury has occurred, it is probable that a claim will be filed under the program, and the amount of the claim can be reasonably estimated.

On August 1, 2023, the City changed from being self-insured for workers compensation to being fully insured with the Bureau of Workers' Compensation. The City is continuing to pay run-off claims.

The claims liability of \$5,036 reported in the fund at December 31, 2024, is based on an estimate provided by the third-party administrator and the requirements of GASB statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for prior and current years were:

				Change in Workers' Compensation Estimate	
Balance at Beginning of Year	Current Year Claims	Claim Payments			Balance at End of Year
2023	\$14,588	\$11,008	\$35,177	\$14,468	\$4,887
2024	4,887	0	15,990	16,139	5,036

Employee Health Benefits

The City provides employee medical, prescription drug and dental benefits through a self-insured program. The maintenance of these benefits is accounted for in the medical self-insurance internal service fund. The third-party administrators, Medical Mutual of Ohio for medical and prescription, and Guardian Life for dental, review the claims which are then paid by the City.

The City offers three health insurance plans to employees which include a base plan, a value plan and a health savings account (HSA) plan. Prescriptions under the base and value plans are subject to a co-pay of \$20 generic, \$40 formulary, and \$110 non-formulary. Prescriptions under the HSA plan are subject to 80 percent after the deductible. The City has stop loss coverage at \$100,000 per family, per year, and a calculated aggregate maximum for the 2024 plan year of \$6,019,949.

Medical claims are subject to the following deductibles under the three plans:

	In Network			Non Network		
	Individual	Family	Coinsurance	Individual	Family	Coinsurance
Base Plan	\$475	\$950	85 percent	\$1,000	\$2,000	65 percent
Value Plan	1,500	3,000	80 percent	4,000	8,000	60 percent
HSA Plan	3,200	6,400	80 percent	5,000	10,000	60 percent

City of Solon, Ohio
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Incurred but not reported claims of \$469,360 have been accrued as a liability based on a review of the January and February 2025 billings provided by the City. The claims liability is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. The claims activity for the medical self-insurance program in the prior and current years were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2023	\$450,938	\$4,627,356	\$4,786,458	\$291,836
2024	291,836	4,631,875	4,454,351	469,360

Note 12 – Defined Benefit Pension Plans

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

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

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding

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

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable*. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2024, the Combined Plan was consolidated into the Traditional Pension Plan, as approved by the legislature in House Bill 33. The Traditional Pension Plan includes members of the legacy Combined Plan, a hybrid defined benefit/defined contribution plan which was closed to new members effective January 1, 2022. New members are no longer able to select the Combined Plan and current members are no longer able to make a plan change to the Combined Plan. The Combined Plan was consolidated into the Traditional Pension Plan effective January 1, 2024, as a separate division. No changes were made to the benefit design features of the Combined Plan as part of this consolidation so that members in this plan will experience no changes. The City's 2024 net pension liability (asset) for OPERS is measured as of December 31, 2023, and reflects the Traditional Plan and the Combined Plan as two separate plans. The City's 2025 financial statements will reflect the effects of the Combined Plan being consolidated into the Traditional Pension Plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

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

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

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

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2024, the City's contractually required contribution was \$2,072,782 for the traditional plan, \$20,575 for the combined plan and \$66,436 for the member-directed plan. Of these amounts, \$206,387 is reported as an intergovernmental payable for the traditional plan, \$2,049 for the combined plan, and \$6,615 for the member-directed plan.

Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

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

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

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

	Police	Firefighters
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2024 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
 Total Employer	 19.50 %	 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 \$2,715,311 for 2024. Of this amount, \$283,073 is reported as an intergovernmental payable.

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

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

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.08312500%	0.04052300%	0.42951120%	
Prior Measurement Date	<u>0.07946700%</u>	<u>0.04359500%</u>	<u>0.43449200%</u>	
Change in Proportionate Share	<u>0.00365800%</u>	<u>-0.00307200%</u>	<u>-0.00498080%</u>	
Proportionate Share of the:				
Net Pension Liability	\$21,762,465	\$0	\$41,496,710	\$63,259,175
Net Pension (Asset)	0	(124,560)	0	(124,560)
Pension Expense	2,622,730	21,042	3,974,098	6,617,870

2024 pension expense for the member-directed defined contribution plan was \$66,436. The aggregate pension expense for all pension plans was \$6,684,306 for 2024.

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

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$355,689	\$5,048	\$1,332,166	\$1,692,903
Changes of assumptions	0	4,623	2,622,547	2,627,170
Net difference between projected and actual earnings on pension plan investments	4,392,593	20,258	4,702,449	9,115,300
Changes in proportion and differences between City contributions and proportionate share of contributions	427,491	69,606	107,908	605,005
City contributions subsequent to the measurement date	<u>2,072,782</u>	<u>20,575</u>	<u>2,715,311</u>	<u>4,808,668</u>
Total Deferred Outflows of Resources	<u>\$7,248,555</u>	<u>\$120,110</u>	<u>\$11,480,381</u>	<u>\$18,849,046</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$0	\$12,320	\$464,093	\$476,413
Changes of assumptions	0	0	630,176	630,176
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>56,871</u>	<u>3,157</u>	<u>1,060,482</u>	<u>1,120,510</u>
Total Deferred Inflows of Resources	<u>\$56,871</u>	<u>\$15,477</u>	<u>\$2,154,751</u>	<u>\$2,227,099</u>

\$4,808,668 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 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 Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2025	\$1,338,544	\$15,106	\$1,664,548	\$3,018,198
2026	1,602,743	17,588	1,940,830	3,561,161
2027	2,803,104	23,533	3,158,583	5,985,220
2028	(625,489)	8,705	(283,418)	(900,202)
2029	0	9,850	125,996	135,846
Thereafter	<u>0</u>	<u>9,276</u>	<u>3,780</u>	<u>13,056</u>
Total	<u>\$5,118,902</u>	<u>\$84,058</u>	<u>\$6,610,319</u>	<u>\$11,813,279</u>

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Actuarial Assumptions – OPERS

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

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

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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

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

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

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

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$34,259,969	\$21,762,465	\$11,368,175
OPERS Combined Plan	(75,373)	(124,560)	(163,308)

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Actuarial Assumptions – OP&F

The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.03 years at December 31, 2023.

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

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

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is

City of Solon, Ohio
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not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

Note: Assumptions are geometric.

* levered 2.0x

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

Discount Rate For 2023, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from 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 be available to make all future benefit payment 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. 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:

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	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$54,965,483	\$41,496,710	\$30,296,115

Note 13 – Defined Benefit OPEB Plans

See Note 12 for a description of the net OPEB liability (asset).

Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

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

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

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

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

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

Group A 30 years of qualified health care service credit;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$23,675 for 2024. Of this amount, \$2,358 is reported as an intergovernmental payable.

Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

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

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

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

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

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

The City's contractually required contribution to OP&F was \$62,876 for 2024. Of this amount, \$6,548 is reported as an intergovernmental payable.

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

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

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.08195600%	0.42951120%	
Prior Measurement Date	<u>0.07829500%</u>	<u>0.43449200%</u>	
Change in Proportionate Share	<u>0.00366100%</u>	<u>-0.00498080%</u>	
			<u>Total</u>
Proportionate Share of the:			
Net OPEB Liability	\$0	\$3,135,993	\$3,135,993
Net OPEB (Asset)	(739,674)	0	(739,674)
OPEB Expense	(102,961)	90,863	(12,098)

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$150,801	\$150,801
Changes of assumptions	190,429	1,079,125	1,269,554
Net difference between projected and actual earnings on OPEB plan investments	444,215	231,573	675,788
Changes in proportion and differences between City contributions and proportionate share of contributions	0	173,734	173,734
City contributions subsequent to the measurement date	<u>23,675</u>	<u>62,876</u>	<u>86,551</u>
Total Deferred Outflows of Resources	<u>\$658,319</u>	<u>\$1,698,109</u>	<u>\$2,356,428</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$105,277	\$576,304	\$681,581
Changes of assumptions	317,963	2,019,507	2,337,470
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>23,390</u>	<u>381,333</u>	<u>404,723</u>
Total Deferred Inflows of Resources	<u>\$446,630</u>	<u>\$2,977,144</u>	<u>\$3,423,774</u>

\$86,551 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2025	(\$33,963)	(\$111,315)	(\$145,278)
2026	26,190	(176,209)	(150,019)
2027	345,783	(108,050)	237,733
2028	(149,996)	(294,425)	(444,421)
2029	0	(295,995)	(295,995)
Thereafter	<u>0</u>	<u>(355,917)</u>	<u>(355,917)</u>
Total	<u>\$188,014</u>	<u>(\$1,341,911)</u>	<u>(\$1,153,897)</u>

Actuarial Assumptions - OPERS

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

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Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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

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

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

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

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weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
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 total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. (Fidelity Index's "20-Year Municipal GO AA Index") The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
City's proportionate share of the net OPEB liability (asset)	\$406,502	(\$739,674)	(\$1,689,113)

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

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

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
City's proportionate share of the net OPEB (asset)	(\$770,386)	(\$739,674)	(\$704,822)

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 retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of 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.

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

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

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

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

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

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

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

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

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

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate. 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:

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	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$3,862,674	\$3,135,993	\$2,523,986

Note 14 – Shared Risk Pool

The Northern Ohio Risk Management Association (NORMA) is a shared risk pool composed of the Cities of Beachwood, Bedford Heights, Eastlake, Highland Heights, Hudson, Maple Heights, Mayfield Heights, Richmond Heights, Solon, South Euclid, University Heights, 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 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, a maximum of \$100,000 per occurrence, will come from the self-insurance pool with any excess paid from the specific stop-loss coverage carried by the pool. The self-insurance pool will pay up to \$775,000 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 Solon paid \$391,793 in premiums from the general fund, which represents 19.92 percent of the total premiums paid by all members. Financial information can be obtained by contacting the board chairman, the Finance Director at the City of Hudson, 1140 Terex Road, Hudson, Ohio, 44236.

Note 15 – Jointly Governed Organizations

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 composed of over 220 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.

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NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives on the governing board 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 Solon did not contribute to NOPEC during 2024. Financial information can be obtained by contacting Ronald McVoy, Board Chairman, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2024, the City paid RITA \$398,402 for income tax collection services.

Note 16 – Municipal Solid Waste Landfill

GASB No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs" establishes standards of accounting and financial reporting for municipal solid waste landfill (MSWLF) closure and postclosure care costs that are required to be incurred by federal, state or local laws or regulations. The City of Solon is exempt from this standard since the operator of the landfill is solely responsible for all costs, expenses and fees which may arise in connection with the operation, closure and postclosure care and monitoring as required by the Ohio Environmental Protection Agency regulations and permits of the Solon Landfill as it currently exists.

Note 17 – Joint Economic Development District

In 2006, the City entered into a contract with neighboring Bainbridge Township to form the Bainbridge-Solon Joint Economic Development District (JEDD). It is entirely located in Bainbridge Township, and its primary purpose was to promote regional growth and economic development. In December 2006, the JEDD Board levied a municipal income tax of two percent in the JEDD effective January 1, 2007. The JEDD Board also contracted with the City of Solon to administer this income tax.

The JEDD agreement requires the City of Solon and Bainbridge Township share the income tax receipts 50/50 after income tax administration costs and a five percent deduction for the JEDD's Maintenance and Improvement Fund for infrastructure related projects. Financial information for the JEDD can be obtained by contacting City of Solon Finance Department, 34200 Bainbridge Road, Solon, Ohio 44139.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 18 – Long-Term Obligations

The changes in long-term obligations during the year were as follows:

	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024	Amounts Due in One Year
Governmental Activities					
<i>OWDA Loans from Direct Borrowings</i>					
2004 \$5,861,485 - 1.45%					
Aurora Road West Draw	\$168,118	\$0	(\$168,118)	\$0	\$0
2006 \$6,329,372 - 3.00%					
Aurora East Sewer Project	1,236,838	0	(398,661)	838,177	412,128
<i>Total OWDA Loans</i>	<u>1,404,956</u>	<u>0</u>	<u>(566,779)</u>	<u>838,177</u>	<u>412,128</u>
<i>Other Long-Term Obligations</i>					
Compensated Absences	4,929,559	140,149	0	5,069,708	530,951
Lease Payable	80,168	0	(28,264)	51,904	29,270
Financed Purchases from Direct Borrowings	1,079,822	1,794,607	(294,556)	2,579,873	474,293
Subscription Payable	407,718	0	(111,462)	296,256	115,414
Claims Payable	4,887	16,139	(15,990)	5,036	3,777
<i>Total Other Long-Term Obligations</i>	<u>6,502,154</u>	<u>1,950,895</u>	<u>(450,272)</u>	<u>8,002,777</u>	<u>1,153,705</u>
<i>Net Pension Liability</i>					
OPERS	20,892,379	0	(1,523,789)	19,368,590	0
OP&F	41,272,527	224,183	0	41,496,710	0
<i>Total Net Pension Liability</i>	<u>62,164,906</u>	<u>224,183</u>	<u>(1,523,789)</u>	<u>60,865,300</u>	<u>0</u>
<i>Net OPEB Liability</i>					
OPERS	439,364	0	(439,364)	0	0
OP&F	3,093,456	42,537	0	3,135,993	0
<i>Total Net OPEB Liability</i>	<u>3,532,820</u>	<u>42,537</u>	<u>(439,364)</u>	<u>3,135,993</u>	<u>0</u>
<i>Total Governmental Long-Term Obligations</i>	<u><u>\$73,604,836</u></u>	<u><u>\$2,217,615</u></u>	<u><u>(\$2,980,204)</u></u>	<u><u>\$72,842,247</u></u>	<u><u>\$1,565,833</u></u>
Business-type Activities					
<i>OWDA Loans</i>					
2006 \$3,935,828 - 3.00%					
Trickling Filter Rehabilitation	\$995,154	\$0	(\$237,249)	\$757,905	\$244,781
2011 \$4,891,846 - 3.00%					
Anaerobic Digester and Electrical Upgrade	2,328,400	0	(260,224)	2,068,176	268,485
<i>Total OWDA Loans</i>	<u>3,323,554</u>	<u>0</u>	<u>(497,473)</u>	<u>2,826,081</u>	<u>513,266</u>
<i>Other Long-term Liabilities</i>					
Compensated Absences	76,721	0	(5,853)	70,868	20,897
Subscription Payable	41,264	0	(11,281)	29,983	11,681
Asset Retirement Obligation	2,000,000	0	0	2,000,000	0
<i>Total Other Long-term Liabilities</i>	<u>2,117,985</u>	<u>0</u>	<u>(17,134)</u>	<u>2,100,851</u>	<u>32,578</u>
<i>Net Pension Liability - OPERS</i>					
Water Reclamation	1,877,970	0	(136,969)	1,741,001	0
Grantwood Recreation	704,238	0	(51,364)	652,874	0
<i>Total Net Pension Liability</i>	<u>2,582,208</u>	<u>0</u>	<u>(188,333)</u>	<u>2,393,875</u>	<u>0</u>
<i>Net OPEB Liability - OPERS</i>					
Water Reclamation	39,490	0	(39,490)	0	0
Grantwood Recreation	14,811	0	(14,811)	0	0
<i>Total Net OPEB Liability</i>	<u>54,301</u>	<u>0</u>	<u>(54,301)</u>	<u>0</u>	<u>0</u>
<i>Total Other Long-term Liabilities</i>	<u>4,754,494</u>	<u>0</u>	<u>(259,768)</u>	<u>4,494,726</u>	<u>32,578</u>
<i>Total Business-type Activities</i>	<u><u>\$8,078,048</u></u>	<u><u>\$0</u></u>	<u><u>(\$757,241)</u></u>	<u><u>\$7,320,807</u></u>	<u><u>\$545,844</u></u>

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

In 2004, the City received a \$5,861,485 Ohio Water Development Authority loan for the installation of the Aurora Road West Draw Project. The loan was issued for a twenty-year period with a final maturity in 2024.

In 2006, the City received a \$6,329,372 Ohio Water Development Authority loan for improvements to the Aurora East Sewer System. The loan was issued for a twenty-year period with a final maturity in 2026.

In 2006, the City received a \$3,935,828 Ohio Water Development Authority loan for the Trickling Filter Rehabilitation system. The loan was issued for a twenty-year period with a final maturity in 2027.

In 2011, the City received a \$4,891,846 Ohio Water Development Authority loan for the Anaerobic Digester and Electrical Upgrade project. The loan was issued for a twenty-year period with a final maturity in 2031.

The City's outstanding OWDA loans from direct borrowings of \$838,177 related to governmental activities and \$2,826,081 related to business-type activities contain provisions that in the event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

The OWDA loans will be paid from the general bond retirement debt service fund with property taxes and special assessments.

The OWDA enterprise fund loans are being paid from the water reclamation enterprise fund user fees. In the event that the water reclamation enterprise fund would fail to pay the OWDA loans, payment would be made by any general tax revenues collected in the general, bond retirement or capital projects funds.

Increases and decreases to compensated absences are presented net on the long-term obligations table. The asset retirement obligation will be paid from the water reclamation enterprise fund. For additional information related to the asset retirement obligation see Note 23. There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the following funds: general fund and the water reclamation and grantwood recreation enterprise funds. For additional information related to the net pension and net OPEB liabilities see Notes 12 and 13. The lease will be paid from the general fund. Financed purchases will be paid from the general fund and the service and safety equipment capital projects fund. The subscriptions will be paid from the general fund and the water reclamation enterprise fund.

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

The City's overall legal debt margin was \$142,986,443 with an unvoted debt margin of \$74,897,661 at December 31, 2024. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2024, are as follows:

Governmental Activities

OWDA Loans from Direct Borrowings		
	Principal	Interest
2025	\$412,128	\$24,656
2026	426,049	10,735
Total	\$838,177	\$35,391

Business-Type Activities

OWDA Loans from Direct Borrowings		
	Principal	Interest
2025	\$513,266	\$82,009
2026	529,561	66,119
2027	546,375	49,725
2028	294,878	34,912
2029	304,239	25,996
2030-2031	637,762	24,103
Total	\$2,826,081	\$282,864

In 2021, the City entered into financed purchase agreements for garbage trucks and an ambulance in the amounts of \$1,158,000 and \$329,000, respectively. In 2024, the City entered into financed purchase agreements for a jet/vacuum truck and a fire truck in the amounts of \$557,507 and \$1,237,100, respectively. The financed purchases will be paid from the service and safety equipment capital projects fund and the general fund.

Principal and interest requirements to retire financed purchases outstanding at December 31, 2024, are as follows:

Year	<i>From Direct Borrowings</i>	
	Financed Purchases	Interest
2025	\$474,293	\$105,063
2026	490,144	89,212
2027	506,676	72,680
2028	320,176	55,437
2029	284,719	40,646
2030-2031	503,865	36,522
Total	\$2,579,873	\$399,560

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

The City has an outstanding agreement to lease a building and also has an outstanding contract for the use of a SBITA vendor's IT software. The future lease/subscription payments were discounted based on the interest rate implicit in the lease/subscription or using the City's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease/subscription. A summary of the principal and interest amounts for the remaining leases/subscriptions is as follows:

Year	Governmental Activities				Business-Type Activities	
	Leases Payable		Subscriptions Payable		Subscriptions Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$29,270	\$1,350	\$115,414	\$8,865	\$11,681	\$897
2026	22,634	331	119,508	4,772	12,095	483
2027	0	0	61,334	806	6,207	82
	\$51,904	\$1,681	\$296,256	\$14,443	\$29,983	\$1,462

Note 19 – Internal Activity

Interfund Balances

Interfund balances at December 31, 2024, consisted of advances from the general fund to the community park improvements and community development capital projects funds in the amounts of \$1,500,000 and \$1,199,208, respectively. All balances are expected to be paid within one year.

Interfund Transfers

During 2024, the general fund transferred \$6,358,309 to other governmental funds. The general fund transfer to the recreation special revenue fund is an annual subsidy to help keep program fees affordable to participants. The general fund transfers to the safety and service equipment, building construction, community development capital projects and general capital improvements capital projects funds were an occasional subsidy for capital purchases.

Note 20 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<i>Governmental Funds:</i>		<i>Proprietary Funds:</i>	
General Fund	\$1,416,948	Water Reclamation Fund	\$1,501,829
Infrastructure Fund	7,615,515	Grantwood Recreation Fund	193,954
Other Governmental Funds	8,226,441	Internal Service Funds	1,477
Total Governmental	\$17,258,904	Total Proprietary	\$1,697,260

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Contractual Commitments

The following table presents the City's remaining balances on contracts at year end.

Vendor	Remaining on Contract
Asphalt Fabrics	\$335,404
AT&T Inc.	27,284
Athos Contracting	8,050
Barrington Carpet, LLC	9,660
Bob Cultrona Landscaping Co.	23,739
Buckeye Pumps, Inc.	85,042
Burgess & Niple LTD	1,519,433
Chagrin Valley Engineering	7,860
Cleveland Metroparks	5,881,004
Crossroads Asphalt Recycling	234,363
CRS Metalworx, Inc.	261,000
DLZ Ohio, Inc.	34,102
Fabrizi Trucking and Paving	369,378
Fechko Excavating LLC	77,051
Geo-Sci Laboratory, Inc.	83,574
Glaus, Pyle, Schomer, Burns & DeHaven Inc.	844,830
Greenman-Pederson, Inc.	316,351
Independent Diesel Service	49,500
Ivideo Technologies	48,181
Johnson Controls, Inc.	38,963
Johnson Thermal Systems, LLC	33,230
Johnson-Laux Construction	240,670
Kenmore Construction	500,000
Konstruktion King	822,758
Mammoth Sports Construction, LLC	86,825
O.R. Cola Associates, LLC	6,570
Ohio Paving & Construction Co., Inc.	72,607
Orange Village	11,750
Perram Electric, Inc.	45,896
R.E. Warner & Associates	28,693
Regency Construction Services	63,969
RGT Service, LLC	31,433
Terrace Construction Company, Inc.	433,337
The Davey Tree Expert Company	8,686
The Illuminating Company	9,826
Trimor Corporation	2,101,275
Tyler Technologies	104,851
United Survey, Inc.	200,000
Valley Ford Truck, Inc.	93,587
Whittington Painting	24,500
Workman Industrial Services	265,418
Zscape LLC	9,184
Total	<u>\$15,449,834</u>

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Remaining commitment amounts were encumbered at year end. The amounts of \$1,693,194 and \$671,399 in contracts and retainage payable for governmental activities, respectively, have been capitalized. The amounts of \$32,585 and \$175,111 in contracts and retainage payable for business-type activities, respectively, have been capitalized.

Note 21 – Tax Abatement Disclosures

As of December 31, 2024, the City of Solon provides tax incentives under two programs: the Urban Jobs and Enterprise Zone (EZ) and the Community Reinvestment Area (CRA).

Real Estate Tax Abatements

Pursuant to Ohio Revised Code Chapter 5709, the City established an Enterprise Zone in 1987, and amended this in 1990, which included all land within the I-2 Industrial Manufacturing District. In 2004, the City established a Community Reinvestment Area composed of nine parcels at the southwest corner of Solon Road and Cochran Road. Under both programs, the City of Solon authorizes incentives through passage of public ordinances, based upon each business' investment and job creation commitment, and through a contractual agreement process with each business, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Enterprise Zone and the Community Reinvestment Area gave the City the ability to maintain and expand business located in the City and create new jobs.

Current Tax Abatement Activity

The City of Solon currently has one active CRA abatement in the City. The City considers projects based on program criteria specified by the Ohio Revised Code. The City adheres to State prescribed minimum investment and job creation for determining the application of abatement for projects.

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

Tax Abatement Program	Total Amount of Taxes Abated (Incentives Abated) For the year 2024 (In Actual Dollars)
Community Reinvestment Area (CRA) - Manufacturing	\$572,409

City of Solon, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 22 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Note 23 – Asset Retirement Obligations

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their wastewater treatment facilities. The City Engineer estimates these public safety issues would include removing/filling any tankage, cleaning/removing certain equipment, and backfilling certain exposed areas. This asset retirement obligation (ARO) of \$2,000,000 associated with the City wastewater treatment facilities was estimated by the City engineer. There may be additional AROs related to the public safety issues; however these amounts are not reasonably estimable. Currently, there is significant uncertainty as to what additional items would need addressed; therefore, a reliable estimated amount could not be determined. The remaining useful life of these facilities is 12 years.

Note 24 – Deficit Funds

The Community Park Improvements capital projects fund had a deficit fund balance of \$1,408,745. This deficit was due to short-term interfund loans and the recognition of payables in accordance with generally accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Required Supplementary Information

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

	2024	2023	2022	2021	2020
City's Proportion of the Net Pension Liability	0.08312500%	0.07946700%	0.08113500%	0.08125900%	0.09021600%
City's Proportionate Share of the Net Pension Liability	\$21,762,465	\$23,474,587	\$7,059,073	\$12,032,690	\$17,831,805
City's Covered Payroll	\$13,682,614	\$12,305,714	\$11,775,093	\$11,445,486	\$12,692,657
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.05%	190.76%	59.95%	105.13%	140.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015
0.08905100%	0.09008000%	0.08983800%	0.09708100%	0.09840800%
\$24,389,263	\$14,131,806	\$20,400,683	\$16,815,653	\$11,869,151
\$12,029,814	\$11,904,185	\$11,613,317	\$12,083,657	\$12,064,925
202.74%	118.71%	175.67%	139.16%	98.38%
74.70%	84.66%	77.25%	81.08%	86.45%

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

	2024	2023	2022	2021
City's Proportion of the Net Pension Asset	0.04052300%	0.04359500%	0.05629500%	0.06935400%
City's Proportionate Share of the Net Pension Asset	\$124,560	\$102,749	\$221,804	\$200,199
City's Covered Payroll	\$186,075	\$201,843	\$256,643	\$305,643
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-66.94%	-50.91%	-86.43%	-65.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	144.55%	137.14%	169.88%	157.67%

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

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

See accompanying notes to the required supplementary information.

2020	2019	2018
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0.07515600% 0.09653400% 0.08591100%

\$156,718 \$107,947 \$116,951

\$334,557 \$411,950 \$351,846

-46.84% -26.20% -33.24%

145.28% 126.64% 137.28%

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

	2024	2023	2022	2021
City's Proportion of the Net OPEB Liability/Asset	0.08195600%	0.07829500%	0.08013200%	0.08074700%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$739,674)	\$493,665	(\$2,509,857)	(\$1,438,573)
City's Covered Payroll	\$14,468,444	\$13,018,682	\$12,495,736	\$12,212,329
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-5.11%	3.79%	-20.09%	-11.78%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%

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

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

See accompanying notes to the required supplementary information.

2020	2019	2018	2017
0.08974500%	0.08896700%	0.09019000%	0.09016000%
\$12,396,115	\$11,599,198	\$9,793,970	\$9,106,466
\$13,557,864	\$12,904,414	\$12,774,506	\$12,460,259
91.43%	89.89%	76.67%	73.08%
47.80%	46.33%	54.14%	54.04%

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

	2024	2023	2022	2021	2020
City's Proportion of the Net Pension Liability	0.42951120%	0.43449200%	0.44301460%	0.44078380%	0.45975950%
City's Proportionate Share of the Net Pension Liability	\$41,496,710	\$41,272,527	\$27,676,988	\$30,048,627	\$30,971,855
City's Covered Payroll	\$12,082,292	\$11,568,323	\$11,097,006	\$10,618,937	\$10,745,517
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	343.45%	356.77%	249.41%	282.97%	288.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.63%	62.90%	75.03%	70.65%	69.89%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015
0.45250500%	0.47907200%	0.44947300%	0.46554600%	0.46826400%
\$36,936,365	\$29,402,813	\$28,469,169	\$29,948,902	\$24,258,028
\$10,074,922	\$9,826,819	\$9,514,949	\$9,269,014	\$9,113,753
366.62%	299.21%	299.20%	323.11%	266.17%
63.07%	70.91%	68.36%	66.77%	71.71%

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

	2024	2023	2022	2021
City's Proportion of the Net OPEB Liability	0.42951120%	0.43449200%	0.44301460%	0.44078380%
City's Proportionate Share of the Net OPEB Liability	\$3,135,993	\$3,093,456	\$4,855,822	\$4,670,175
City's Covered Payroll	\$12,082,292	\$11,568,323	\$11,097,006	\$11,097,006
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	25.96%	26.74%	43.76%	42.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	51.89%	52.59%	46.90%	45.42%

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

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

See accompanying notes to the required supplementary information.

2020	2019	2018	2017
0.45975950%	0.45250500%	0.47907200%	0.44947300%
\$4,541,379	\$4,120,754	\$27,143,547	\$21,335,472
\$10,618,937	\$10,745,517	\$10,074,922	\$9,826,819
42.77%	38.35%	269.42%	217.11%
47.08%	46.57%	14.13%	15.96%

City of Solon, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Ten Years

	2024	2023	2022	2021	2020
Net Pension Liability - Traditional Plan					
Contractually Required Contribution	\$2,072,782	\$1,915,566	\$1,722,800	\$1,648,513	\$1,602,368
Contributions in Relation to the Contractually Required Contribution	<u>(2,072,782)</u>	<u>(1,915,566)</u>	<u>(1,722,800)</u>	<u>(1,648,513)</u>	<u>(1,602,368)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$14,805,586	\$13,682,614	\$12,305,714	\$11,775,093	\$11,445,486
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Liability - Combined Plan					
Contractually Required Contribution	\$20,575	\$22,329	\$28,258	\$35,930	\$42,790
Contributions in Relation to the Contractually Required Contribution	<u>(20,575)</u>	<u>(22,329)</u>	<u>(28,258)</u>	<u>(35,930)</u>	<u>(42,790)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$171,458	\$186,075	\$201,843	\$256,643	\$305,643
Pension Contributions as a Percentage of Covered Payroll	<u>12.00%</u>	<u>12.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability - OPEB Plan (1)					
Contractually Required Contribution	\$23,675	\$23,334	\$20,445	\$18,560	\$18,448
Contributions in Relation to the Contractually Required Contribution	<u>(23,675)</u>	<u>(23,334)</u>	<u>(20,445)</u>	<u>(18,560)</u>	<u>(18,448)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll (2)	\$15,596,188	\$14,468,444	\$13,018,682	\$12,495,736	\$12,212,329
OPEB Contributions as a Percentage of Covered Payroll	<u>0.15%</u>	<u>0.16%</u>	<u>0.16%</u>	<u>0.15%</u>	<u>0.15%</u>

(1) Information prior to 2016 is not available for the OPEB plan.
(2) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015
\$1,776,972	\$1,684,174	\$1,547,544	\$1,393,598	\$1,450,038
(1,776,972)	(1,684,174)	(1,547,544)	(1,393,598)	(1,450,038)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$12,692,657	\$12,029,814	\$11,904,185	\$11,613,317	\$12,083,657
<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>
 \$46,838	 \$57,673	 \$45,740	 \$41,981	 \$52,794
(46,838)	(57,673)	(45,740)	(41,981)	(52,794)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$334,557	\$411,950	\$351,846	\$349,842	\$439,950
<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>
 \$21,226	 \$18,506	 \$143,299	 \$259,147	
(21,226)	(18,506)	(143,299)	(259,147)	
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
\$13,557,864	\$12,904,414	\$12,774,506	\$12,460,259	
<u>0.16%</u>	<u>0.14%</u>	<u>1.12%</u>	<u>2.08%</u>	

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

	2024	2023	2022	2021	2020
Net Pension Liability					
Contractually Required Contribution	\$2,715,311	\$2,603,255	\$2,491,581	\$2,391,771	\$2,285,689
Contributions in Relation to the Contractually Required Contribution	<u>(2,715,311)</u>	<u>(2,603,255)</u>	<u>(2,491,581)</u>	<u>(2,391,771)</u>	<u>(2,285,689)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$12,575,057	\$12,082,292	\$11,568,323	\$11,097,006	\$10,618,937
Pension Contributions as a Percentage of Covered Payroll	<u>21.59%</u>	<u>21.55%</u>	<u>21.54%</u>	<u>21.55%</u>	<u>21.52%</u>
Net OPEB Liability					
Contractually Required Contribution	\$62,876	\$60,412	\$57,841	\$55,485	\$53,095
Contributions in Relation to the Contractually Required Contribution	<u>(62,876)</u>	<u>(60,412)</u>	<u>(57,841)</u>	<u>(55,485)</u>	<u>(53,095)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>22.09%</u>	<u>22.05%</u>	<u>22.04%</u>	<u>22.05%</u>	<u>22.02%</u>

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015
\$2,310,710	\$2,166,600	\$2,113,672	\$2,045,193	\$1,992,084
(2,310,710)	(2,166,600)	(2,113,672)	(2,045,193)	(1,992,084)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,745,517	\$10,074,922	\$9,826,819	\$9,514,949	\$9,269,014
<u>21.50%</u>	<u>21.50%</u>	<u>21.51%</u>	<u>21.49%</u>	<u>21.49%</u>
 \$53,728	 \$50,375	 \$49,134	 \$47,575	 \$46,345
(53,728)	(50,375)	(49,134)	(47,575)	(46,345)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
<u>22.00%</u>	<u>22.00%</u>	<u>22.01%</u>	<u>21.99%</u>	<u>21.99%</u>

City of Solon, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2024

Changes in Assumptions – OPERS Pension – Traditional Plan

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

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

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

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

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

City of Solon, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2024

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

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

Changes in Assumptions – OPERS Pension – Combined Plan

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

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

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

Changes in Assumptions – OP&F Pension

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

City of Solon, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2024

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

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

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

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

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

Beginning in 2023, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

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

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

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

City of Solon, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2024

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

Changes in Assumptions – OPERS OPEB

Wage Inflation:

Beginning in 2022	2.75 percent
2021 and prior	3.25 percent

Projected Salary Increases (including wage inflation):

Beginning in 2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent

Investment Return Assumption:

Beginning in 2019	6.00 percent
2018	6.50 percent

Municipal Bond Rate:

2024	3.77 percent
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent

Single Discount Rate:

2024	5.70 percent
2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent

Health Care Cost Trend Rate:

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

City of Solon, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2024

Changes in Assumptions – OP&F OPEB

Blended Discount Rate:

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

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

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

Changes in Benefit Terms – OP&F OPEB

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

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Street Construction, Maintenance and Repair Fund - to account for and report the portion of the State gasoline tax and motor vehicle license fees that are restricted for maintenance of streets within the City.

State Highway Fund - to account for and report that portion of the State gasoline tax and motor vehicle registration fees that are restricted for maintenance of State highways within the City.

Police Pension Fund – to account for and report restricted property taxes levied for the payment of the current liabilities for police disability and pension benefits.

Fire Pension Fund - to account for and report restricted property taxes levied for the payment of the current liabilities for fire disability and pension benefits.

Cable TV Fund - to account for and report cable franchise fees committed to the Cable TV Commission including a distribution of fifty percent to the Solon City Schools.

Tree Planting Fund – to account for and report deposits from developers committed to purchasing and planting trees in the City.

OneOhio Opioid Fund – to account for and report restricted settlement monies used to assist local governments with the opioid crisis.

Recreation Fund – to account for and report recreation activity charges and transfers committed to recreation programs.

Police Department Programs Fund - to account for and report grants restricted to the Police Department's DARE Programs.

Law Enforcement Trust Fund – to account for and report confiscation of money from law enforcement activities restricted to expenditures to support the same law enforcement activities.

Donations Trust Fund – to account for and report donations made to various City departments committed to specific program expenditures.

COVID Local Fiscal Recovery Fund – to account for and report restricted federal grant monies used to assist local governments with the coronavirus pandemic.

Economic Incentive Fund – to account for and report the receipt of grant money and transfers from the general fund used to support economic incentive/job creation programs. This fund is included with the general fund for GAAP reporting because the ordinance establishing the fund does not include a revenue source.

Police Training Fund - to account for and report the receipt of training fees collected to pay the cost of providing police and corrections training. This fund is included with the general fund for GAAP reporting because there is no restriction on these monies.

Community Improvement Corporation Fund – to account for and report the revenues used for industrial revenue bond administration. This fund is currently inactive and is included with the general fund for GAAP reporting because there is no restriction on these monies. This fund did not have any budgetary activity during 2024; therefore, budgetary information is not provided.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Debt Service Fund

General Obligation Bond Retirement Fund – to account for and report property taxes, special assessments and other resources restricted for the payment of principal and interest on general long-term debt, including related costs.

Nonmajor Capital Projects Funds

Capital projects funds are used to account and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those by proprietary funds or for assets that will be held in trust.

Safety and Service Equipment Fund – to account for and report the voter approved one half mill property tax levy restricted to the purchase of police, fire and service department vehicles and equipment.

Building Construction Fund – to account for and report transfers assigned for the construction and repair of various City buildings.

Community Park Improvements Fund – to account for and report donations and income tax allocations committed for improvements to the Solon Community Park.

Community Development Capital Projects Fund – to account for and report transfers committed for the development of City greenspace and public places including the Solon Chagrin Trail, Solon Library Expansion and future trail corridors.

Old City Hall Renovations Fund – to account for and report grants restricted to renovating the old Solon City Hall. This fund did not have any budgetary activity during 2024; therefore, budgetary information is not provided.

General Capital Improvements Fund – to account for and report distributions from the City's Joint Economic Development District (JEDD) and recycling charges restricted to the purchase of land, buildings, vehicles and equipment.

City of Solon, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,737,267	\$335,966	\$8,969,515	\$11,042,748
Cash and Cash Equivalents:				
With Fiscal Agents	0		557,507	557,507
Accrued Interest Receivable	2,508	0	0	2,508
Accounts Receivable	143,706	0	0	143,706
Intergovernmental Receivable	872,813	22,287	19,173	914,273
Property Taxes Receivable	2,997,794	449,667	448,791	3,896,252
Special Assessments Receivable	0	744,236	0	744,236
<i>Total Assets</i>	<u>\$5,754,088</u>	<u>\$1,552,156</u>	<u>\$9,994,986</u>	<u>\$17,301,230</u>
Liabilities				
Accounts Payable	\$1,009	\$0	\$123,132	\$124,141
Accrued Wages	26,718	0	0	26,718
Contracts Payable	0	0	846,830	846,830
Intergovernmental Payable	289,621	0	0	289,621
Retainage Payable	0	0	102,965	102,965
Interfund Payable	0	0	2,699,208	2,699,208
Unearned Revenue	0	0	1,108,487	1,108,487
<i>Total Liabilities</i>	<u>317,348</u>	<u>0</u>	<u>4,880,622</u>	<u>5,197,970</u>
Deferred Inflows of Resources				
Property Taxes	2,918,059	437,707	437,003	3,792,769
Unavailable Revenue	970,882	778,483	30,961	1,780,326
<i>Total Deferred Inflows of Resources</i>	<u>3,888,941</u>	<u>1,216,190</u>	<u>467,964</u>	<u>5,573,095</u>
Fund Balances				
Restricted	862,731	335,966	2,042,492	3,241,189
Committed	685,068	0	3,573,309	4,258,377
Assigned	0	0	439,344	439,344
Unassigned (Deficit)	0	0	(1,408,745)	(1,408,745)
<i>Total Fund Balances</i>	<u>1,547,799</u>	<u>335,966</u>	<u>4,646,400</u>	<u>6,530,165</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$5,754,088</u></u>	<u><u>\$1,552,156</u></u>	<u><u>\$9,994,986</u></u>	<u><u>\$17,301,230</u></u>

City of Solon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$2,494,452	\$374,176	\$443,072	\$3,311,700
Municipal Income Taxes	0	0	1,646,668	1,646,668
Special Assessments	0	247,184	0	247,184
Intergovernmental	1,814,000	29,319	538,879	2,382,198
Investment Earnings/Interest	26,706	0	0	26,706
Fees, Licenses and Permits	150,616	5,207	0	155,823
Fines, Forfeitures and Settlements	57,012	0	0	57,012
Leases and Rentals	2,005	0	0	2,005
Charges for Services	2,530	0	0	2,530
Contributions and Donations	69,469	0	100,000	169,469
Miscellaneous	1,141	0	0	1,141
<i>Total Revenues</i>	<i>4,617,931</i>	<i>655,886</i>	<i>2,728,619</i>	<i>8,002,436</i>
Expenditures				
Current:				
Security of Persons and Property:				
Police	1,083,740	0	0	1,083,740
Fire	1,752,446	0	0	1,752,446
Leisure Time Activities	154,001	0	0	154,001
Transportation	1,608,768	0	0	1,608,768
General Government	8,919	2,423	0	11,342
Capital Outlay	0	0	11,607,642	11,607,642
Debt Service:				
Principal Retirement	0	566,779	248,368	815,147
Interest	0	35,359	14,158	49,517
<i>Total Expenditures</i>	<i>4,607,874</i>	<i>604,561</i>	<i>11,870,168</i>	<i>17,082,603</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>10,057</i>	<i>51,325</i>	<i>(9,141,549)</i>	<i>(9,080,167)</i>
Other Financing Sources (Uses)				
Financed Purchases Issued	0	0	1,794,607	1,794,607
Transfers In	75,000	0	6,283,309	6,358,309
<i>Total Other Financing Sources (Uses)</i>	<i>75,000</i>	<i>0</i>	<i>8,077,916</i>	<i>8,152,916</i>
<i>Net Change in Fund Balances</i>	<i>85,057</i>	<i>51,325</i>	<i>(1,063,633)</i>	<i>(927,251)</i>
<i>Fund Balances Beginning of Year</i>	<i>1,462,742</i>	<i>284,641</i>	<i>5,710,033</i>	<i>7,457,416</i>
<i>Fund Balances End of Year</i>	<i>\$1,547,799</i>	<i>\$335,966</i>	<i>\$4,646,400</i>	<i>\$6,530,165</i>

City of Solon, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024

	Street Construction, Maintenance and Repair	State Highway	Police Pension	Fire Pension	Cable TV
Assets					
Equity in Pooled Cash and Cash Equivalents	\$62,864	\$5,508	\$313,327	\$406,475	\$491,510
Accrued Interest Receivable	282	25	0	0	2,201
Accounts Receivable	0	0	0	0	38,491
Intergovernmental Receivable	669,891	54,316	51,999	96,572	0
Property Taxes Receivable	0	0	1,049,229	1,948,565	0
<i>Total Assets</i>	<u><u>\$733,037</u></u>	<u><u>\$59,849</u></u>	<u><u>\$1,414,555</u></u>	<u><u>\$2,451,612</u></u>	<u><u>\$532,202</u></u>
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$1,009
Accrued Wages	26,718	0	0	0	0
Intergovernmental Payable	0	0	106,938	182,683	0
<i>Total Liabilities</i>	<u><u>26,718</u></u>	<u><u>0</u></u>	<u><u>106,938</u></u>	<u><u>182,683</u></u>	<u><u>1,009</u></u>
Deferred Inflows of Resources					
Property Taxes	0	0	1,021,322	1,896,737	0
Unavailable Revenue	560,373	45,436	79,906	148,400	31,552
<i>Total Deferred Inflows of Resources</i>	<u><u>560,373</u></u>	<u><u>45,436</u></u>	<u><u>1,101,228</u></u>	<u><u>2,045,137</u></u>	<u><u>31,552</u></u>
Fund Balances					
Restricted	145,946	14,413	206,389	223,792	0
Committed	0	0	0	0	499,641
<i>Total Fund Balances</i>	<u><u>145,946</u></u>	<u><u>14,413</u></u>	<u><u>206,389</u></u>	<u><u>223,792</u></u>	<u><u>499,641</u></u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$733,037</u></u>	<u><u>\$59,849</u></u>	<u><u>\$1,414,555</u></u>	<u><u>\$2,451,612</u></u>	<u><u>\$532,202</u></u>

Tree Planting	OneOhio Opioid	Recreation	Police Department Programs	Law Enforcement Trust	Donations Trust	Total Nonmajor Special Revenue Funds
\$10,845	\$73,405	\$39,027	\$5,842	\$192,909	\$135,555	\$1,737,267
0	0	0	0	0	0	2,508
0	105,215	0	0	0	0	143,706
0	0	0	0	35	0	872,813
0	0	0	0	0	0	2,997,794
\$10,845	\$178,620	\$39,027	\$5,842	\$192,944	\$135,555	\$5,754,088
\$0	\$0	\$0	\$0	\$0	\$0	\$1,009
0	0	0	0	0	0	26,718
0	0	0	0	0	0	289,621
0	0	0	0	0	0	317,348
0	0	0	0	0	0	2,918,059
0	105,215	0	0	0	0	970,882
0	105,215	0	0	0	0	3,888,941
0	73,405	0	5,842	192,944	0	862,731
10,845	0	39,027	0	0	135,555	685,068
10,845	73,405	39,027	5,842	192,944	135,555	1,547,799
\$10,845	\$178,620	\$39,027	\$5,842	\$192,944	\$135,555	\$5,754,088

City of Solon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

	Street Construction, Maintenance and Repair	State Highway	Police Pension	Fire Pension	Cable TV
Revenues					
Property Taxes	\$0	\$0	\$748,329	\$1,746,123	\$0
Intergovernmental	1,442,993	117,000	76,200	177,807	0
Investment Earnings/Interest	2,728	1,921	0	0	22,057
Fees, Licenses and Permits	0	0	0	0	150,616
Fines, Forfeitures and Settlements	0	0	0	0	0
Leases and Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>1,445,721</u>	<u>118,921</u>	<u>824,529</u>	<u>1,923,930</u>	<u>172,673</u>
Expenditures					
Current:					
Security of Persons and Property:					
Police	0	0	1,046,462	0	0
Fire	0	0	0	1,752,058	0
Leisure Time Activities	0	0	0	0	95,677
Transportation	1,482,778	125,990	0	0	0
General Government	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,482,778</u>	<u>125,990</u>	<u>1,046,462</u>	<u>1,752,058</u>	<u>95,677</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(37,057)</u>	<u>(7,069)</u>	<u>(221,933)</u>	<u>171,872</u>	<u>76,996</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	<u>(37,057)</u>	<u>(7,069)</u>	<u>(221,933)</u>	<u>171,872</u>	<u>76,996</u>
<i>Fund Balances Beginning of Year</i>	<u>183,003</u>	<u>21,482</u>	<u>428,322</u>	<u>51,920</u>	<u>422,645</u>
<i>Fund Balances End of Year</i>	<u><u>\$145,946</u></u>	<u><u>\$14,413</u></u>	<u><u>\$206,389</u></u>	<u><u>\$223,792</u></u>	<u><u>\$499,641</u></u>

Tree Planting	OneOhio Opioid	Recreation	Police Department Programs	Law Enforcement Trust	Donations Trust	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$2,494,452
0	0	0	0	0	0	1,814,000
0	0	0	0	0	0	26,706
0	0	0	0	0	0	150,616
0	45,271	0	0	11,741	0	57,012
0	0	2,005	0	0	0	2,005
2,530	0	0	0	0	0	2,530
0	0	8,000	20,708	0	40,761	69,469
0	0	1,141	0	0	0	1,141
2,530	45,271	11,146	20,708	11,741	40,761	4,617,931
0	0	0	24,240	8,399	4,639	1,083,740
0	0	0	0	0	388	1,752,446
0	0	53,910	0	0	4,414	154,001
0	0	0	0	0	0	1,608,768
<u>8,919</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,919</u>
8,919	0	53,910	24,240	8,399	9,441	4,607,874
(6,389)	45,271	(42,764)	(3,532)	3,342	31,320	10,057
0	0	75,000	0	0	0	75,000
(6,389)	45,271	32,236	(3,532)	3,342	31,320	85,057
<u>17,234</u>	<u>28,134</u>	<u>6,791</u>	<u>9,374</u>	<u>189,602</u>	<u>104,235</u>	<u>1,462,742</u>
\$10,845	\$73,405	\$39,027	\$5,842	\$192,944	\$135,555	\$1,547,799

City of Solon, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2024

	Safety and Service Equipment	Building Construction	Community Park Improvements	Community Development Capital Projects	Old City Hall Renovations	General Capital Improvements	Total Nonmajor Capital Projects Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$1,340,224	\$697,261	\$492,716	\$5,881,004	\$17,744	\$540,566	\$8,969,515
Cash and Cash Equivalents:							
With Fiscal Agents	557,507	0	0		0	0	557,507
Intergovernmental Receivable	19,173	0	0	0	0	0	19,173
Property Taxes Receivable	448,791	0	0	0	0	0	448,791
Total Assets	\$2,365,695	\$697,261	\$492,716	\$5,881,004	\$17,744	\$540,566	\$9,994,986
Liabilities							
Accounts Payable	\$0	\$80,753	\$0	\$0	\$0	\$42,379	\$123,132
Contracts Payable	369,062	133,539	344,229	0	0	0	846,830
Retainage Payable	0	43,625	57,232	0	0	2,108	102,965
Interfund Payable	0	0	1,500,000	1,199,208	0	0	2,699,208
Unearned Revenue	0	0	0	1,108,487	0	0	1,108,487
Total Liabilities	369,062	257,917	1,901,461	2,307,695	0	44,487	4,880,622
Deferred Inflows of Resources							
Property Taxes	437,003	0	0	0	0	0	437,003
Unavailable Revenue	30,961	0	0	0	0	0	30,961
Total Deferred Inflows of Resources	467,964	0	0	0	0	0	467,964
Fund Balances							
Restricted	1,528,669	0	0	0	17,744	496,079	2,042,492
Committed	0	0	0	3,573,309	0	0	3,573,309
Assigned	0	439,344	0	0	0	0	439,344
Unassigned (Deficit)	0	0	(1,408,745)	0	0	0	(1,408,745)
Total Fund Balances (Deficit)	1,528,669	439,344	(1,408,745)	3,573,309	17,744	496,079	4,646,400
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$2,365,695	\$697,261	\$492,716	\$5,881,004	\$17,744	\$540,566	\$9,994,986

City of Solon, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2024

	Safety and Service Equipment	Building Construction	Community Park Improvements	Community Development Capital Projects	Old City Hall Renovations	General Capital Improvements	Total Nonmajor Capital Projects Funds
Revenues							
Property Taxes	\$443,072	\$0	\$0	\$0	\$0	\$0	\$443,072
Municipal Income Taxes	0	0	1,500,000	0	0	146,668	1,646,668
Intergovernmental	38,879	0	500,000	0	0	0	538,879
Contributions and Donations	0	0	100,000	0	0	0	100,000
<i>Total Revenues</i>	<i>481,951</i>	<i>0</i>	<i>2,100,000</i>	<i>0</i>	<i>0</i>	<i>146,668</i>	<i>2,728,619</i>
Expenditures							
Capital Outlay	2,959,532	1,647,893	4,843,395	1,000,000	0	1,156,822	11,607,642
Debt Service:							
Principal Retirement	248,368	0	0	0	0	0	248,368
Interest	14,158	0	0	0	0	0	14,158
<i>Total Expenditures</i>	<i>3,222,058</i>	<i>1,647,893</i>	<i>4,843,395</i>	<i>1,000,000</i>	<i>0</i>	<i>1,156,822</i>	<i>11,870,168</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(2,740,107)</i>	<i>(1,647,893)</i>	<i>(2,743,395)</i>	<i>(1,000,000)</i>	<i>0</i>	<i>(1,010,154)</i>	<i>(9,141,549)</i>
Other Financing Sources (Uses)							
Financed Purchases Issued	1,794,607	0	0	0	0	0	1,794,607
Transfers In	1,175,000	910,000	0	3,573,309	0	625,000	6,283,309
<i>Total Other Financing Sources (Uses)</i>	<i>2,969,607</i>	<i>910,000</i>	<i>0</i>	<i>3,573,309</i>	<i>0</i>	<i>625,000</i>	<i>8,077,916</i>
<i>Net Change in Fund Balances</i>	<i>229,500</i>	<i>(737,893)</i>	<i>(2,743,395)</i>	<i>2,573,309</i>	<i>0</i>	<i>(385,154)</i>	<i>(1,063,633)</i>
<i>Fund Balances Beginning of Year</i>	<i>1,299,169</i>	<i>1,177,237</i>	<i>1,334,650</i>	<i>1,000,000</i>	<i>17,744</i>	<i>881,233</i>	<i>5,710,033</i>
<i>Fund Balances (Deficit) End of Year</i>	<i>\$1,528,669</i>	<i>\$439,344</i>	<i>(\$1,408,745)</i>	<i>\$3,573,309</i>	<i>\$17,744</i>	<i>\$496,079</i>	<i>\$4,646,400</i>

Combining Statements – Internal Service Funds

Internal service funds are used to account for and report the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Workers' Compensation Fund - To account for and report workers' compensation and any run-off claims related to the City's prior years' retrospective rating plan with the State of Ohio.

Medical Self Insurance Fund - To account for and report claims and administration of the health care program for covered City employees and eligible dependents, and the accumulation and allocation of costs associated with health care.

City of Solon, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2024

	Workers' Compensation	Medical Self Insurance	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$583,727	\$2,063,320	\$2,647,047
Accounts Receivable	0	3,401	3,401
<i>Total Assets</i>	<i>583,727</i>	<i>2,066,721</i>	<i>2,650,448</i>
Liabilities			
<i>Current Liabilities:</i>			
Accounts Payable	0	2,833	2,833
Accrued Wages	0	27,082	27,082
Intergovernmental Payable	16,507	0	16,507
Claims Payable	3,777	469,360	473,137
<i>Total Current Liabilities</i>	<i>20,284</i>	<i>499,275</i>	<i>519,559</i>
<i>Long-Term Liabilities:</i>			
Claims Payable	1,259	0	1,259
<i>Total Liabilities</i>	<i>21,543</i>	<i>499,275</i>	<i>520,818</i>
Net Position			
Unrestricted	<u><u>\$562,184</u></u>	<u><u>\$1,567,446</u></u>	<u><u>\$2,129,630</u></u>

City of Solon, Ohio
*Combining Statement of Revenues,
 Expenses and Changes in Fund Net Position
 Internal Service Funds
 For the Year Ended December 31, 2024*

	Workers' Compensation	Medical Self Insurance	Total
Operating Revenues			
Charges for Services	\$875,000	\$5,498,720	\$6,373,720
Miscellaneous	9,091	366,202	375,293
<i>Total Operating Revenues</i>	<u>884,091</u>	<u>5,864,922</u>	<u>6,749,013</u>
Operating Expenses			
Personal Services	0	388,881	388,881
Contractual Services	612,818	802,121	1,414,939
Claims	0	4,631,875	4,631,875
Change in Worker's Compensation Estimate	16,139	0	16,139
<i>Total Operating Expenses</i>	<u>628,957</u>	<u>5,822,877</u>	<u>6,451,834</u>
<i>Change in Net Position</i>	<u>255,134</u>	<u>42,045</u>	<u>297,179</u>
<i>Net Position Beginning of Year</i>	<u>307,050</u>	<u>1,525,401</u>	<u>1,832,451</u>
<i>Net Position End of Year</i>	<u><u>\$562,184</u></u>	<u><u>\$1,567,446</u></u>	<u><u>\$2,129,630</u></u>

City of Solon, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2024

	Workers' Compensation	Medical Self Insurance	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Interfund Services Provided	\$875,000	\$5,498,720	\$6,373,720
Cash Received from Other Sources	9,091	362,801	371,892
Cash Payments to Employees for Services and Benefits	0	(385,648)	(385,648)
Cash Payments for Goods and Services	(707,354)	(801,955)	(1,509,309)
Cash Payments for Claims	(15,990)	(4,454,351)	(4,470,341)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<i>160,747</i>	<i>219,567</i>	<i>380,314</i>
<i>Cash and Cash Equivalents Beginning of Year</i>	<i>422,980</i>	<i>1,843,753</i>	<i>2,266,733</i>
<i>Cash and Cash Equivalents End of Year</i>	<i><u>\$583,727</u></i>	<i><u>\$2,063,320</u></i>	<i><u>\$2,647,047</u></i>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$255,134	\$42,045	\$297,179
<i>(Increase) Decrease in Assets:</i>			
Accounts Receivable	0	(3,401)	(3,401)
<i>Increase (Decrease) in Liabilities</i>			
Accounts Payable	(1,851)	166	(1,685)
Accrued Wages	0	3,233	3,233
Claims Payable	149	177,524	177,673
Intergovernmental Payable	(92,685)	0	(92,685)
<i>Total Adjustments</i>	<i>(94,387)</i>	<i>177,522</i>	<i>83,135</i>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<i><u>\$160,747</u></i>	<i><u>\$219,567</u></i>	<i><u>\$380,314</u></i>

Combining Statements – Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. These funds do not account for the City's own source revenue.

Custodial Funds

JEDD Income Tax Fund – To account for and report amounts received as a fiscal agent for the legally separate Joint Economic Development District (JEDD). These amounts are distributed according to the JEDD contract.

Other Custodial Fund – To account for traffic violation money and special assessments collected and distributed by the City to other municipalities and to others. When the fines and forfeitures and the special assessments are collected, no further action is needed to release the assets to the beneficiaries.

City of Solon, Ohio
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024

	JEDD Income Tax	Other Custodial	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$78,475	\$4,784	\$83,259
Liabilities			
Intergovernmental Payable	<u>78,475</u>	<u>4,784</u>	<u>83,259</u>
Net Position			
Restricted for Individuals, Organizations and Other Governments	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Solon, Ohio
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2024

	JEDD Income Tax	Other Custodial	Total
Additions			
Amounts Received as Fiscal Agent	\$311,888	\$0	\$311,888
Fines and Forfeitures Collections for Other Governments	0	13,712	13,712
Special Assessments Collections for Others	0	9,186	9,186
<i>Total Additions</i>	<u>311,888</u>	<u>22,898</u>	<u>334,786</u>
Deductions			
Distributions as Fiscal Agent	311,888	0	311,888
Fines and Forfeitures Distributions to Other Governments	0	13,712	13,712
Special Assessment Distributions to Others	0	9,186	9,186
<i>Total Deductions</i>	<u>311,888</u>	<u>22,898</u>	<u>334,786</u>
<i>Net Change in Fiduciary Net Position</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Position Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes
in Fund Balances/Fund Equity - Budget (Non-GAAP Basis) and Actual**

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,702,895	\$1,700,550	\$1,700,550	\$0
Municipal Income Taxes	39,125,550	39,109,740	39,119,951	10,211
Intergovernmental	765,240	766,203	766,203	0
Interest	2,023,660	2,020,875	2,020,875	0
Fees, Licenses and Permits	860,830	898,524	898,524	0
Fines, Forfeitures and Settlements	199,950	199,676	199,676	0
Rentals	49,555	49,487	49,487	0
Charges for Services	4,502,825	4,603,659	4,603,659	0
Contributions and Donations	89	89	89	0
Miscellaneous	699,897	697,673	746,169	48,496
Total Revenues	49,930,491	50,046,476	50,105,183	58,707
Expenditures				
Current:				
Security of Persons and Property - Police				
Personal Services	8,419,217	8,579,930	8,579,363	567
Materials and Supplies	299,309	302,523	302,523	0
Contractual Services	1,315,216	1,245,127	1,210,778	34,349
Capital Outlay	96,123	92,998	81,780	11,218
Total Security of Persons and Property - Police	10,129,865	10,220,578	10,174,444	46,134
Security of Persons and Property - Fire				
Personal Services	8,917,924	9,280,502	9,165,966	114,536
Materials and Supplies	298,956	328,130	328,130	0
Contractual Services	115,658	157,424	157,424	0
Capital Outlay	457,461	478,521	436,384	42,137
Other	150	150	125	25
Total Security of Persons and Property - Fire	9,790,149	10,244,727	10,088,029	156,698
Public Health and Welfare				
Cemetery				
Personal Services	3,797	3,920	3,622	298
Materials and Supplies	2,745	2,560	2,000	560
Total Cemetery	6,542	6,480	5,622	858
County Health District				
Contractual Services	175,900	175,900	175,900	0
Total Public Health and Welfare	182,442	182,380	181,522	858
Leisure Time Activities				
Recreation Administration				
Personal Services	408,429	489,778	486,356	3,422
Materials and Supplies	32,343	28,072	25,959	2,113
Contractual Services	41,165	44,182	44,182	0
Total Recreation Administration	481,937	562,032	556,497	5,535
Youth and Adult Recreation Programs				
Personal Services	356,460	409,580	385,738	23,842
Materials and Supplies	180,705	156,930	141,801	15,129
Contractual Services	511,333	435,715	398,686	37,029
Other	6,075	5,273	4,761	512
Total Youth and Adult Recreation Programs	\$1,054,573	\$1,007,498	\$930,986	\$76,512

(continued)

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Community Parks				
Personal Services	\$318,025	\$365,420	\$358,663	\$6,757
Materials and Supplies	39,013	33,881	30,621	3,260
Contractual Services	22,851	19,833	18,026	1,807
Total Community Parks	379,889	419,134	407,310	11,824
Community Center and Swimming Pool				
Personal Services	1,573,930	1,808,494	1,778,801	29,693
Materials and Supplies	238,496	208,069	180,733	27,336
Contractual Services	54,780	47,545	47,146	399
Capital Outlay	23,335	20,963	17,576	3,387
Other	2,785	2,418	2,183	235
Total Community Center and Swimming Pool	1,893,326	2,087,489	2,026,439	61,050
Center for the Arts Programs				
Personal Services	998,710	960,138	934,750	25,388
Materials and Supplies	95,824	82,389	63,882	18,507
Contractual Services	94,354	79,481	70,736	8,745
Capital Outlay	926	1,244	1,244	0
Other	12,735	10,725	9,345	1,380
Total Center for the Arts Programs	1,202,549	1,133,977	1,079,957	54,020
Senior Services				
Personal Services	859,538	880,966	877,931	3,035
Materials and Supplies	202,188	184,933	163,637	21,296
Contractual Services	148,277	135,667	125,018	10,649
Other	1,470	1,335	1,139	196
Total Senior Services	1,211,473	1,202,901	1,167,725	35,176
Total Leisure Time Activities	6,223,747	6,413,031	6,168,914	244,117
Community Environment				
Planning and Zoning				
Personal Services	445,085	406,310	385,047	21,263
Materials and Supplies	11,052	9,986	6,662	3,324
Contractual Services	115,968	107,034	55,819	51,215
Total Planning and Zoning	572,105	523,330	447,528	75,802
Development Board				
Personal Services	207,820	207,820	206,755	1,065
Materials and Supplies	477	882	741	141
Contractual Services	153,980	262,995	239,785	23,210
Total Development Board	362,277	471,697	447,281	24,416
Public Works Department				
Personal Services	186,510	189,010	188,177	833
Contractual Services	46,000	18,000	16,311	1,689
Total Public Works Department	\$232,510	\$207,010	\$204,488	\$2,522

(continued)

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Building Department				
Personal Services	\$257,385	\$233,610	\$231,545	\$2,065
Materials and Supplies	1,179	1,669	1,433	236
Contractual Services	218,240	311,075	283,446	27,629
Other	21,810	28,485	25,656	2,829
Total Building Department	498,614	574,839	542,080	32,759
Engineering Department				
Personal Services	914,744	735,886	697,700	38,186
Materials and Supplies	29,613	29,613	23,654	5,959
Contractual Services	71,350	71,350	66,989	4,361
Capital Outlay	7,710	7,710	6,391	1,319
Other	180,550	180,550	122,085	58,465
Total Engineering Department	1,203,967	1,025,109	916,819	108,290
Total Community Environment	2,869,473	2,801,985	2,558,196	243,789
Basic Utility Services				
Storm Sewers				
Personal Services	696,040	759,415	759,188	227
Materials and Supplies	48,846	38,730	38,382	348
Contractual Services	4,780	5,638	5,638	0
Capital Outlay	60,134	62,238	62,238	0
Total Storm Sewers	809,800	866,021	865,446	575
Trees, Leaf and Brush				
Personal Services	82,325	79,044	79,044	0
Materials and Supplies	13,720	12,790	8,918	3,872
Contractual Services	43,770	64,525	64,525	0
Total Trees, Leaf and Brush	139,815	156,359	152,487	3,872
Refuse Collection and Disposal				
Personal Services	1,089,800	1,105,230	1,105,230	0
Materials and Supplies	631,308	589,278	425,502	163,776
Contractual Services	1,052,603	962,393	649,323	313,070
Total Refuse Collection and Disposal	2,773,711	2,656,901	2,180,055	476,846
Total Basic Utility Services	3,723,326	3,679,281	3,197,988	481,293
Transportation				
Street Department				
Personal Services	4,198,388	4,551,928	4,551,928	0
Materials and Supplies	1,124,487	1,062,212	1,012,465	49,747
Contractual Services	186,789	175,878	127,449	48,429
Capital Outlay	33,107	31,047	19,873	11,174
Total Transportation	\$5,542,771	\$5,821,065	\$5,711,715	\$109,350

(continued)

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 General Fund (continued)*
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
General Government Council				
Personal Services	\$280,853	\$282,853	\$282,218	\$635
Materials and Supplies	12,487	9,812	6,444	3,368
Contractual Services	24,875	19,550	13,059	6,491
Total Council	318,215	312,215	301,721	10,494
Mayor				
Personal Services	326,450	329,450	328,530	920
Materials and Supplies	4,100	4,100	3,508	592
Contractual Services	11,720	11,720	11,497	223
Total Mayor	342,270	345,270	343,535	1,735
Finance/Income Tax				
Personal Services	708,935	711,935	710,837	1,098
Materials and Supplies	4,995	4,705	4,628	77
Contractual Services	882,174	786,065	765,230	20,835
Capital Outlay	6,305	5,940	5,846	94
Total Finance/Income Tax	1,602,409	1,508,645	1,486,541	22,104
Prosecutor/Legal Department				
Personal Services	276,950	276,950	275,073	1,877
Materials and Supplies	1,600	1,600	0	1,600
Contractual Services	219,977	285,427	263,373	22,054
Other	197,450	282,000	282,000	0
Total Prosecutor/Legal Department	695,977	845,977	820,446	25,531
Human Resources				
Personal Services	170,500	170,500	156,424	14,076
Materials and Supplies	1,637	1,637	1,010	627
Contractual Services	46,576	46,576	25,563	21,013
Capital Outlay	732	732	0	732
Total Human Resources	219,445	219,445	182,997	36,448
Network Administrator				
Personal Services	460,120	460,120	443,757	16,363
Materials and Supplies	10,420	10,420	9,040	1,380
Contractual Services	96,320	96,320	91,998	4,322
Capital Outlay	54,602	54,602	51,591	3,011
Total Network Administrator	621,462	621,462	596,386	25,076
Civil Service				
Personal Services	5,760	5,760	4,756	1,004
Contractual Services	24,770	24,770	20,130	4,640
Total Civil Service	30,530	30,530	24,886	5,644
City Hall				
Personal Services	601,930	551,930	535,319	16,611
Materials and Supplies	666,243	631,763	574,096	57,667
Contractual Services	107,302	101,782	90,660	11,122
Total City Hall	1,375,475	1,285,475	1,200,075	85,400
Unclaimed Monies				
Other	\$1,450	\$1,450	\$1,404	\$46

(continued)

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 General Fund (continued)*
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
City Administration				
Personal Services	\$99,330	\$128,893	\$109,673	\$19,220
Materials and Supplies	70,705	72,370	63,727	8,643
Contractual Services	3,079,625	3,171,895	3,147,662	24,233
Other	234,795	240,860	222,512	18,348
Total City Administration	3,484,455	3,614,018	3,543,574	70,444
Sick Leave Reserve				
Personal Services	211,910	211,910	209,661	2,249
Total General Government	8,903,598	8,996,397	8,711,226	285,171
Debt Service:				
Principal Retirement	46,188	46,188	46,188	0
Interest	4,062	4,062	4,062	0
Total Debt Service	50,250	50,250	50,250	0
Total Expenditures	47,415,621	48,409,694	46,842,284	1,567,410
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>2,514,870</i>	<i>1,636,782</i>	<i>3,262,899</i>	<i>1,626,117</i>
Other Financing Sources (Uses)				
Advances Out	0	0	(2,699,208)	(2,699,208)
Transfers Out	(3,010,000)	(8,858,309)	(8,858,309)	0
Total Other Financing Sources (Uses)	(3,010,000)	(8,858,309)	(11,557,517)	(2,699,208)
<i>Net Change in Fund Balance</i>	<i>(495,130)</i>	<i>(7,221,527)</i>	<i>(8,294,618)</i>	<i>(1,073,091)</i>
<i>Fund Balance Beginning of Year</i>	<i>29,024,923</i>	<i>29,024,923</i>	<i>29,024,923</i>	<i>0</i>
Prior Year Encumbrances Appropriated	1,127,135	1,127,135	1,127,135	0
<i>Fund Balance End of Year</i>	<i>\$29,656,928</i>	<i>\$22,930,531</i>	<i>\$21,857,440</i>	<i>(\$1,073,091)</i>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Infrastructure Fund*
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$15,856,530	\$11,481,865	\$11,539,984	\$58,119
Special Assessments	29,572	21,598	21,598	0
Intergovernmental	2,982,898	2,173,474	2,173,474	0
Miscellaneous	19,710	14,362	14,362	0
<i>Total Revenues</i>	<u>18,888,710</u>	<u>13,691,299</u>	<u>13,749,418</u>	<u>58,119</u>
Expenditures				
Current:				
Community Environment				
Engineering Department				
Personal Services	500,000	510,083	510,083	0
Capital Outlay	39,041,556	27,478,935	25,332,061	2,146,874
<i>Total Expenditures</i>	<u>39,541,556</u>	<u>27,989,018</u>	<u>25,842,144</u>	<u>2,146,874</u>
<i>Net Change in Fund Balance</i>	<u>(20,652,846)</u>	<u>(14,297,719)</u>	<u>(12,092,726)</u>	<u>2,204,993</u>
<i>Fund Balance Beginning of Year</i>	<u>9,117,955</u>	<u>9,117,955</u>	<u>9,117,955</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>13,646,860</u>	<u>13,646,860</u>	<u>13,646,860</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,111,969</u></u>	<u><u>\$8,467,096</u></u>	<u><u>\$10,672,089</u></u>	<u><u>\$2,204,993</u></u>

City of Solon, Ohio
*Schedule of Revenues, Expenses and Changes
 In Fund Equity - Budget (Non-GAAP Basis) and Actual
 Water Reclamation Fund
 For the Year Ended December 31, 2024*

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$5,270,725	\$4,515,043	\$4,515,043	\$0
Tap-In Fees	135,690	116,234	116,234	0
Interest	249,770	213,961	213,961	0
Miscellaneous	13,915	11,921	11,846	(75)
<i>Total Revenues</i>	<u>5,670,100</u>	<u>4,857,159</u>	<u>4,857,084</u>	<u>(75)</u>
Expenses				
Personal Services	1,902,664	1,902,664	1,856,151	46,513
Materials and Supplies	583,139	1,006,416	661,172	345,244
Contractual Services	1,100,025	1,726,939	1,488,107	238,832
Other	1,890	3,344	2,121	1,223
Capital Outlay	3,870,631	5,386,486	3,097,342	2,289,144
Debt Service:				
Principal Retirement	497,473	497,473	497,473	0
Interest	96,005	96,005	96,005	0
<i>Total Expenses</i>	<u>8,051,827</u>	<u>10,619,327</u>	<u>7,698,371</u>	<u>2,920,956</u>
<i>Net Change in Fund Equity</i>	<u>(2,381,727)</u>	<u>(5,762,168)</u>	<u>(2,841,287)</u>	<u>2,920,881</u>
<i>Fund Equity Beginning of Year</i>	<u>8,914,832</u>	<u>8,914,832</u>	<u>8,914,832</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>2,215,535</u>	<u>2,215,535</u>	<u>2,215,535</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$8,748,640</u>	<u>\$5,368,199</u>	<u>\$8,289,080</u>	<u>\$2,920,881</u>

City of Solon, Ohio
*Schedule of Revenues, Expenses and Changes
 In Fund Equity - Budget (Non-GAAP Basis) and Actual*
Grantwood Recreation Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Charges for Services	\$1,118,920	\$1,138,535	\$1,138,535	\$0
Interest	5,500	33,443	33,443	0
Rentals	187,610	153,477	153,477	0
Sale of Capital Assets	0	2,035	2,035	0
Miscellaneous	38,300	94,769	94,769	0
<i>Total Revenues</i>	<u>1,350,330</u>	<u>1,422,259</u>	<u>1,422,259</u>	0
Expenses				
Personal Services	821,030	821,030	677,457	143,573
Materials and Supplies	251,769	454,376	444,541	9,835
Contractual Services	69,106	124,953	87,027	37,926
Other	30,296	54,127	37,581	16,546
Capital Outlay	257,404	380,119	255,097	125,022
<i>Total Expenses</i>	<u>1,429,605</u>	<u>1,834,605</u>	<u>1,501,703</u>	332,902
<i>Net Change in Fund Equity</i>	(79,275)	(412,346)	(79,444)	332,902
<i>Fund Equity Beginning of Year</i>	978,512	978,512	978,512	0
Prior Year Encumbrances Appropriated	107,425	107,425	107,425	0
<i>Fund Equity End of Year</i>	<u>\$1,006,662</u>	<u>\$673,591</u>	<u>\$1,006,493</u>	<u>\$332,902</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Street Construction, Maintenance and Repair Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,417,100	\$1,439,942	\$1,439,942	\$0
Interest	1,400	1,361	1,361	0
<i>Total Revenues</i>	<u>1,418,500</u>	<u>1,441,303</u>	<u>1,441,303</u>	<u>0</u>
Expenditures				
Current:				
Transportation				
Street Maintenance and Repair				
Personal Services	1,090,100	1,090,100	1,090,100	0
Materials and Supplies	365,960	365,960	365,960	0
<i>Total Expenditures</i>	<u>1,456,060</u>	<u>1,456,060</u>	<u>1,456,060</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(37,560)</u>	<u>(14,757)</u>	<u>(14,757)</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>77,729</u>	<u>77,729</u>	<u>77,729</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$40,169</u>	<u>\$62,972</u>	<u>\$62,972</u>	<u>\$0</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 State Highway Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Intergovernmental	\$115,100	\$116,752	\$116,752	\$0
Interest	140	1,705	1,705	0
<i>Total Revenues</i>	115,240	118,457	118,457	0
Expenditures				
Current:				
Transportation				
State Highway				
Materials and Supplies	121,990	125,990	125,990	0
<i>Net Change in Fund Balance</i>	(6,750)	(7,533)	(7,533)	0
<i>Fund Balance Beginning of Year</i>	13,050	13,050	13,050	0
<i>Fund Balance End of Year</i>	<u><u>\$6,300</u></u>	<u><u>\$5,517</u></u>	<u><u>\$5,517</u></u>	<u><u>\$0</u></u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Police Pension Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$826,915	\$748,329	\$748,329	\$0
Intergovernmental	84,200	76,200	76,200	0
<i>Total Revenues</i>	911,115	824,529	824,529	0
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	965,000	1,040,000	1,036,686	3,314
<i>Net Change in Fund Balance</i>	(53,885)	(215,471)	(212,157)	3,314
<i>Fund Balance Beginning of Year</i>	525,484	525,484	525,484	0
<i>Fund Balance End of Year</i>	<u><u>\$471,599</u></u>	<u><u>\$310,013</u></u>	<u><u>\$313,327</u></u>	<u><u>\$3,314</u></u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Fire Pension Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,852,890	\$1,746,123	\$1,746,123	\$0
Intergovernmental	<u>188,679</u>	<u>177,807</u>	<u>177,807</u>	<u>0</u>
<i>Total Revenues</i>	2,041,569	1,923,930	1,923,930	0
Expenditures				
Current:				
Security of Persons and Property				
Fire				
Personal Services	1,610,000	1,725,000	1,722,719	2,281
<i>Net Change in Fund Balance</i>	431,569	198,930	201,211	2,281
<i>Fund Balance Beginning of Year</i>	205,264	205,264	205,264	0
<i>Fund Balance End of Year</i>	<u>\$636,833</u>	<u>\$404,194</u>	<u>\$406,475</u>	<u>\$2,281</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Cable TV Fund
 For the Year Ended December 31, 2024*

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Interest	\$0	\$14,235	\$14,235	\$0
Fees, Licenses and Permits	172,650	141,004	151,802	10,798
<i>Total Revenues</i>	<u>172,650</u>	<u>155,239</u>	<u>166,037</u>	<u>10,798</u>
Expenditures				
Current:				
Leisure Time Activities				
Cable TV				
Contractual Services	85,549	85,549	76,980	8,569
Capital Outlay	31,479	31,479	20,424	11,055
<i>Total Expenditures</i>	<u>117,028</u>	<u>117,028</u>	<u>97,404</u>	<u>19,624</u>
<i>Net Change in Fund Balance</i>	<u>55,622</u>	<u>38,211</u>	<u>68,633</u>	<u>30,422</u>
<i>Fund Balance Beginning of Year</i>	<u>416,507</u>	<u>416,507</u>	<u>416,507</u>	<u>0</u>
Prior Year Encumbrances Appropriated	5,028	5,028	5,028	0
<i>Fund Balance End of Year</i>	<u><u>\$477,157</u></u>	<u><u>\$459,746</u></u>	<u><u>\$490,168</u></u>	<u><u>\$30,422</u></u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Tree Planting Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Charges for Services	\$2,500	\$2,530	\$2,530	\$0
Expenditures				
Current:				
General Government				
Tree Planting				
Contractual Services	15,000	15,000	8,919	6,081
<i>Net Change in Fund Balance</i>	<i>(12,500)</i>	<i>(12,470)</i>	<i>(6,389)</i>	<i>6,081</i>
<i>Fund Balance Beginning of Year</i>	<i>17,234</i>	<i>17,234</i>	<i>17,234</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i><u>\$4,734</u></i>	<i><u>\$4,764</u></i>	<i><u>\$10,845</u></i>	<i><u>\$6,081</u></i>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 OneOhio Opioid Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Fines, Forfeitures and Settlements	\$4,975	\$53,156	\$46,113	(\$7,043)
Expenditures				
Current:				
General Government				
Opioid Settlement				
Contractual Services	9,000	9,000	0	9,000
<i>Net Change in Fund Balance</i>	<i>(4,025)</i>	<i>44,156</i>	<i>46,113</i>	<i>1,957</i>
<i>Fund Balance Beginning of Year</i>	<i>27,292</i>	<i>27,292</i>	<i>27,292</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i><u>\$23,267</u></i>	<i><u>\$71,448</u></i>	<i><u>\$73,405</u></i>	<i><u>\$1,957</u></i>

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Leases and Rentals	\$4,000	\$2,005	\$2,005	\$0
Contributions and Donations	7,500	8,000	8,000	0
Miscellaneous	3,000	1,141	1,141	0
<i>Total Revenues</i>	<i>14,500</i>	<i>11,146</i>	<i>11,146</i>	<i>0</i>
Expenditures				
Current:				
Leisure Time Activities				
Recreation Programs				
Materials and Supplies	16,040	16,040	7,355	8,685
Contractual Services	58,690	58,690	46,555	12,135
<i>Total Expenditures</i>	<i>74,730</i>	<i>74,730</i>	<i>53,910</i>	<i>20,820</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(60,230)</i>	<i>(63,584)</i>	<i>(42,764)</i>	<i>20,820</i>
Other Financing Sources (Uses)				
Transfers In	75,000	75,000	75,000	0
<i>Net Change in Fund Balance</i>	<i>14,770</i>	<i>11,416</i>	<i>32,236</i>	<i>20,820</i>
<i>Fund Balance Beginning of Year</i>	<i>6,791</i>	<i>6,791</i>	<i>6,791</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$21,561</i>	<i>\$18,207</i>	<i>\$39,027</i>	<i>\$20,820</i>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Police Department Programs Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Contributions and Donations	\$15,500	\$30,708	\$20,708	(\$10,000)
Expenditures				
Current:				
Security of Persons and Property				
Police				
DARE program	15,000	15,000	15,000	0
Personal Services	9,240	19,240	9,240	10,000
Materials and Supplies				
Total Expenditures	24,240	34,240	24,240	10,000
Net Change in Fund Balance	(8,740)	(3,532)	(3,532)	0
Fund Balance Beginning of Year	9,374	9,374	9,374	0
Fund Balance End of Year	<u>\$634</u>	<u>\$5,842</u>	<u>\$5,842</u>	<u>\$0</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Law Enforcement Trust Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Fines, Forfeitures and Settlements	\$43,295	\$12,729	\$12,729	\$0
Expenditures				
Current:				
Security of Persons and Property				
Police				
Drug Money				
Other	100	100	63	37
OMVI				
Personal Services	15,000	15,000	8,336	6,664
<i>Total Expenditures</i>	<i>15,100</i>	<i>15,100</i>	<i>8,399</i>	<i>6,701</i>
<i>Net Change in Fund Balance</i>	<i>28,195</i>	<i>(2,371)</i>	<i>4,330</i>	<i>6,701</i>
<i>Fund Balance Beginning of Year</i>	<i>188,579</i>	<i>188,579</i>	<i>188,579</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i><u>\$216,774</u></i>	<i><u>\$186,208</u></i>	<i><u>\$192,909</u></i>	<i><u>\$6,701</u></i>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Donations Trust Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Contributions and Donations	\$34,800	\$40,761	\$40,761	\$0
Expenditures				
Current:				
Security of Persons and Property				
Police				
Materials and Supplies	4,880	4,880	4,639	241
Fire				
Materials and Supplies	450	450	388	62
Total Security of Persons and Property	5,330	5,330	5,027	303
Leisure Time Activities				
Senior Services Donations				
Other	9,745	9,745	9,689	56
<i>Total Expenditures</i>	<i>15,075</i>	<i>15,075</i>	<i>14,716</i>	<i>359</i>
<i>Net Change in Fund Balance</i>	<i>19,725</i>	<i>25,686</i>	<i>26,045</i>	<i>359</i>
<i>Fund Balance Beginning of Year</i>	<i>104,235</i>	<i>104,235</i>	<i>104,235</i>	<i>0</i>
Prior Year Encumbrances Appropriated	4,925	4,925	4,925	0
<i>Fund Balance End of Year</i>	<i>\$128,885</i>	<i>\$134,846</i>	<i>\$135,205</i>	<i>\$359</i>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 COVID Local Fiscal Recovery Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government				
Other	103,493	103,493	104,496	(1,003)
Community Environment				
Other	1,108,487	1,108,487	1,108,487	0
Total Expenditures	1,211,980	1,211,980	1,212,983	(1,003)
Net Change in Fund Balance	(1,211,980)	(1,211,980)	(1,212,983)	(1,003)
Fund Balance Beginning of Year	1,212,983	1,212,983	1,212,983	0
Fund Balance End of Year	\$1,003	\$1,003	\$0	(\$1,003)

City of Solon, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Incentive Fund
For the Year Ended December 31, 2024*

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,000	\$575	\$575	\$0
Expenditures				
Current:				
Community Environment				
Enterprise Zone Monitoring				
Other	<u>3,150,000</u>	<u>3,150,000</u>	<u>2,938,922</u>	<u>211,078</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,149,000)	(3,149,425)	(2,938,347)	211,078
Other Financing Sources (Uses)				
Transfers In	<u>1,250,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,899,000)	(649,425)	(438,347)	211,078
<i>Fund Balance Beginning of Year</i>	<u>2,134,230</u>	<u>2,134,230</u>	<u>2,134,230</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$235,230</u>	<u>\$1,484,805</u>	<u>\$1,695,883</u>	<u>\$211,078</u>

City of Solon, Ohio

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Training Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Charges for Services	\$3,000	\$27,239	\$27,239	\$0
Expenditures				
Current:				
Security of Persons and Property				
Police				
Police Training				
Contractual Services	14,500	14,500	10,745	3,755
<i>Net Change in Fund Balance</i>	(11,500)	12,739	16,494	3,755
<i>Fund Balance Beginning of Year</i>	94,725	94,725	94,725	0
<i>Fund Balance End of Year</i>	<u>\$83,225</u>	<u>\$107,464</u>	<u>\$111,219</u>	<u>\$3,755</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$345,370	\$374,176	\$374,176	\$0
Special Assessments	301,054	325,434	247,184	(78,250)
Intergovernmental	37,929	41,826	29,319	(12,507)
Fees, Licenses and Permits	6,385	6,916	5,207	(1,709)
<i>Total Revenues</i>	<i>690,738</i>	<i>748,352</i>	<i>655,886</i>	<i>(92,466)</i>
Expenditures				
Current:				
General Government				
Legislative and Executive				
Contractual Services	10,000	10,000	2,423	7,577
Debt Service:				
Principal Retirement	566,779	566,779	566,779	0
Interest	35,359	35,359	35,359	0
<i>Total Expenditures</i>	<i>612,138</i>	<i>612,138</i>	<i>604,561</i>	<i>7,577</i>
<i>Net Change in Fund Balance</i>	<i>78,600</i>	<i>136,214</i>	<i>51,325</i>	<i>(84,889)</i>
<i>Fund Balance Beginning of Year</i>	<i>284,641</i>	<i>284,641</i>	<i>284,641</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$363,241</i>	<i>\$420,855</i>	<i>\$335,966</i>	<i>(\$84,889)</i>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Safety and Service Equipment Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$436,655	\$443,072	\$443,072	\$0
Intergovernmental	38,315	38,879	38,879	0
<i>Total Revenues</i>	<u>474,970</u>	<u>481,951</u>	<u>481,951</u>	<u>0</u>
Expenditures				
Capital Outlay	1,511,774	1,892,624	1,816,019	76,605
Debt Service:				
Principal Retirement	248,368	248,368	248,368	0
Interest	14,158	14,158	14,158	0
<i>Total Expenditures</i>	<u>1,774,300</u>	<u>2,155,150</u>	<u>2,078,545</u>	<u>76,605</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,299,330)</u>	<u>(1,673,199)</u>	<u>(1,596,594)</u>	<u>76,605</u>
Other Financing Sources (Uses)				
Transfers In	<u>1,157,981</u>	<u>1,175,000</u>	<u>1,175,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(141,349)</u>	<u>(498,199)</u>	<u>(421,594)</u>	<u>76,605</u>
<i>Fund Balance Beginning of Year</i>	<u>835,230</u>	<u>835,230</u>	<u>835,230</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>463,939</u>	<u>463,939</u>	<u>463,939</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,157,820</u>	<u>\$800,970</u>	<u>\$877,575</u>	<u>\$76,605</u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Building Construction Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Miscellaneous	\$490,000	\$50,000	\$0	(\$50,000)
Expenditures				
Capital Outlay	<u>2,168,242</u>	<u>2,178,242</u>	<u>2,147,994</u>	<u>30,248</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,678,242)	(2,128,242)	(2,147,994)	(19,752)
Other Financing Sources (Uses)				
Transfers In	<u>510,000</u>	<u>910,000</u>	<u>910,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,168,242)	(1,218,242)	(1,237,994)	(19,752)
<i>Fund Balance Beginning of Year</i>	321,786	321,786	321,786	0
Prior Year Encumbrances Appropriated	<u>926,142</u>	<u>926,142</u>	<u>926,142</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$79,686</u></u>	<u><u>\$29,686</u></u>	<u><u>\$9,934</u></u>	<u><u>(\$19,752)</u></u>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Community Park Improvements Fund
 For the Year Ended December 31, 2024*

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$0	\$1,500,000	\$1,500,000	\$0
Intergovernmental	250,000	250,000	250,000	0
Contributions and Donations	0	100,000	100,000	0
<i>Total Revenues</i>	<i>250,000</i>	<i>1,850,000</i>	<i>1,850,000</i>	<i>0</i>
Expenditures				
Capital Outlay	4,999,405	4,829,155	4,907,736	(78,581)
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(4,749,405)</i>	<i>(2,979,155)</i>	<i>(3,057,736)</i>	<i>(78,581)</i>
Other Financing Sources (Uses)				
General Obligation Notes Issued	3,500,000	0	0	0
Advances In	0	1,500,000	1,500,000	0
<i>Total Other Financing Sources (Uses)</i>	<i>3,500,000</i>	<i>1,500,000</i>	<i>1,500,000</i>	<i>0</i>
<i>Net Change in Fund Balance</i>	<i>(1,249,405)</i>	<i>(1,479,155)</i>	<i>(1,557,736)</i>	<i>(78,581)</i>
<i>Fund Balance Beginning of Year</i>	<i>794,295</i>	<i>794,295</i>	<i>794,295</i>	<i>0</i>
Prior Year Encumbrances Appropriated	790,355	790,355	790,355	0
<i>Fund Balance End of Year</i>	<i>\$335,245</i>	<i>\$105,495</i>	<i>\$26,914</i>	<i>(\$78,581)</i>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Community Development Capital Projects Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,108,487	\$1,108,487	\$1,108,487	\$0
Miscellaneous	108,996	105,000	0	(105,000)
<i>Total Revenues</i>	<i>1,217,483</i>	<i>1,213,487</i>	<i>1,108,487</i>	<i>(105,000)</i>
Expenditures				
Capital Outlay	6,985,500	6,985,500	6,881,004	104,496
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(5,768,017)</i>	<i>(5,772,013)</i>	<i>(5,772,517)</i>	<i>(504)</i>
Other Financing Sources (Uses)				
Advances In	0	1,199,208	1,199,208	0
Transfers In	4,772,517	3,573,309	3,573,309	0
<i>Total Other Financing Sources (Uses)</i>	<i>4,772,517</i>	<i>4,772,517</i>	<i>4,772,517</i>	<i>0</i>
<i>Net Change in Fund Balance</i>	<i>(995,500)</i>	<i>(999,496)</i>	<i>(1,000,000)</i>	<i>(504)</i>
<i>Fund Balance Beginning of Year</i>	<i>1,000,000</i>	<i>1,000,000</i>	<i>1,000,000</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$4,500</i>	<i>\$504</i>	<i>\$0</i>	<i>(\$504)</i>

City of Solon, Ohio
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 General Capital Improvements Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$250,000	\$146,668	\$146,668	\$0
Expenditures				
Capital Outlay	<u>1,820,572</u>	<u>1,698,272</u>	<u>1,677,907</u>	<u>20,365</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(1,570,572)</i>	<i>(1,551,604)</i>	<i>(1,531,239)</i>	<i>20,365</i>
Other Financing Sources (Uses)				
Transfers In	<u>625,000</u>	<u>625,000</u>	<u>625,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<i>(945,572)</i>	<i>(926,604)</i>	<i>(906,239)</i>	<i>20,365</i>
<i>Fund Balance Beginning of Year</i>	<i>467,212</i>	<i>467,212</i>	<i>467,212</i>	<i>0</i>
Prior Year Encumbrances Appropriated	<u>502,472</u>	<u>502,472</u>	<u>502,472</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<i><u>\$24,112</u></i>	<i><u>\$43,080</u></i>	<i><u>\$63,445</u></i>	<i><u>\$20,365</u></i>

City of Solon, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Workers' Compensation Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Charges for Services	\$200,000	\$875,000	\$875,000	\$0
Miscellaneous	100	9,091	9,091	0
<i>Total Revenues</i>	<u>200,100</u>	<u>884,091</u>	<u>884,091</u>	<u>0</u>
Expenses				
Contractual Services	533,674	962,684	708,831	253,853
Claims	15,000	15,990	15,990	0
<i>Total Expenses</i>	<u>548,674</u>	<u>978,674</u>	<u>724,821</u>	<u>253,853</u>
<i>Net Change in Fund Equity</i>	<u>(348,574)</u>	<u>(94,583)</u>	<u>159,270</u>	<u>253,853</u>
<i>Fund Equity Beginning of Year</i>	<u>404,306</u>	<u>404,306</u>	<u>404,306</u>	<u>0</u>
Prior Year Encumbrances Appropriated	18,674	18,674	18,674	0
<i>Fund Equity End of Year</i>	<u>\$74,406</u>	<u>\$328,397</u>	<u>\$582,250</u>	<u>\$253,853</u>

City of Solon, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Medical Self Insurance Fund
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Charges for Services	\$5,592,220	\$5,498,720	\$5,498,720	\$0
Miscellaneous	367,450	362,801	362,801	0
<i>Total Revenues</i>	<u>5,959,670</u>	<u>5,861,521</u>	<u>5,861,521</u>	<u>0</u>
Expenses				
Personal Services	457,623	457,623	385,648	71,975
Contractual Services	949,781	949,781	801,955	147,826
Claims	5,251,038	5,251,038	4,454,351	796,687
<i>Total Expenses</i>	<u>6,658,442</u>	<u>6,658,442</u>	<u>5,641,954</u>	<u>1,016,488</u>
<i>Net Change in Fund Equity</i>	(698,772)	(796,921)	219,567	1,016,488
<i>Fund Equity Beginning of Year</i>	1,836,362	1,836,362	1,836,362	0
Prior Year Encumbrances Appropriated	7,391	7,391	7,391	0
<i>Fund Equity End of Year</i>	<u>\$1,144,981</u>	<u>\$1,046,832</u>	<u>\$2,063,320</u>	<u>\$1,016,488</u>

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Annual Comprehensive

FINANCIAL REPORT

For The Year Ended December 31, 2024

STATISTICAL SECTION

Statistical Section

This part of the City of Solon, Ohio's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 - S11
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the municipal income tax.	S12 - S13
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S14 - S17
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S18 - S21
Operating Information These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S22 - S27

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Solon, Ohio
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)

	2024	2023 (1)	2022	2021
Governmental Activities				
Net Investment in Capital Assets	\$158,499,293	\$143,232,123	\$144,831,250	\$145,098,848
Restricted:				
Capital Projects	23,284,684	28,663,259	24,559,716	21,100,657
Debt Service	1,058,324	1,267,427	1,622,484	1,991,194
Street Construction, Maintenance and Repair	706,319	754,339	771,940	925,977
Police Pension	286,295	487,120	446,154	367,422
Fire Pension	372,192	189,116	181,015	141,476
Other Purposes	457,319	430,887	314,418	321,061
Pension and OPEB Plans	769,163	91,446	2,431,175	180,752
Unrestricted (Deficit)	<u>(13,245,598)</u>	<u>(6,950,423)</u>	<u>(12,249,839)</u>	<u>(16,198,424)</u>
Total Governmental Activities				
Net Position	<u>\$172,187,991</u>	<u>\$168,165,294</u>	<u>\$162,908,313</u>	<u>\$153,928,963</u>
Business-Type Activities				
Net Investment in Capital Assets	\$59,205,180	\$59,061,139	\$58,921,377	\$58,535,266
Restricted:				
Pension and OPEB Plans	95,071	11,303	300,486	22,342
Unrestricted	<u>9,221,473</u>	<u>10,419,457</u>	<u>10,312,052</u>	<u>9,011,729</u>
Total Business-Type Activities				
Net Position	<u>\$68,521,724</u>	<u>\$69,491,899</u>	<u>\$69,533,915</u>	<u>\$67,569,337</u>
Primary Government				
Net Investment in Capital Assets	\$217,704,473	\$202,293,262	\$203,752,627	\$203,634,114
Restricted	27,029,367	31,894,897	30,627,388	25,050,881
Unrestricted (Deficit)	<u>(4,024,125)</u>	<u>3,469,034</u>	<u>(1,937,787)</u>	<u>(7,186,695)</u>
Total Primary Government				
Net Position	<u>\$240,709,715</u>	<u>\$237,657,193</u>	<u>\$232,442,228</u>	<u>\$221,498,300</u>

(1) In 2023, the City implemented GASB 96 which affected net position for 2022.

(2) In 2020, the City implemented GASB 83 which affected net position for 2019.

(3) In 2018, the City implemented GASB 75 which affected net position for 2017.

2020 (2)	2019	2018 (3)	2017	2016	2015
\$145,024,198	\$144,187,667	\$136,926,999	\$136,564,165	\$136,356,122	\$134,680,020
18,545,422	18,151,915	26,125,940	22,116,192	19,842,142	15,834,281
2,617,233	3,046,249	3,432,786	3,833,030	4,238,412	4,730,040
882,452	926,820	517,141	515,734	558,702	576,184
767,962	743,446	690,940	633,775	564,463	0
622,276	629,432	590,583	544,498	476,438	0
511,640	327,046	270,810	271,402	257,278	1,241,761
0	0	0	0	0	0
<u>(28,990,456)</u>	<u>(25,723,699)</u>	<u>(40,545,969)</u>	<u>(38,369,322)</u>	<u>(10,244,131)</u>	<u>(9,313,888)</u>
<u><u>\$139,980,727</u></u>	<u><u>\$142,288,876</u></u>	<u><u>\$128,009,230</u></u>	<u><u>\$126,109,474</u></u>	<u><u>\$152,049,426</u></u>	<u><u>\$147,748,398</u></u>
\$60,122,772	\$61,625,677	\$59,272,280	\$54,926,993	\$53,270,749	\$54,911,896
0	0	0	0	0	0
<u>5,621,192</u>	<u>4,364,567</u>	<u>5,755,527</u>	<u>9,355,376</u>	<u>10,349,489</u>	<u>9,243,031</u>
<u><u>\$65,743,964</u></u>	<u><u>\$65,990,244</u></u>	<u><u>\$65,027,807</u></u>	<u><u>\$64,282,369</u></u>	<u><u>\$63,620,238</u></u>	<u><u>\$64,154,927</u></u>
\$205,146,970	\$205,813,344	\$196,199,279	\$191,491,158	\$189,626,871	\$189,591,916
23,946,985	23,824,908	31,628,200	27,914,631	25,937,435	22,382,266
<u>(23,369,264)</u>	<u>(21,359,132)</u>	<u>(34,790,442)</u>	<u>(29,013,946)</u>	<u>105,358</u>	<u>(70,857)</u>
<u><u>\$205,724,691</u></u>	<u><u>\$208,279,120</u></u>	<u><u>\$193,037,037</u></u>	<u><u>\$190,391,843</u></u>	<u><u>\$215,669,664</u></u>	<u><u>\$211,903,325</u></u>

City of Solon, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2024	2023	2022	2021
Program Revenues				
Governmental Activities:				
Charges for Services:				
Security of Persons and Property				
Police	\$1,217,601	\$1,186,384	\$1,137,854	\$811,845
Fire	2,008,866	1,837,069	1,714,090	1,276,549
Public Health and Welfare	15,376	20,236	18,712	13,902
Leisure Time Activities	670,999	835,828	626,265	531,268
Community Environment	217,328	260,698	291,002	201,306
Basic Utility Services	262,586	376,748	319,608	231,730
Transportation	493,724	536,669	525,676	399,361
General Government	1,247,083	1,028,091	824,313	640,300
Operating Grants and Contributions	1,897,334	1,896,238	1,879,667	3,208,763
Capital Grants, Contributions and Assessments	2,553,936	841,307	75,967	337,637
Total Governmental Activities				
Program Revenues	10,584,833	8,819,268	7,413,154	7,652,661
Business-Type Activities:				
Charges for Services:				
Water Reclamation	4,539,291	5,230,718	5,984,631	5,889,655
Grantwood Recreation	1,289,911	1,296,182	1,202,563	1,186,819
Capital Grants, Contributions and Assessments	0	0	0	3,516
Total Business-Type Activities				
Program Revenues	5,829,202	6,526,900	7,187,194	7,079,990
Total Primary Government				
Program Revenues	16,414,035	15,346,168	14,600,348	14,732,651
Expenses				
Governmental Activities:				
Security of Persons and Property				
Police	12,424,149	12,570,157	10,216,107	9,517,799
Fire	13,203,700	13,345,185	11,036,100	10,650,606
Public Health and Welfare	181,307	168,630	155,752	145,598
Leisure Time Activities	6,696,999	6,856,108	4,235,433	2,767,990
Community Environment	5,861,471	5,179,169	4,844,774	3,664,725
Basic Utility Services	4,129,034	4,178,378	2,952,796	2,306,252
Transportation	17,212,543	15,422,852	11,003,230	12,018,286
General Government	8,455,882	8,605,472	7,728,546	6,339,484
Interest	86,845	80,879	94,877	109,280
Total Governmental Activities Expenses	68,251,930	66,406,830	52,267,615	47,520,020
Business-Type Activities				
Water Reclamation	6,147,983	6,083,642	5,113,617	4,629,246
Grantwood Recreation	1,336,902	1,203,121	857,272	621,833
Total Business-Type Activities Expenses	7,484,885	7,286,763	5,970,889	5,251,079
Total Primary Government				
Program Expenses	75,736,815	73,693,593	58,238,504	52,771,099
Net (Expense)/Revenue				
Governmental Activities	(57,667,097)	(57,587,562)	(44,854,461)	(39,867,359)
Business-Type Activities	(1,655,683)	(759,863)	1,216,305	1,828,911
Total Primary Government				
Net Expense	(\$59,322,780)	(\$58,347,425)	(\$43,638,156)	(\$38,038,448)

2020	2019	2018 (1)	2017	2016	2015
\$716,921	\$1,116,551	\$1,096,397	\$998,579	\$971,822	\$506,861
1,200,831	1,527,559	1,474,418	1,351,809	1,356,148	977,231
11,409	14,637	13,356	12,279	12,448	6,492
451,113	844,400	847,509	814,787	802,420	2,413,658
169,069	276,462	232,863	203,710	204,366	108,610
179,475	252,296	253,210	251,580	221,201	131,537
320,388	687,703	568,334	414,007	403,944	219,444
533,854	814,705	790,794	1,181,022	1,308,267	797,517
2,553,140	1,806,527	1,350,466	1,370,182	1,391,073	1,384,483
207,608	3,013,349	422,830	1,082,903	1,292,479	765,240
6,343,808	10,354,189	7,050,177	7,680,858	7,964,168	7,311,073
5,088,684	5,717,912	5,874,922	5,412,445	5,470,471	5,432,617
1,095,214	969,527	924,502	931,038	952,342	993,270
0	0	0	0	0	0
6,183,898	6,687,439	6,799,424	6,343,483	6,422,813	6,425,887
12,527,706	17,041,628	13,849,601	14,024,341	14,386,981	13,736,960
11,096,232	4,093,882	11,933,398	9,696,575	9,698,435	8,559,644
10,837,198	(1,018,701)	11,648,401	9,202,443	9,044,688	7,819,699
135,318	119,025	108,236	93,367	95,638	92,425
4,432,568	7,094,705	6,476,806	6,073,088	5,635,865	5,584,774
5,395,590	5,253,855	3,471,353	2,927,294	2,945,530	2,529,159
3,438,768	3,576,263	3,182,746	3,136,684	2,700,942	2,750,465
15,184,101	16,100,717	13,021,105	11,525,898	12,913,892	11,007,744
9,552,083	8,182,190	7,654,588	10,345,336	11,267,584	11,358,095
115,306	137,422	144,951	156,092	157,870	181,061
60,187,164	43,539,358	57,641,584	53,156,777	54,460,444	49,883,066
5,763,340	8,006,546	5,187,947	4,870,073	5,946,619	5,428,605
881,833	1,149,863	1,051,938	1,093,075	1,108,103	1,044,679
6,645,173	9,156,409	6,239,885	5,963,148	7,054,722	6,473,284
66,832,337	52,695,767	63,881,469	59,119,925	61,515,166	56,356,350
(53,843,356)	(33,185,169)	(50,591,407)	(45,475,919)	(46,496,276)	(42,571,993)
(461,275)	(2,468,970)	559,539	380,335	(631,909)	(47,397)
(\$54,304,631)	(\$35,654,139)	(\$50,031,868)	(\$45,095,584)	(\$47,128,185)	(\$42,619,390)

(continued)

City of Solon, Ohio
Changes in Net Position (continued)
Last Ten Years
(Accrual Basis of Accounting)

	2024	2023	2022	2021
General Revenues and Other Changes in Net Position				
Governmental Activities				
Property Taxes Levied For:				
General Purposes	\$1,696,864	\$1,622,059	\$1,592,907	\$2,493,362
Debt Service	375,165	370,940	364,947	120,871
Police Pension	754,294	981,840	973,235	465,275
Fire Pension	1,746,753	1,491,093	1,459,838	912,291
Service and Safety Equipment	442,038	438,965	427,367	419,331
Municipal Income Taxes levied for:				
General Purposes	38,881,158	39,534,469	37,838,016	35,716,331
Infrastructure	11,460,387	13,178,157	12,611,093	11,905,446
Community Park Improvements	1,500,000	0	0	0
General Capital Improvements	146,668	186,746	133,466	187,966
Grants and Entitlements not Restricted to Specific Programs	904,310	744,711	735,074	791,158
Unrestricted Contributions	89	45	125,000	341
Investment Earnings/Interest	3,227,186	3,158,422	(2,117,395)	(258,207)
Gain on Sale of Capital Assets	0	0	0	100,745
Miscellaneous	1,112,252	1,256,365	887,168	970,185
<i>Total Governmental Activities</i>	<i>62,247,164</i>	<i>62,963,812</i>	<i>55,030,716</i>	<i>53,825,095</i>
General Revenues	62,247,164	62,963,812	55,030,716	53,825,095
Transfers	0	(119,269)	(1,139,862)	(9,500)
<i>Total Governmental Activities</i>	<i>62,247,164</i>	<i>62,844,543</i>	<i>53,890,854</i>	<i>53,815,595</i>
Business-Type Activities				
Investment Earnings/Interest	465,090	552,818	(428,152)	(47,538)
Gain on Sale of Capital Assets	685	0	7,270	0
Miscellaneous	106,328	45,760	29,293	34,500
<i>Total Business-Type Activities</i>	<i>572,103</i>	<i>598,578</i>	<i>(391,589)</i>	<i>(13,038)</i>
General Revenues	572,103	598,578	(391,589)	(13,038)
Transfers	0	119,269	1,139,862	9,500
<i>Total Business-Type Activities</i>	<i>572,103</i>	<i>717,847</i>	<i>748,273</i>	<i>(3,538)</i>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<i>62,819,267</i>	<i>63,562,390</i>	<i>54,639,127</i>	<i>53,812,057</i>
Change in Net Position				
Governmental Activities	4,580,067	5,256,981	9,036,393	13,948,236
Business-Type Activities	(1,083,580)	(42,016)	1,964,578	1,825,373
<i>Total Primary Government Change in Net Position</i>	<i>\$3,496,487</i>	<i>\$5,214,965</i>	<i>\$11,000,971</i>	<i>\$15,773,609</i>

(1) Expenses are first impacted by the implementation of GASB Statement No.75 beginning in 2018.

2020	2019	2018 (1)	2017	2016	2015
\$1,342,758	\$1,528,401	\$1,395,261	\$1,397,663	\$1,412,703	\$1,367,077
323,615	334,193	314,629	312,624	309,818	295,964
868,482	891,141	838,985	833,618	826,217	789,297
1,310,915	1,336,726	1,258,440	1,250,403	1,239,300	1,183,923
415,327	416,708	410,978	407,020	402,273	396,031
33,844,780	32,419,796	34,660,499	33,154,459	33,557,318	26,802,677
11,281,593	10,806,597	11,604,180	11,051,486	11,332,440	9,080,861
0	0	0	0	0	0
85,039	0	73,864	110,080	106,435	91,791
665,303	644,963	532,235	466,778	559,695	588,171
3,308	370	5,342	18,508	37	0
827,102	1,610,064	956,232	522,685	232,429	312,338
88,159	58,884	23,284	45,460	33,087	82,178
530,183	612,255	483,933	363,966	803,141	1,213,331
51,586,564	50,660,098	52,557,862	49,934,750	50,814,893	42,203,639
(51,357)	(3,195,283)	(66,699)	(1,135,226)	(17,589)	(1,169,342)
51,535,207	47,464,815	52,491,163	48,799,524	50,797,304	41,034,297
122,524	194,691	97,748	111,384	38,721	56,418
16,600	0	0	0	0	4,500
24,514	41,433	21,452	21,134	40,910	29,230
163,638	236,124	119,200	132,518	79,631	90,148
51,357	3,195,283	66,699	1,135,226	17,589	1,169,342
214,995	3,431,407	185,899	1,267,744	97,220	1,259,490
51,750,202	50,896,222	52,677,062	50,067,268	50,894,524	42,293,787
(2,308,149)	14,279,646	1,899,756	3,323,605	4,301,028	(1,537,696)
(246,280)	962,437	745,438	1,648,079	(534,689)	1,212,093
(\$2,554,429)	\$15,242,083	\$2,645,194	\$4,971,684	\$3,766,339	(\$325,603)

City of Solon, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2024	2023	2022	2021
General Fund				
Nonspendable	\$887,417	\$1,354,331	\$1,361,904	\$1,054,454
Committed	831,359	936,785	906,628	747,955
Assigned	3,157,632	2,791,590	2,619,893	2,582,782
Unassigned	<u>25,117,171</u>	<u>28,627,426</u>	<u>25,980,622</u>	<u>27,002,997</u>
Total General Fund	<u>29,993,579</u>	<u>33,710,132</u>	<u>30,869,047</u>	<u>31,388,188</u>
All Other Governmental Funds				
Restricted	20,245,559	25,931,298	22,970,351	19,409,227
Committed	4,258,377	2,885,555	494,637	445,190
Assigned	439,344	1,177,237	2,228,944	2,200,302
Unassigned (Deficit)	<u>(1,408,745)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>23,534,535</u>	<u>29,994,090</u>	<u>25,693,932</u>	<u>22,054,719</u>
Total Governmental Funds	<u>\$53,528,114</u>	<u>\$63,704,222</u>	<u>\$56,562,979</u>	<u>\$53,442,907</u>

2020	2019	2018	2017	2016	2015
\$1,408,068	\$1,018,776	\$1,084,738	\$861,423	\$881,664	\$973,400
680,224	527,224	652,201	512,701	516,465	259,789
1,303,408	2,892,005	3,543,075	2,777,126	3,940,992	6,860,864
25,705,828	25,846,574	26,944,145	25,996,199	22,452,316	19,853,352
<u>29,097,528</u>	<u>30,284,579</u>	<u>32,224,159</u>	<u>30,147,449</u>	<u>27,791,437</u>	<u>27,947,405</u>
18,650,693	17,480,218	24,934,602	22,028,619	18,854,940	15,874,447
475,987	418,656	378,455	337,159	380,959	652,048
1,504,267	1,760,457	0	0	0	0
0	0	0	0	0	0
<u>20,630,947</u>	<u>19,659,331</u>	<u>25,313,057</u>	<u>22,365,778</u>	<u>19,235,899</u>	<u>16,526,495</u>
<u>\$49,728,475</u>	<u>\$49,943,910</u>	<u>\$57,537,216</u>	<u>\$52,513,227</u>	<u>\$47,027,336</u>	<u>\$44,473,900</u>

City of Solon, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2024	2023	2022	2021
Revenues				
Property Taxes	\$4,999,973	\$5,009,961	\$4,749,782	\$4,401,783
Municipal Income Taxes	52,085,828	51,916,123	50,528,078	47,926,429
Special Assessments	268,782	271,170	258,667	275,504
Intergovernmental	5,374,559	3,000,906	2,615,503	4,129,467
Investment Earnings/Interest	3,227,186	3,158,422	(2,117,395)	(258,207)
Fees, Licenses and Permits	1,053,117	1,097,263	1,319,652	908,250
Fines, Forfeitures and Settlements	251,293	275,457	225,730	249,785
Leases and Rentals	109,480	116,204	71,077	11,399
Charges for Services	4,690,392	4,487,389	3,833,623	2,955,709
Contributions and Donations	169,558	86,422	188,557	44,472
Miscellaneous	796,004	803,541	535,940	639,612
<i>Total Revenues</i>	<i>73,026,172</i>	<i>70,222,858</i>	<i>62,209,214</i>	<i>61,284,203</i>
Expenditures				
Current:				
Security of Persons and Property				
Police	11,281,513	10,773,225	10,271,717	9,727,666
Fire	11,849,693	10,843,734	10,197,646	9,646,663
Public Health and Welfare	181,307	168,630	155,752	145,598
Leisure Time Activities	6,204,093	5,782,283	4,541,479	4,004,571
Community Environment	5,762,478	5,110,233	5,397,937	4,570,169
Basic Utility Services	3,090,358	3,098,909	2,645,698	2,438,080
Transportation	7,415,951	6,017,868	5,550,726	5,809,785
General Government	7,870,991	7,509,791	7,488,728	7,476,869
Capital Outlay	30,338,289	12,548,428	11,969,280	14,537,035
Debt Service:				
Principal Retirement	1,001,061	1,236,915	1,155,216	923,659
Interest	68,753	90,571	108,812	103,112
<i>Total Expenditures</i>	<i>85,064,487</i>	<i>63,180,587</i>	<i>59,482,991</i>	<i>59,383,207</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(12,038,315)</i>	<i>7,042,271</i>	<i>2,726,223</i>	<i>1,900,996</i>
Other Financing Sources (Uses)				
Sale of Capital Assets	67,600	98,972	393,849	326,436
Financed Purchases Issued	1,794,607	0	0	1,487,000
Transfers In	6,358,309	3,725,000	3,100,000	3,215,000
Transfers Out	(6,358,309)	(3,725,000)	(3,100,000)	(3,215,000)
<i>Total Other Financing Sources (Uses)</i>	<i>1,862,207</i>	<i>98,972</i>	<i>393,849</i>	<i>1,813,436</i>
<i>Net Change in Fund Balances</i>	<i>(\$10,176,108)</i>	<i>\$7,141,243</i>	<i>\$3,120,072</i>	<i>\$3,714,432</i>
Debt Service as a Percentage of Noncapital Expenditures	1.8%	2.4%	2.5%	2.1%

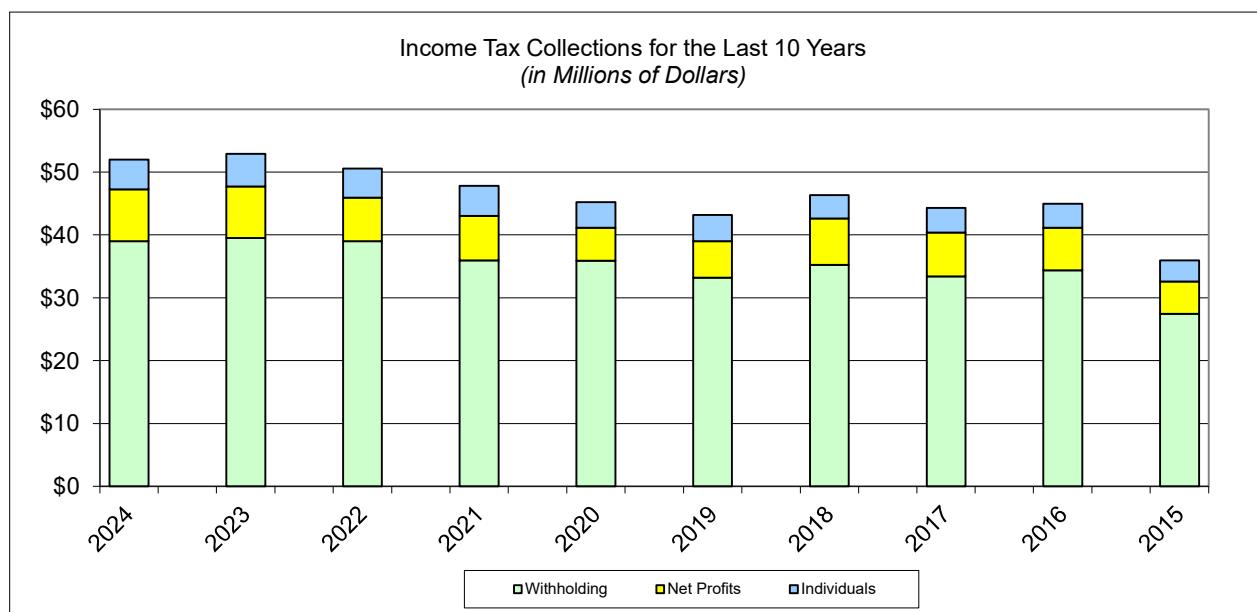
2020	2019	2018	2017	2016	2015
\$4,263,130	\$4,514,953	\$4,201,895	\$4,189,477	\$4,175,821	\$4,022,407
43,872,642	44,141,686	45,618,936	43,223,204	42,913,756	36,289,382
380,078	430,061	351,465	361,666	379,417	359,689
4,448,049	4,078,715	2,148,331	3,552,717	2,470,259	2,764,421
827,102	1,610,064	956,232	522,685	232,429	312,338
1,156,641	1,066,061	884,906	882,786	965,827	1,034,147
217,674	313,167	325,438	308,255	339,901	305,412
5,113	8,944	21,168	23,976	25,522	24,796
2,211,810	4,176,279	4,007,464	3,986,920	3,977,983	3,711,139
40,307	191,157	52,810	91,313	62,456	77,262
485,654	596,578	527,193	347,190	995,495	1,008,383
57,908,200	61,127,665	59,095,838	57,490,189	56,538,866	49,909,376
9,430,330	9,935,749	9,457,806	8,214,938	8,239,576	7,873,259
9,113,979	9,854,824	8,824,637	7,805,118	7,279,576	7,111,110
135,318	119,025	108,236	93,367	95,638	92,425
3,529,284	5,584,748	5,373,466	4,953,838	4,815,387	4,822,756
5,116,730	4,778,538	3,291,668	2,628,519	2,829,943	2,506,900
2,103,814	2,066,538	2,026,723	1,895,966	1,701,869	1,917,474
5,222,174	6,623,456	5,604,925	4,289,130	4,282,843	4,410,331
8,887,712	7,018,657	6,570,720	9,284,825	10,319,191	10,747,164
13,474,210	21,930,122	12,077,651	11,596,976	14,090,264	13,260,578
1,095,483	853,070	799,839	684,821	765,143	701,923
129,686	141,124	152,673	155,260	165,696	189,953
58,238,720	68,905,851	54,288,344	51,602,758	54,585,126	53,633,873
(330,520)	(7,778,186)	4,807,494	5,887,431	1,953,740	(3,724,497)
115,085	67,580	34,793	45,460	45,650	104,831
0	267,300	181,702	620,700	554,046	0
2,000,000	2,300,000	2,598,000	1,084,000	4,767,512	3,072,067
(2,000,000)	(2,450,000)	(2,598,000)	(2,151,700)	(4,767,512)	(3,072,067)
115,085	184,880	216,495	(401,540)	599,696	104,831
(\$215,435)	(\$7,593,306)	\$5,023,989	\$5,485,891	\$2,553,436	(\$3,619,666)
2.5%	1.8%	2.1%	1.9%	2.0%	2.0%

City of Solon, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year (1)	Tax Rate (2)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2024	2.00 %	\$51,988,213	\$39,037,126	75.09%	\$8,220,461	15.81%	\$4,730,626	9.10%
2023	2.00	52,899,372	39,502,609	74.67	8,244,747	15.59	5,152,016	9.74
2022	2.00	50,582,575	39,028,238	77.16	6,935,718	13.71	4,618,619	9.13
2021	2.00	47,809,743	35,975,255	75.25	7,079,465	14.81	4,755,023	9.94
2020	2.00	45,211,412	35,902,860	79.41	5,267,094	11.65	4,041,458	8.94
2019	2.00	43,226,393	33,205,672	76.82	5,814,871	13.45	4,205,850	9.73
2018	2.00	46,338,543	35,206,650	75.98	7,391,788	15.95	3,740,105	8.07
2017	2.00	44,316,025	33,422,279	75.42	6,963,256	15.71	3,930,490	8.87
2016	2.00	44,996,193	34,349,591	76.34	6,826,711	15.17	3,819,891	8.49
2015	2.00	35,975,329	27,463,566	76.34	5,104,899	14.19	3,406,864	9.47

(1) 2015 through 2024 are on a full accrual basis.

(2) Rates may only be raised by obtaining the approval of a majority of the voters at a public election.



City of Solon, Ohio
Principal Income Taxpayers
Current Year and Nine Years Ago

The following are the principal income taxpayers in the City; ranked in order of payroll withholding.

2024 Taxpayers	Ranking
Swagelok Manufacturing Co LLC	1
Nestle USA Inc.	2
Erico International Corp (1)	3
Solon City School District	4
Progressive Casualty Insurance Co. (2)	5
The Cleveland Clinic Foundation	6
City of Solon	7
Gardiner Service Company	8
MRI Software LLC	9
Illinois Tool Works Inc.	10

2015 Taxpayers	Ranking
Swagelok Manufacturing Co LLC	1
Nestle USA Inc.	2
Solon City School District	3
Erico International Corp (1)	4
Caremark LLC	5
The Cleveland Clinic Foundation	6
City of Solon	7
National Enterprise Systems Inc.	8
MRI Software LLC	9
Fleetmatics USA Holdings	10

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholding.

(1) Erico International Corp. operates under the business name nVent.
(2) Withholding income collected from Progressive employees whose place of work is in Solon.

Source: Information provided by City's Finance Department.

City of Solon, Ohio
Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

Year	Governmental Activities				Business- Type Activities			Percentage of Personal Income (1)	Per Capita (1)
	OWDA Loans	Leases	Financed Purchases	Subscriptions	OWDA Loans	Subscriptions	Total Debt		
2024	\$838,177	\$51,904	\$2,579,873	\$296,256	\$2,826,081	\$29,983	\$6,622,274	0.43%	\$275
2023	1,404,956	80,168	1,079,822	407,718	3,323,554	41,264	6,337,482	0.44	261
2022	2,123,206	107,462	1,516,901	462,010	3,805,720	46,758	8,062,057	0.56	332
2021	2,824,082	133,819	1,944,884	0	4,273,049	0	9,175,834	0.64	378
2020	3,508,067	0	697,558	0	4,725,997	0	8,931,622	0.77	390
2019	4,175,626	0	1,125,482	0	5,165,007	0	10,466,115	0.90	457
2018	4,827,211	0	1,059,667	0	5,590,509	0	11,477,387	0.99	501
2017	5,463,259	0	1,041,756	0	6,002,917	0	12,507,932	1.05	536
2016	6,084,196	0	484,940	0	6,362,737	0	12,931,873	1.09	554
2015	6,780,233	0	0	0	6,758,641	0	13,538,874	1.14	580

(1) Personal income and population are located on S20.

City of Solon, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2024

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Solon
Direct - City of Solon			
OWDA Loans	\$838,177	100.00%	\$838,177
Financed Purchases	2,579,873	100.00%	2,579,873
Leases Payable	51,904	100.00%	51,904
Subscription Payable	<u>296,256</u>	100.00%	<u>296,256</u>
<i>Total Direct</i>	<u>3,766,210</u>		<u>3,766,210</u>
Overlapping			
Solon City School District			
General Obligation Bonds	510,000	97.86%	499,086
Subscription Payable	226,438	97.86%	221,592
Orange School District			
General Obligation Bonds	2,026,155	2.14%	43,360
Tax Anticipation Notes	4,560,000	2.14%	97,584
Financed Purchases	250,985	2.14%	5,371
Cuyahoga County			
General Obligation Bonds	225,064,969	3.87%	8,710,014
Revenue Bonds	588,073,409	3.87%	22,758,441
Certificates of Participation	136,987,839	3.87%	5,301,429
Loans Payable	999,130	3.87%	38,666
Financed Purchases	162,812,967	3.87%	6,300,862
Leases Payable	6,099,428	3.87%	236,048
Subscription Payable	10,488,084	3.87%	405,889
Greater Cleveland Regional Transit Authority			
	<u>26,128,309</u>	3.87%	<u>1,011,166</u>
<i>Total Overlapping Debt</i>	<u>1,164,227,713</u>		<u>45,629,510</u>
Total	<u>\$1,167,993,923</u>		<u>\$49,395,720</u>

(1) The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

Source: Cuyahoga County Fiscal Officer

City of Solon, Ohio
Computation of Legal Debt Margin
Last Ten Years

	2024	2023	2022	2021
Population	24,070	24,262	24,262	24,262
Total Assessed Property Value	<u>\$1,361,775,650</u>	<u>\$1,357,095,070</u>	<u>\$1,339,037,600</u>	<u>\$1,240,308,960</u>
Total Debt Outstanding:				
OPWC Loans	\$0	\$0	\$0	\$0
OWDA Loans	3,664,258	4,728,510	5,928,926	7,097,131
Total Gross Indebtedness	3,664,258	4,728,510	5,928,926	7,097,131
Less:				
OWDA Loans	(3,664,258)	(4,728,510)	(5,928,926)	(7,097,131)
Total Net Debt Applicable to Debt Limit	0	0	0	0
Overall Legal Debt Limit (10 1/2 % of Assessed Valuation)	<u>142,986,443</u>	<u>142,494,982</u>	<u>140,598,948</u>	<u>130,232,441</u>
Legal Debt Margin Within 10 1/2 % Limitations	<u>\$142,986,443</u>	<u>\$142,494,982</u>	<u>\$140,598,948</u>	<u>\$130,232,441</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limitation 5 1/2 % of Assessed Valuation	<u>\$74,897,661</u>	<u>\$74,640,229</u>	<u>\$73,647,068</u>	<u>\$68,216,993</u>
Total Gross Indebtedness	3,664,258	4,728,510	5,928,926	7,097,131
Less:				
OWDA Loans	(3,664,258)	(4,728,510)	(5,928,926)	(7,097,131)
Net Debt Within 5 1/2 % Limitations	0	0	0	0
Unvoted Legal Debt Margin Within 5 1/2 % Limitations	<u>\$74,897,661</u>	<u>\$74,640,229</u>	<u>\$73,647,068</u>	<u>\$68,216,993</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: City Financial Records

2020	2019	2018	2017	2016	2015
22,911	22,911	22,911	23,348	23,348	23,348
<u>\$1,230,087,610</u>	<u>\$1,224,082,890</u>	<u>\$1,159,280,190</u>	<u>\$1,158,870,930</u>	<u>\$1,153,594,870</u>	<u>\$1,104,634,310</u>
 \$0 8,234,064	 \$0 9,340,633	 \$0 10,417,720	 \$0 11,466,176	 \$0 12,446,933	 \$0 13,538,874
8,234,064	9,340,633	10,417,720	11,466,176	12,446,933	13,538,874
<u>(8,234,064)</u>	<u>(9,340,633)</u>	<u>(10,417,720)</u>	<u>(11,466,176)</u>	<u>(12,446,933)</u>	<u>(13,538,874)</u>
 0	 0	 0	 0	 0	 0
 129,159,199	 128,528,703	 121,724,420	 121,681,448	 121,127,461	 115,986,603
<u>\$129,159,199</u>	<u>\$128,528,703</u>	<u>\$121,724,420</u>	<u>\$121,681,448</u>	<u>\$121,127,461</u>	<u>\$115,986,603</u>
 100.00%	 100.00%	 100.00%	 100.00%	 100.00%	 100.00%
 \$67,654,819	 \$67,324,559	 \$63,760,410	 \$63,737,901	 \$63,447,718	 \$60,754,887
 8,234,064	 9,340,633	 10,417,720	 11,466,176	 12,446,933	 13,538,874
<u>(8,234,064)</u>	<u>(9,340,633)</u>	<u>(10,417,720)</u>	<u>(11,466,176)</u>	<u>(12,446,933)</u>	<u>(13,538,874)</u>
 0	 0	 0	 0	 0	 0
 \$67,654,819	 \$67,324,559	 \$63,760,410	 \$63,737,901	 \$63,447,718	 \$60,754,887
 100.00%	 100.00%	 100.00%	 100.00%	 100.00%	 100.00%

City of Solon, Ohio
Principal Employers
Current Year and Nine Years Ago

2024

Employer	Employees	Percentage of Total City Employment
Swagelok Manufacturing Co LLC	3,856	12.85 %
Nestle USA Inc.	2,550	8.50
Erico International Corp (1)	918	3.06
City of Solon	786	2.62
Solon City School District	680	2.26
MRI Software LLC	657	2.19
The Cleveland Clinic Foundation	438	1.46
Gardiner Service Company	266	0.89
Progressive Casualty Insurance Co. (2)	254	0.85
Kennametal Inc.	226	0.75
 Total	 <u>10,631</u>	 <u>35.43 %</u>
Total Employment within the City	<u>30,002</u>	
 2015		
Employer	Employees	Percentage of Total City Employment
Swagelok Manufacturing Co LLC	3,327	10.27 %
Nestle USA Inc.	1,828	5.64
The Cleveland Clinic Foundation	909	2.81
National Enterprise Systems Inc.	881	2.72
City of Solon	863	2.66
Caremark LLC	796	2.46
Solon City School District	675	2.08
Erico International Corp (1)	562	1.73
MRI Software LLC	453	1.40
Kennametal Inc.	347	1.07
 Total	 <u>10,641</u>	 <u>32.84 %</u>
Total Employment within the City	<u>32,401</u>	

Note: Current year W2 data is for tax year 2024 as provided by the Regional Income Tax Agency.

(1) Erico International Corp. operates under the business name nVent

(2) W2 data includes Progressive employees whose place of work is in Solon.

Source: Information provided by City's Finance Department.

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City of Solon, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2024	24,070	\$1,545,895,750	\$64,225	\$118,418	45
2023	24,262	1,427,479,032	58,836	114,214	44
2022	24,262	1,427,479,032	58,836	114,214	44
2021	24,262	1,427,479,032	58,836	114,214	44
2020	22,911	1,163,558,046	50,786	104,625	44
2019	22,911	1,163,558,046	50,786	104,625	44
2018	22,911	1,163,558,046	50,786	104,625	44
2017	23,348	1,185,751,528	50,786	104,625	44
2016	23,348	1,185,751,528	50,786	104,625	44
2015	23,348	1,185,751,528	50,786	104,625	44

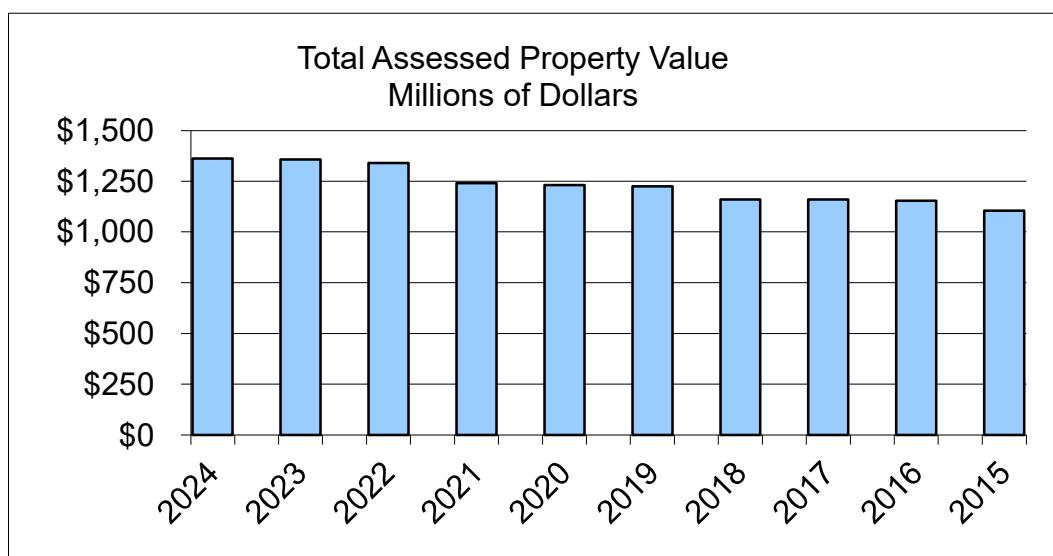
(1) Source: U.S. Census

(2) Source: Ohio Dept of Education and Workforce Website: "<http://education.ohio.gov>"

(3) Ohio Labor Market Website: "<http://ohiolmi.com/>"

(4) Cuyahoga County Fiscal Office

(5) Computation of per capita personal income multiplied by population



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
63.1%	4,590	3.5%	\$1,361,775,650
61.3	4,586	3.2	1,357,095,070
61.3	4,668	3.6	1,339,037,600
61.3	4,504	4.1	1,240,308,960
61.3	4,499	5.6	1,230,087,610
61.3	4,533	4.2	1,224,082,890
61.3	4,527	4.8	1,159,280,190
61.3	4,585	5.6	1,158,870,930
61.3	4,645	5.4	1,153,594,870
61.3	4,717	5.1	1,104,634,310

City of Solon, Ohio
Full-Time City Government Employees by Function/Program
Last Ten Years

Function/Program	2024	2023	2022	2021
Security of Persons and Property				
Police	54.00	54.00	54.00	51.00
Dispatch and Clerks	8.00	8.00	8.00	8.00
Corrections	13.00	12.00	12.00	10.00
Fire	65.00	62.00	62.00	62.00
Leisure Time Activities				
Recreation	11.00	10.00	10.00	10.00
Senior Services	6.00	6.00	6.00	6.00
Arts Center	5.00	5.00	5.00	5.00
Grantwood Golf Course	5.00	5.00	5.00	5.00
Community Environment				
Planning	5.00	6.00	6.00	6.00
Building	3.00	3.00	2.00	2.00
Engineering	11.00	11.00	11.00	10.00
Public Works	1.00	1.00	1.00	1.00
Business Development	1.00	1.00	1.00	1.00
Basic Utility Services				
Water Reclamation	17.00	17.00	17.00	17.00
Transportation				
Service	69.00	66.00	66.00	66.00
General Government				
City Council	2.00	2.00	2.00	2.00
Mayors Office	2.00	2.00	2.00	2.00
Finance	6.00	6.00	6.00	6.00
Human Resources	1.00	1.00	1.00	1.00
Network Administrator	4.00	3.00	3.00	3.00
City Hall Custodial	2.00	2.00	3.00	2.00
Receptionist	1.00	1.00	1.00	1.00
Totals:	<u>292.00</u>	<u>284.00</u>	<u>284.00</u>	<u>277.00</u>

Source: City of Solon, Ohio Payroll Department W2 Audit Listing

Method: Using 1.0 for each full-time employee at December 31.
 No part-time or seasonal employees are included.

2020	2019	2018	2017	2016	2015
49.00	49.00	46.00	46.00	46.00	47.00
8.00	8.00	8.00	7.00	8.00	17.00
10.00	10.00	10.00	10.00	11.00	10.00
62.00	62.00	59.00	59.00	59.00	59.00
10.00	13.00	13.00	13.00	13.00	11.00
6.00	7.00	7.00	6.00	5.00	4.00
4.00	4.00	4.00	4.00	4.00	4.00
6.00	6.00	6.00	6.00	6.00	4.00
6.00	6.00	7.00	7.00	7.00	6.00
2.00	2.00	2.00	2.00	2.00	3.00
10.00	10.00	10.00	11.00	10.00	11.00
1.00	1.00	0.00	0.00	0.00	0.00
1.00	1.00	0.00	0.00	0.00	0.00
17.00	17.00	17.00	17.00	17.00	17.00
67.00	67.00	66.00	68.00	68.00	65.00
2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00
6.00	6.00	6.00	6.00	7.00	10.00
1.00	1.00	1.00	1.00	2.00	2.00
3.00	3.00	3.00	2.00	3.00	3.00
2.00	2.00	2.00	1.00	1.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
276.00	280.00	272.00	271.00	274.00	280.00

City of Solon, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2024	2023	2022	2021
Security of Persons & Property				
<i>Police</i>				
Number of traffic citations issued	2,003	2,349	2,530	2,979
DUI Arrests	100	108	107	115
Prisoners Processed	2,096	2,022	1,911	1,304
<i>Fire</i>				
Fire Responses	990	1,067	970	933
EMS Calls	3,014	2,983	2,920	2,527
Safety Inspections	1,899	1,769	1,928	1,906
Plan Reviews	338	360	266	159
Leisure Time Activities (1)				
<i>Parks and Recreation</i>				
Community Center Memberships	4,700	4,500	3,764	3,619
Summer Camp Participants	480	447	341	104
Baseball/Softball Teams	32	33	34	33
<i>Senior Services</i>				
Program Attendance	84,164	72,801	54,879	32,087
<i>Arts Center</i>				
Class Registrations	3,000	2,982	3,608	2,460
Percentage of Solon Residents	85%	86%	85%	92%
<i>Grantwood Golf Course</i>				
Rounds Played (18 holes)	19,377	16,690	17,339	17,726
Rounds Played (9 holes)	14,288	16,382	18,174	17,656
Range Balls	6,000	5,541	5,956	6,603
Community Environment				
<i>Building</i>				
Building Permits Issued	2,457	1,508	1,425	1,808
Basic Utility Services				
<i>Waste Water Treatment</i>				
Average Daily Flow (millions of gallons)	3.183	3.521	3.557	3.439
Transportation				
<i>Service</i>				
Tons of Salt Purchased	10,800	9,000	9,500	8,800
Tons of Rubbish Collected	7,617	7,703	7,391	7,872
Yards of Leaves Collected	14,464	15,598	15,258	14,871
Tons of Recycling Materials Collected	1,315	1,406	1,699	1,893
General Government				
<i>City Council</i>				
Ordinances or Resolutions Introduced	244	282	271	266
<i>Finance</i>				
Accounts Payable Checks Processed	5,904	5,395	5,884	4,979
Purchase Orders Issued	3,078	3,044	2,773	2,744
<i>Network Administration</i>				
Computer Workstations	265	265	265	275

(1) Indicators for Leisure Time Activities were impacted by COVID-19 related closures and restrictions in 2020 and 2021.

Source: Information provided by various departments at the City of Solon

2020	2019	2018	2017	2016	2015
2,524	3,527	3,892	3,526	3,660	3,376
89	113	131	133	115	131
1,204	2,166	2,451	2,248	2,275	1,900
937	1,049	753	771	629	742
2,271	2,275	2,368	2,338	2,268	2,191
1,822	2,044	2,183	2,169	2,582	2,646
183	441	156	132	118	171
2,059	6,896	6,758	7,228	7,314	6,681
35	1,292	1,272	1,187	1,195	1,223
0	36	35	35	48	45
36,268	70,126	68,922	69,666	63,812	60,191
1,693	4,746	4,795	3,813	3,650	3,512
86%	85%	83%	81%	80%	80%
16,443	14,903	14,104	13,670	14,008	11,978
17,815	15,299	13,102	12,878	13,997	15,689
5,947	16,194	14,852	15,330	52,213	43,864
1,846	1,677	1,506	1,527	2,136	2,104
3.764	3.727	3.926	3.062	3.318	3.470
7,348	10,530	10,529	9,108	10,229	11,372
7,774	7,528	7,441	6,082	6,911	7,062
15,099	11,971	15,520	14,188	16,125	13,153
1,987	1,834	1,979	1,747	2,065	2,058
224	226	304	227	231	262
5,801	7,534	7,486	7,661	7,718	8,176
2,760	3,180	3,102	3,519	2,958	3,333
275	275	260	260	255	265

City of Solon, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2024	2023	2022	2021
Security of Persons and Property				
<i>Police</i>				
Square Footage of Station	37,168	37,168	37,168	37,168
Vehicles	35	39	39	38
<i>Fire</i>				
Square Footage of Station #1	37,168	37,168	37,168	37,168
Square Footage of Station #2	16,200	16,200	16,200	16,200
Square Footage of Station #3	9,610	9,610	9,610	9,610
Vehicles	23	21	20	21
Leisure Time Activities				
<i>Parks and Recreation</i>				
Square Footage of Community Center	92,500	92,500	92,500	92,500
Vehicles	4	4	4	5
<i>Senior Services</i>				
Vehicles	6	5	3	4
<i>Arts Center</i>				
Square Footage of Building	15,000	15,000	15,000	15,000
<i>Grantwood Golf Course</i>				
Square Footage of Clubhouse	7,200	7,200	7,200	7,200
Square Footage of Maintenance Building	5,000	5,000	5,000	5,000
Vehicles	1	1	1	1
Community Environment				
<i>Planning Department</i>				
Vehicles	2	2	1	1
<i>Building Department</i>				
Vehicles	1	1	1	1
<i>Engineering Department</i>				
Vehicles	6	5	6	5
Basic Utility Services				
<i>Waste Water Treatment</i>				
Square Footage of Buildings	56,000	56,000	56,000	56,000
Vehicles	8	7	7	7
Transportation				
<i>Service</i>				
Square Footage of Building	70,461	70,461	70,461	70,461
Vehicles	65	63	68	66
General Government				
<i>City Hall</i>				
Square Footage of Building	55,950	55,950	55,950	55,950
Mayor's Vehicle	1	1	0	1
Tax/Finance's Vehicle	0	0	0	0
Network Administration's Vehicle	0	0	0	0
City Hall Vehicle	1	1	1	1

Source: Information provided by various departments at the City of Solon

2020	2019	2018	2017	2016	2015
37,168 38	37,168 35	37,168 35	37,168 29	37,168 30	37,168 27
37,168 16,200 9,610 19	37,168 16,200 9,610 19	37,168 16,200 9,610 20	37,168 16,200 9,610 20	37,168 16,200 9,610 18	37,168 16,200 9,610 18
92,500 6	92,500 6	92,500 6	92,500 6	92,500 5	92,500 4
4	4	4	4	4	4
15,000	15,000	15,000	15,000	15,000	15,000
7,200 5,000 1	7,200 5,000 1	7,200 5,000 1	7,200 5,000 1	7,200 5,000 1	7,200 5,000 1
1	1	1	1	2	2
1	1	2	2	3	3
6	7	6	6	9	8
56,000 7	56,000 7	56,000 9	56,000 9	56,000 7	56,000 7
70,461 69	70,461 71	70,461 70	70,461 71	70,461 70	70,461 72
55,950 1 0 0 1	55,950 1 0 0 1	55,950 1 0 0 1	55,950 1 0 0 1	55,950 1 0 1 2	55,950 1 1 0 2

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Annual Comprehensive

FINANCIAL REPORT

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

EDWARD H. KRAUS, MAYOR
34200 Bainbridge Road
Solon, OH 44139

**CITY OF SOLON
CUYAHOGA COUNTY, OHIO**

SINGLE AUDIT REPORT

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

Zupka & Associates
Certified Public Accountants

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

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CITY OF SOLON
CUYAHOGA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Number	Total Federal Expenditures
<u>U.S. Department of Transportation</u>			
<i>Passed Through the Ohio Department of Transportation (ODOT)</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction-Improvements to Aurora Road	20.205	PID 109517	1,914,892
Total Highway Planning and Construction Cluster			1,914,892
Total U.S. Department of Transportation			1,914,892
<u>U.S. Department of the Treasury</u>			
<i>Direct Program</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	104,496
Total Direct Program			104,496
Total ALN #21.027			104,496
Total U.S. Department of Treasury			104,496
TOTAL EXPENDTURES OF FEDERAL AWARDS			\$ 2,019,388

See notes to the Schedule of Expenditures of Federal Awards.

CITY OF SOLON
CUYAHOGA COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Solon under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented 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 of Solon, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Solon.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: INDIRECT COST RATE

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

NOTE 4: SUBRECIPIENTS

The City passes certain federal awards received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note 2 describes, the City reports expenditures of Federal awards to subrecipients on an accrual basis.

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

NOTE 5: 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.

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

City of Solon
Cuyahoga County
34200 Bainbridge Road
Solon, Ohio 44139

To the Members of City Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Solon, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 16, 2025, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

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

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

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

City of Solon
Cuyahoga County
Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards
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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of This Report

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



Zupka & Associates
Certified Public Accountants

June 16, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

City of Solon
Cuyahoga County
34200 Bainbridge Road
Solon, Ohio 44139

To the Members of City Council:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Solon, Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the 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 and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

Responsibilities of Management for Compliance

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 to the City of Solon's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Solon'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 of Solon's compliance with the requirements of each 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 of Solon'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 of Solon'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 of Solon'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 Solon
Cuyahoga County

Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance

Page 3

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of 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. We issued our report thereon dated June 16, 2025, which contained unmodified opinions on those financial statements wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance 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 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 of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Zupka & Associates
Certified Public Accountants

June 16, 2025

CITY OF SOLON
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF AUDITOR'S RESULTS

2024(i)	Type of Financial Statement Opinion	Unmodified
2024(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2024(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2024(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2024(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2024(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2024(v)	Type of Major Programs' Compliance Opinions	Unmodified
2024(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2024(vii)	Major Programs (list):	
	Highway Planning and Construction Cluster - CFDA #20.205	
2024(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2024(ix)	Low Risk Auditee?	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

CITY OF SOLON
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2024

The prior audit report, as of December 31, 2023, included no citations, instances of noncompliance, or management letter recommendations.

OHIO AUDITOR OF STATE KEITH FABER



CITY OF SOLON

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 1/8/2026

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