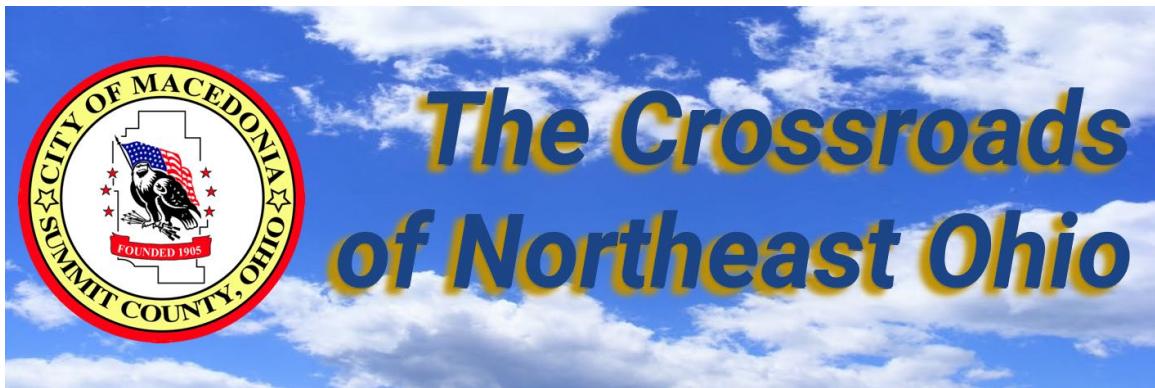


CITY OF MACEDONIA

SUMMIT COUNTY



REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024

PLATTENBURG
Certified Public Accountants



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

City Council
City of Macedonia
9691 Valley View Road
Macedonia, Ohio 44056

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

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

KEITH FABER
Ohio Auditor of State

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

December 19, 2025

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**CITY OF MACEDONIA
SUMMIT COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

City of Macedonia
Summit County
9691 Valley View Road
Macedonia, Ohio 44056

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Macedonia, 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.

We do not express an opinion on the accompanying financial statements of the City. Because of the significance of the matter(s) described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

The City experienced a severe ransomware attack in March 2025 that encrypted a substantial portion of its financial data. Despite efforts by the City to restore its systems from backups and recover the encrypted data, a significant portion of the data required to support the financial statements remains unrecoverable or unverifiable. We were unable to verify the completeness, existence and accuracy of detailed revenue, expenditure and other transactions and account balances. The nature and extent of the attack, coupled with the incomplete recovery of data, represent a pervasive limitation on the scope of our audit. We were unable to obtain sufficient appropriate audit evidence on the accompanying financial statements as a whole.

Emphasis of Matter

As discussed in Note 21 to the financial statements, during 2024, 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.

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 responsibility is to conduct an audit of the City's financial statements in accordance with GAAS and *Government Auditing Standards* and to issue an auditor's report. However, because of the matter(s) described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required budgetary comparison schedules and schedules, and schedules of pension information and other post-employment information 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
September 26, 2025

**City of Macedonia
Summit County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)**

The management's discussion and analysis of the City of Macedonia's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2024 are:

- City income tax revenue totaled \$16,892,950. This is a decrease of \$208,021 or 1.22% from 2023. The City had a 2.50% municipal income tax rate throughout the year.
- Total assets decreased by \$829,132, a 0.87% decrease from 2023.
- Total net position increased by \$171,121 a 0.31% increase from 2023.
- Total capital assets, net of depreciation increased \$723,384, a 1.09% increase from 2023.
- Total outstanding long-term liabilities decreased \$1,262,346, a 2.98% decrease from 2023.
- The total governmental fund balances for the City decreased from \$19,052,670 to \$18,127,000.
- The general fund ended the year with an accrual fund balance of \$8,069,380.

Using This Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City of Macedonia as a financial whole or as an entire operating entity. The statements provide an increasingly detailed look at our specific financial condition.

The *statement of net position* and *statement of activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Reporting the City of Macedonia as a Whole

Statement of Net Position and Statement of Activities

This document contains information about the funds used by the City to provide services to our citizens. The *statement of net position* and the *statement of activities* answer the question, "How did the City do financially during 2024?" These statements include all assets and liabilities and deferred outflows of resources and deferred inflows of resources, except fiduciary funds, using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

**City of Macedonia
Summit County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)**

These two statements report the City's net position and the changes in net position. The changes in net position are important because it tells the reader whether the financial position of the City as a whole 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 the City's 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 (Assets plus Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Revenue and Expenses
- General Revenues
- Net Position Beginning of Year and Year's End

Reporting the City of Macedonia's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds to account for the services, facilities and infrastructure provided to its residents. These fund financial statements focus on the City's most significant funds. In the case of the City of Macedonia, the major fund is the general fund.

Governmental Funds

Most of the City's activities are reported in the governmental funds. Governmental funds are reported using an accounting method called modified accrual accounting. The modified accrual accounting method measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Government fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the *statement of net position* and the *statement of activities*) and governmental funds is reconciled in the financial statements.

Fiduciary Funds

The City uses fiduciary funds to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

**City of Macedonia
Summit County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)**

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages later in this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis), net pension liability and net other post-employment benefits (OPEB) liability. The required supplementary information can be found later in this report.

The City of Macedonia as a Whole

The statement of net position provides the perspective of the City as a whole. Table 1 below provides a summary of the City's net position at December 31, 2024, and December 31, 2023.

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**City of Macedonia
Summit County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)**

Table 1

Net Position

Governmental Activities

	2024	2023-Restated	Change
Assets			
Current assets	\$26,891,956	\$28,677,540	(\$1,785,584)
Capital assets, net	67,186,111	66,462,727	723,384
Net OPEB Asset	233,068	0	233,068
Total assets	94,311,135	95,140,267	(829,132)
Deferred outflows of resources			
Deferred Charge on Refunding	37,146	43,337	(6,191)
OPEB	1,010,548	1,468,237	(457,689)
Pension	7,714,302	8,574,738	(860,436)
Total deferred outflows of resources	8,761,996	10,086,312	(1,324,316)
Liabilities			
Current liabilities	1,723,967	2,345,401	(621,434)
Long-term liabilities:			
Due within one year	3,381,450	2,065,630	1,315,820
Net pension liability	23,306,542	22,858,037	448,505
Net OPEB liability	1,234,230	1,298,535	(64,305)
Other amounts	13,212,913	16,175,279	(2,962,366)
Total liabilities	42,859,102	44,742,882	(1,883,780)
Deferred inflows of resources			
Property and Income Taxes	2,258,439	2,258,439	0
Grants and Other Taxes	97,200	61,700	35,500
Lease	712,446	789,418	(76,972)
OPEB	1,246,070	1,343,596	(97,526)
Pension	690,325	992,116	(301,791)
Total deferred inflows of resources	5,004,480	5,445,269	(440,789)
Net Position			
Net investment in capital assets	53,180,140	50,739,864	2,440,276
Restricted	6,848,053	6,864,012	(15,959)
Unrestricted (deficit)	(4,818,644)	(2,565,448)	(2,253,196)
Total net position	\$55,209,549	\$55,038,428	\$171,121

**City of Macedonia
Summit County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)**

The largest portion of the City's net position is investments in capital assets (e.g. land, right of ways, construction in progress, buildings and improvements, machinery and equipment, vehicles, and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Total assets and deferred outflows of resources decreased \$2,153,448 from 2023 to 2024. The City's total liabilities and deferred inflows of resources decreased \$2,324,569 for the same period. The change in current assets can be attributed to the decrease in equity in pooled cash and investments.

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

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**City of Macedonia
Summit County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)**

**Table 2
Change in Net Position**

	Governmental Activities 2024	Governmental Activities 2023-Restated	Change
Revenues			
Program revenues:			
Charges for services	\$5,522,755	\$5,458,551	\$64,204
Operating grants and contributions	2,158,515	1,379,513	779,002
Capital grants and contributions	411,656	985,504	(573,848)
Total program revenues	<u>8,092,926</u>	<u>7,823,568</u>	<u>269,358</u>
General revenues:			
Property taxes	2,568,374	2,376,532	191,842
Revenue in Lieu of Taxes	882,428	678,065	204,363
Income taxes	16,892,950	17,100,971	(208,021)
Unrestricted grants and entitlements	974,623	977,251	(2,628)
Investment earnings	884,886	866,382	18,504
Miscellaneous	649,104	650,637	(1,533)
Total general revenues	<u>22,852,365</u>	<u>22,649,838</u>	<u>202,527</u>
Total revenues	<u>30,945,291</u>	<u>30,473,406</u>	<u>471,885</u>
Expenses:			
General government	6,930,406	5,400,604	1,529,802
Public safety	12,605,115	12,008,228	596,887
Community development	1,221,789	604,553	617,236
Leisure time activity	2,302,817	2,393,390	(90,573)
Transportation and street repair	5,907,114	3,969,310	1,937,804
Basic utility services	1,087,985	1,048,012	39,973
Public health and welfare	310,477	224,325	86,152
Interest and other charges	408,467	439,651	(31,184)
Total expenses	<u>30,774,170</u>	<u>26,088,073</u>	<u>4,686,097</u>
Change in net position	<u>171,121</u>	<u>4,385,333</u>	<u>(4,214,212)</u>
Net position at beginning of year, As Restated	<u>55,038,428</u>	<u>50,653,095</u>	<u>4,385,333</u>
Net position at end of year	<u><u>\$55,209,549</u></u>	<u><u>\$55,038,428</u></u>	<u><u>\$171,121</u></u>

Governmental Activities

The City's net position for governmental activities decreased \$4,214,212 during 2024. Table 2 indicates total revenues increased by \$471,885. At the same time program expenses increased by \$4,686,097. The increase in revenue is primarily a result of increase in operating grants and contributions and revenue in lieu of taxes.

**City of Macedonia
Summit County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)**

Several types of revenues fund our governmental activities. With the City, income tax is a major revenue source. The income tax rate was 2.50% throughout the year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However if residents work in a locality that has a municipal income tax, the City provides 100.00% credit up to 2.50% for those who pay income tax to another city. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City. A resident can apply for a 0.25% refund of income tax paid to the city.

Total program revenues for 2024 increased by \$269,358. Operating grants and contributions increased \$779,002, capital grants and contributions decreased \$573,848 and charges for services and sales increased \$64,204.

Total general revenues for 2024 increased by \$202,527 compared to 2023. This increase is mainly due to the increase in property taxes and revenue in lieu of taxes for 2024. The miscellaneous revenues for 2024 were \$649,104. Of the \$30,945,291 in total revenues, income tax accounts for 54.6% of the total governmental revenues. Property taxes for 2024 were \$3,568,374.

During 2024, the City experienced a 17.96% increase in its program expenses. The largest program function for the City normally relates to public safety expenses. Public safety expenses increased 4.97% in 2024. General government expenses which account for the basic operations of the City including council, mayor, finance, law, purchasing, civil service, engineering, and building maintenance among other departments and services, had expenses of \$6,930,406 for 2024.

The City's Funds

The City of Macedonia uses fund accounting as mandated by governmental legal requirements. The importance of accounting and reporting using this method is to demonstrate compliance with these finance related requirements.

Governmental Funds

These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$37,863,445 and expenditures and other financing uses of \$38,790,961. Income tax is the City's largest revenue source.

The largest fund for the City is the general fund. The year-end fund balance for the general fund was \$8,069,380 on a modified accrual basis. This is a decrease of 861,935 from 2023.

For all other governmental funds, the end of year fund balance increased to \$10,057,620 in 2024.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. Recommendations and requests for budget changes are referred to the Finance Committee before going to the formal Council meeting for ordinance enactment on the change. The Finance Director provides the administration and City Council with monthly reports on revenues and expenditures. This provides all parties with information on revenue

**City of Macedonia
Summit County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)**

and expenditure levels, trends, budgeted versus actual amounts and recommendations on any changes in policy or execution that may be required.

The general fund supports most of the City's major activities such as the police, fire, building, and service departments as well as the legislative and most executive activities. For the general fund, the original budgeted revenues were \$18,971,157 and the final budgeted revenues were \$19,661,770. Actual revenues of \$20,136,924 were \$475,154 more than the final budget.

The original budget estimated expenditures and other financing uses were \$20,044,063 and the final budgeted expenditures and other financing uses were \$22,199,264. Actual expenditures and other financing uses were \$21,732,550. Actual expenditures were \$466,714 less than the final budget.

Capital Assets and Long-Term Obligations

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

	Governmental Activities	
	2024	2023
Land	\$10,576,665	\$10,262,892
Construction in Progress	1,116,734	600,744
Buildings and Improvements	10,145,724	9,041,219
Machinery and Equipment	6,213,856	8,153,668
Infrastructure	39,133,132	38,404,204
Totals	\$67,186,111	\$66,462,727

Total capital assets, net of depreciation for governmental activities of the City for 2024 were \$67,186,111 a \$723,384 increase from the 2023 balance. The increase is primarily due to additions exceeding depreciation expense in 2024. See Note 8 of the basic financial statements for additional information on capital assets.

Long-Term Obligations

On December 31, 2024, the City of Macedonia had \$10,190,000 in general obligation bonds and BANs, \$83,700 in special assessment bonds, \$1,832,392 in notes payable, \$1,344,907 in OPWC loans and \$233,088 in Old Aerosol Factory Liability.

**City of Macedonia
Summit County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2024
(Unaudited)**

**Table 4
Outstanding Long-Term Obligations at End of Year**

	Governmental	
	2024	2023
General Obligation Bonds & BANs	\$10,190,000	\$11,215,000
Special Assessment Bonds	83,700	122,400
Notes Payable	1,832,392	2,312,363
OPWC Loan	1,344,907	1,439,773
Old Aerosol Factory Liability	233,088	252,840
SIB Loans	0	35,000
Totals	\$13,684,087	\$15,377,376

See Note 12 of the basic financial statements for additional information on debt.

Current Financial Related Activities

The Administration and City Council have committed the City to financial excellence and work hard at maximizing efficiencies and keeping the City's debt obligations at a minimum.

In 2024, the General fund expenditures plus year end encumbrances totaled \$21,732,550. This was \$466,714 below the General fund budget of \$22,199,264. In addition, the city ended 2024 with an unencumbered General fund cash balance of \$3,645,573.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends or invests. If you have any questions about this report or need additional financial information contact John M. Veres, CPA, Finance Department, 9691 Valley View Road, Macedonia, Ohio 44056, telephone (330) 468-8359 or the City website at www.Macedonia.oh.us.

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

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$15,801,853
Receivables (Net):	
Taxes	8,024,050
Accounts	531,580
Intergovernmental	1,317,587
Lease	737,018
Special Assessments	124,345
Inventory	186,500
Prepaid Items	169,023
Nondepreciable Capital Assets	11,693,399
Depreciable Capital Assets, Net	55,492,712
Net OPEB Asset	<u>233,068</u>
Total Assets	<u>94,311,135</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding	37,146
Pension	7,714,302
OPEB	<u>1,010,548</u>
Total Deferred Outflows of Resources	<u>8,761,996</u>
Liabilities:	
Accounts Payable	568,896
Accrued Wages and Benefits	627,242
Accrued Interest Payable	61,971
Deposits held and due to others	447,805
Unearned Revenue	18,053
Long-Term Liabilities:	
Due Within One Year	3,381,450
Due In More Than One Year	
Net Pension Liability	23,306,542
Net OPEB Liability	1,234,230
Other Amounts	<u>13,212,913</u>
Total Liabilities	<u>42,859,102</u>
Deferred Inflows of Resources:	
Property and Income Taxes	2,258,439
Grants and Other Taxes	97,200
Lease	712,446
OPEB	1,246,070
Pension	<u>690,325</u>
Total Deferred Inflows of Resources	<u>5,004,480</u>
Net Position:	
Net Investment in Capital Assets	53,180,140
Restricted for:	
Debt Service	39,556
Capital Projects	3,078,219
Street Construction and Maintenance	1,123,856
Fire services	14,044
Police Services and Programs	2,106,955
Net OPEB Asset	233,068
Other Purposes	252,355
Unrestricted	<u>(4,818,644)</u>
Total Net Position	<u>\$55,209,549</u>

See accompanying notes to the basic financial statements.

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

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$6,930,406	\$886,439	\$868,924	\$0	(\$5,175,043)
Public Safety	12,605,115	3,070,440	128,358	0	(9,406,317)
Community Development	1,221,789	294,460	0	0	(927,329)
Leisure Time Activities	2,302,817	992,407	26,530	0	(1,283,880)
Transportation and Street Repair	5,907,114	0	921,004	411,656	(4,574,454)
Basic Utility Service	1,087,985	124,109	196,336	0	(767,540)
Public Health and Welfare	310,477	154,900	17,363	0	(138,214)
Interest and Other Charges	408,467	0	0	0	(408,467)
Totals	\$30,774,170	\$5,522,755	\$2,158,515	\$411,656	(22,681,244)

General Revenues:

Income Taxes 16,892,950

Property Taxes Levied for:

General Purposes 2,391,242

Special Revenue Purposes 177,132

Grants and Entitlements, Not Restricted 974,623

Revenue in Lieu of Taxes 882,428

Investment Earnings 884,886

Other Revenues 649,104

Total General Revenues 22,852,365

Change in Net Position 171,121

Net Position-Beginning of Year, As Previously Reported 55,931,140

Change in Accounting Principal (892,712)

Net Position-Beginning of Year, As Restated 55,038,428

Net Position - End of Year \$55,209,549

See accompanying notes to the basic financial statements.

City of Macedonia, Ohio

Balance Sheet

Governmental Funds

December 31, 2024

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$6,307,275	\$9,494,578	\$15,801,853
Receivables (Net):			
Taxes	6,197,496	1,826,554	8,024,050
Accounts	467,978	63,602	531,580
Intergovernmental	276,205	1,041,382	1,317,587
Lease	259,720	477,298	737,018
Special Assessments	104	124,241	124,345
Interfund	100,800	0	100,800
Inventory	5,286	181,214	186,500
Prepaid Items	127,071	41,952	169,023
Total Assets	13,741,935	13,250,821	26,992,756
Liabilities:			
Accounts Payable	114,757	454,139	568,896
Accrued Wages and Benefits	461,039	166,203	627,242
Interfund Payable	0	100,800	100,800
Deposits held and due to others	447,805	0	447,805
Unearned Revenue	0	18,053	18,053
Total Liabilities	1,023,601	739,195	1,762,796
Deferred Inflows of Resources:			
Property and Income Taxes	3,978,076	919,554	4,897,630
Grants and Other Taxes	106,463	885,498	991,961
Special Assessments	104	124,241	124,345
Accounts	312,976	63,602	376,578
Lease	251,335	461,111	712,446
Total Deferred Inflows of Resources	4,648,954	2,454,006	7,102,960
Fund Balances:			
Nonspendable	134,946	223,166	358,112
Restricted	0	5,718,416	5,718,416
Committed	682,030	4,237,664	4,919,694
Assigned	2,443,845	0	2,443,845
Unassigned	4,808,559	(121,626)	4,686,933
Total Fund Balances	8,069,380	10,057,620	18,127,000
Total Liabilities, Deferred Inflows and Fund Balances	\$13,741,935	\$13,250,821	\$26,992,756

See accompanying notes to the basic financial statements.

City of Macedonia, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2024

Total Governmental Fund Balance	\$18,127,000
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets used in the operation of Governmental Funds	67,186,111
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Income Taxes	2,557,657
Delinquent Property Taxes	81,534
Intergovernmental	894,761
Other Receivables	<u>500,923</u>
	4,034,875
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.	
	(61,971)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.	
Compensated Absences	(2,551,246)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.	
	37,146
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	7,714,302
Deferred outflows of resources related to OPEB	1,010,548
Deferred inflows of resources related to pensions	(690,325)
Deferred inflows of resources related to OPEB	<u>(1,246,070)</u>
	6,788,455
Long-term liabilities and assets are not due and payable in the current period and, therefore, are not reported in the funds.	
Net OPEB Asset	233,068
Net Pension Liability	(23,306,542)
Net OPEB Liability	(1,234,230)
Other Amounts	<u>(14,043,117)</u>
	<u>(38,350,821)</u>
Net Position of Governmental Activities	<u>\$55,209,549</u>

See accompanying notes to the basic financial statements.

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

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property and Other Taxes	\$2,413,428	\$177,669	\$2,591,097
Income Taxes	12,071,833	4,939,981	17,011,814
Charges for Services	3,296,981	1,114,641	4,411,622
Investment Earnings	871,964	12,922	884,886
Intergovernmental	931,852	2,834,678	3,766,530
Special Assessments	4,575	136,684	141,259
Fines, Licenses, Permits & Settlements	753,662	51,055	804,717
Revenue in Lieu of Taxes	0	882,428	882,428
Other Revenues	318,869	283,652	602,521
Total Revenues	20,663,164	10,433,710	31,096,874
Expenditures:			
Current:			
General Government	4,624,378	937,945	5,562,323
Public Safety	9,980,807	1,286,322	11,267,129
Community Development	516,164	697,104	1,213,268
Leisure Time Activities	0	1,827,234	1,827,234
Transportation and Street Repair	0	1,898,000	1,898,000
Basic Utility Service	97,394	361,369	458,763
Public Health and Welfare	226,378	84,099	310,477
Capital Outlay	632,349	6,807,603	7,439,952
Debt Service:			
Principal	0	1,693,289	1,693,289
Interest and Other Charges	0	441,326	441,326
Total Expenditures	16,077,470	16,034,291	32,111,761
Excess of Revenues Over (Under) Expenditures	4,585,694	(5,600,581)	(1,014,887)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	87,371	0	87,371
Transfers In	0	6,679,200	6,679,200
Transfers (Out)	(5,535,000)	(1,144,200)	(6,679,200)
Total Other Financing Sources (Uses)	(5,447,629)	5,535,000	87,371
Net Change in Fund Balance	(861,935)	(65,581)	(927,516)
Fund Balance - Beginning of Year	8,931,263	10,121,407	19,052,670
Change in Reserve for Inventory	52	1,794	1,846
Fund Balance - End of Year	\$8,069,380	\$10,057,620	\$18,127,000

See accompanying notes to the basic financial statements.

City of Macedonia, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended December 31, 2024

Net Change in Fund Balance - Total Governmental Funds (\$927,516)

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

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	6,160,034
Depreciation Expense	<u>(3,929,311)</u>
	2,230,723

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (1,507,339)

Governmental funds report City pension/OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension/OPEB benefits earned net of employee contributions is reported as pension/OPEB expense.

City pension contributions	1,790,923
Cost of benefits earned net of employee contributions - Pension	<u>(2,798,073)</u>
City OPEB contributions	25,942
Cost of benefits earned net of employee contributions - OPEB	<u>(88,732)</u>
	(1,069,940)

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

Income Taxes	(118,865)
Delinquent Property Taxes	(22,723)
Intergovernmental	402,283
Other	<u>(412,278)</u>
	(151,583)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,693,289

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 9,256

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	(131,218)
Amortization of Bond Premium	29,794
Amortization of Deferred Charge on Refunding	(6,191)
Change in Inventory	<u>1,846</u>
	(105,769)

Change in Net Position of Governmental Activities \$171,121

See accompanying notes to the basic financial statements.

City of Macedonia, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Custodial Funds
Assets:	
Equity in Pooled Cash and Investments	\$164,774
Receivables (Net):	
Taxes	<u>84,663</u>
Total Assets	<u><u>249,437</u></u>
Liabilities:	
Accounts Payable	<u>82</u>
Total Liabilities	<u>82</u>
Net Position:	
Restricted for Individuals, Organizations, and Other Governments	<u>249,355</u>
Total Net Position	<u><u>\$249,355</u></u>

See accompanying notes to the basic financial statements.

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

	Custodial Funds
Additions:	
Intergovernmental Revenue	<u>\$442,720</u>
Total Additions	<u>442,720</u>
Deductions:	
General Government	7,911
Fees and Permits	2,018
JEDD Distribution	381,868
Other	<u>9,943</u>
Total Deductions	<u>401,740</u>
Change in Net Position	40,980
Net Position - Beginning of Year	<u>208,375</u>
Net Position - End of Year	<u><u>\$249,355</u></u>

See accompanying notes to the basic financial statements.

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

Note 1 - Description of the City and Reporting Entity

The City of Macedonia (the "City") is a charter municipal corporation duly organized and existing under the constitution and laws of the State of Ohio. The City may exercise all powers of local self-government and police powers to the extent it is not in conflict with applicable general laws. A charter was first adopted by the electorate at a general election held in 1972. The City operates under its own charter and is governed by a Mayor-Council form of government with the Mayor appointing the Finance Director and department heads, with Council approval and Council appointing the Clerk of Council. Officials include five Council members and a Mayor elected to four-year terms.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Macedonia, this includes the departments and agencies that provide the following services: police, fire, street maintenance, planning and zoning, emergency medical technicians, parks and recreation system, public improvements department, general administrative services and mayor's court.

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 organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. The City has no component units.

The City is associated with two jointly governed organizations, the Northeast Ohio Public Energy Council and the Regional Council of Governments (Note 13) and one joint venture, the Northfield Center Township - Macedonia Joint Economic Development District (Note 14).

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City of Macedonia 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 Macedonia
Summit County, Ohio
Notes to 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. These statements usually distinguish between those activities of the City that are governmental and those that are considered business-type. The City, however, has no business-type activities.

The statement of net position presents the financial condition of the governmental 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. 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 function is self-financing or draws from the general revenues of the City.

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

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The City reports two categories of funds: governmental 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 and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following is the City's major governmental fund:

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

The other governmental funds of the City account for road improvements and grants and other resources whose use is restricted to a particular purpose.

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

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. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Custodial funds account for assets held by the City for the benefit of other governments, organizations, or individuals. The City's custodial funds account for building assessment fees collected for the Ohio Board of Building Standards; a Joint Economic Development District with Northfield Center Township; and EMS fees collected on behalf of Boston Heights.

Measurement Focus

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

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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 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 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, are 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 sixty days of year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. 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

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources have been reported on the government-wide statements for the following items related to the City's net pension liability and net other post-employment benefits (OPEB) liability: (1) the net difference between projected and actual investment earnings on pension/OPEB plan assets, (2) the City's contributions to the pension/OPEB systems subsequent to the measurement date and (3) differences between employer's contributions and the employer's proportional share of contributions. For more pension and OPEB related information, see Notes 10 and 11.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property and income taxes, grants, special assessments, lease, accounts receivable, OPEB and pension. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance 2025 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Accounts receivable, grants and special assessments are reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows related to pension and OPEB are reported on the government-wide statement of net position. For more pension and OPEB related information, see Notes 10 and 11.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternate tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternate tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

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 budgetary control is at the department level and object level of personal services, operating and capital outlay for the general, street construction, maintenance and repair, parks, and family recreation funds, at the line item level for the capital improvements fund, and at the fund level for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. More detailed allocations beyond the legal level of appropriations passed by Council may be made by the Finance Director.

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

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources by fund. 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 Council during the year.

Cash and Cash Equivalents

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During the year, the City's investments were limited to Star Ohio and money market funds. The City's money market fund investment is recorded at the amount reported by financial institutions on December 31, 2024.

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.

For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

Investment procedures are restricted by the provisions of the Ohio Revised Code (ORC). Interest revenue credited to the general fund during 2024 amounted to \$871,964.

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

Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance which indicates that it does not constitute available spendable resources even though it is a component of fund balance.

Prepaid Items

Payments made for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Lease Receivable

Lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive lease payments that are determined by the lease agreement. The payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Capital Assets

The City's only capital assets are general capital assets. General capital assets are those assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by 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, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

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

Description	Estimated Lives
Land	N/A
Right-of-Ways	N/A
Buildings and Improvements	15 - 100 years
Land Improvements	20 years
Machinery and Equipment	5 - 40 years
Furniture and Fixtures	10 - 25 years
Vehicles	6 - 25 years
Infrastructure	15 - 50 years

The City's infrastructure consists of roads, water mains, storm sewers, traffic signals, and bridges and includes infrastructure acquired since December 31, 1980.

Compensated Absences

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, notes, and loans are recognized as a liability on the governmental fund financial statements when due.

Fund Balances

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:

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

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

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council (the highest level of decision making authority). 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) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the Finance Director the authority to constrain monies for intended purposes.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position invested in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions on enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City's \$6,848,053 in restricted net position, none was restricted by enabling legislation.

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

Interfund Activity

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

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

Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are receipted in the year the bonds are issued.

Estimates

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position for 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.

Note 3 - Accountability and Compliance

Deficit Fund Balances

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

<u>Other Governmental Funds</u>	<u>Deficit</u>
Special Assessment Bond Retirement	\$80,303
Police Pension Transfer	489
Fire Operating Levy	25,014
The Avenue TIF Fund	10,563

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

Note 4 - 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 deposits necessary to meet current demands on the treasury. Such 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.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2.00% and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio); and,
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed 25.00% of the interim monies available for investment at any one time.

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

The City may also invest any 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; and,
3. Obligations of the City.

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.

Cash on Hand

At year end, the City had \$1,175 in undeposited cash on hand, which is included on the financial statements of the City as part of "equity in pooled cash and investments".

Deposits

Based on the criteria described in GASB Statement No. 40, "[Deposits and Investment Risk Disclosures](#)", as of December 31, 2024, \$2,643,073 of the City's bank balance of \$3,143,013 was exposed to custodial risk as discussed below, while \$502,940 was covered by the Federal Deposit Insurance Corporation "FDIC".

Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105.00% of the carrying value of the deposits. Such collateral, as permitted by the ORC, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

All investments are in an internal investment pool. As of December 31, 2024, the City had the following investments:

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**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

Investment type	Fair Value	Fair Value Hierarchy	Weighted Average of Maturity
Money Market Funds	\$2,029,315	N/A	0.00
STAR Ohio	<u>10,836,819</u>	N/A	0.07
Total	<u>\$12,866,134</u>		
Portfolio Weighted Average Maturity			0.06

The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the City's recurring fair value measurements as of December 31, 2024. STAR Ohio is reported at its share price (Net Asset value per share).

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 investments so that securities mature to meet cash requirements for ongoing operations. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities, and the U.S. government money market fund are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

Credit Risk: STAR Ohio carries a rating of AAA by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The money market funds are not rated. The City has no investment policy that addresses credit risk.

Concentration of Credit Risk: The City's investment policy places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2024:

Investment type	Fair Value	% of Total
Money Market Funds	\$2,029,315	16%
STAR Ohio	<u>10,836,819</u>	<u>84%</u>
Total	<u>\$12,866,134</u>	<u>100%</u>

Note 5 – Receivables

Receivables at December 31, 2024, consisted primarily of municipal income taxes, property taxes, special assessments, leases, accounts (billings for user charged services and court fines), interfund and intergovernmental receivables arising from grants, entitlements and shared revenues.

**City of Macedonia
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Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for delinquent property taxes 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 \$104 in the general fund and \$124,241 in the other governmental funds.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35.00% of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35.00% of true value. 2024 public utility property taxes became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

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

The full tax rate for all City operations for the year ended December 31, 2024, was \$7.90 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2024 property tax receipts were based are as follows:

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

Real Property

Residential/Agricultural	\$469,744,200
Commercial/Industrial/Mineral	126,381,600
Public utility	48,247,450
Total Assessed Value	<u><u>\$644,373,250</u></u>

Income Taxes

The City levied a 2.50% municipal income tax on substantially all income earned within the City. In addition, City residents are required to pay tax on income earned outside of the City. The City allows a credit of 100.00% for income tax paid to another municipality, not to exceed 2.50% of taxable income.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City Ordinance, City net income tax collections from levies exceeding 2.25% are allocated to the Fire, Police, and Service Departments, with the remaining City net income tax collections allocated 70.66% to general fund, 11.39% for road projects and improvements, 6.28% to parks and recreation center, and 11.67% to Safety Services (50.00% of the 6.28% for park and 50.00% of the 6.28% to the recreation center).

The Regional Income Tax Agency (RITA) administers and collects income taxes for the City. Payments are remitted monthly net of estimated collection fees of 3.00%.

Note 6 - Compensated Absences

The criteria for determining vacation and sick leave liabilities are derived from negotiated agreements and State laws. Employees earn ten to twenty-five days of vacation per year, depending upon length of service. Normally, all vacation is to be taken in the year available unless written approval for carryover of vacation is obtained, in which case it is to be used in the first quarter of the following year. All accumulated unused vacation time is paid upon termination of employment.

Employees earn sick leave at a rate of 1 1/4 days per month. Sick leave accrual is continuous, without limit. Upon retirement or death, an employee can be paid a maximum of 40.00% of accumulated, unused sick leave up to a maximum payment of 384 hours, except fire employees whose maximum payment is up to 540 hours and police employees whose maximum payment is up to 500 hours. An employee with less than 10 years of service with the City, who is terminated other than retirement, is entitled to be paid 25.00% of their accrued unused sick leave up to a maximum payment of 240 hours.

Note 7 - Interfund Transactions

Interfund transfers and receivables and payables for the year ended December 31, 2024, consisted of the following, as reported on the fund financial statements:

	Transfers		Interfund	
	In	Out	Receivable	Payable
General Fund	\$0	\$5,535,000	\$100,800	\$0
Other Governmental Funds	6,679,200	1,144,200	0	100,800
Total All Funds	<u><u>\$6,679,200</u></u>	<u><u>\$6,679,200</u></u>	<u><u>\$100,800</u></u>	<u><u>\$100,800</u></u>

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) to move residual equity amounts. Transfers between governmental funds are eliminated on the government-wide financial statements.

The transfers out of the Safety Services Fund and the Road Program Fund to the Other Debt Fund and General Bond Retirement Fund were for debt payments being made out of those two funds. Transfers were made out of TIF Funds to the Road Program Fund for debt service payments.

Note 8 - Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital Assets Not Being Depreciated				
Land	\$10,262,892	\$313,773	\$0	\$10,576,665
Construction in Progress	600,744	1,041,484	525,494	1,116,734
Total Capital Assets Not Being Depreciated	10,863,636	1,355,257	525,494	11,693,399
Capital Assets Being Depreciated				
Buildings and Improvements	16,082,642	1,636,094	0	17,718,736
Machinery and Equipment	17,211,828	602,032	1,722,480	16,091,380
Infrastructure	74,792,255	3,092,145	14,841	77,869,559
Total Capital Assets Being Depreciated	108,086,725	5,330,271	1,737,321	111,679,675
Less Accumulated Depreciation				
Buildings and Improvements	7,041,423	531,589	0	7,573,012
Machinery and Equipment	9,058,160	1,047,862	228,498	9,877,524
Infrastructure	36,388,051	2,349,860	1,484	38,736,427
Total Accumulated Depreciation	52,487,634	3,929,311	229,982	56,186,963
Total Capital Assets Being Depreciated, Net	55,599,091	1,400,960	1,507,339	55,492,712
Governmental Activities Capital Assets, Net	\$66,462,727	\$2,756,217	\$2,032,833	\$67,186,111

Depreciation expense was charged to governmental functions as follow:

General government	\$202,762
Security of persons and property	403,859
Leisure time activities	279,426
Community environment	1,152
Basic Utility Services	629,222
Transportation	2,412,890
Total	\$3,929,311

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

Note 9 - 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 disaster. As of December 31, 2024, the City contracted with Ohio Plan Risk Management, Inc., which is administered by Nixon Lauriante Insurance Agency, Inc., as follows:

Type of Coverage	Coverage	Deductible
Building & Personal Property Blanket Limit	\$24,831,348	\$1,000
General Liability	6,000,000	No deductible
Automobile Liability	6,000,000	500
Municipal Attorney & Law Directors Liability	6,000,000	25,000
Employer Liability	6,000,000	No deductible
Emergency Medical Services Liability	6,000,000	25,000
Special Property Schedule	2,502,157	500
Public Employee Dishonesty	250,000	1,000
Computer Equipment	217,675	500
Public Officials Liability	6,000,000	25,000
Law Enforcement Officers Liability	6,000,000	25,000
Employee Benefits Liability	6,000,000	No deductible
Employment Practices Liability	6,000,000	25,000
Uninsured/Underinsured Motorist Bodily Injury	1,000,000	No deductible
Hired/Borrowed Physical Damage	50,000	500
Unmanned Aerial Systems Liability	500,000	No deductible
Cyber Data Breach & Privacy Liability	1,000,000	5,000
Terrorism	6,000,000	10,000

The City carries commercial insurance coverage for all risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there were no significant reductions in coverage from the prior year.

Workers' Compensation

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

Note 10 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other post-employment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

Pensions and OPEB are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period.

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

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

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

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

The remainder of this note includes the pension disclosures. See Note 11 for the 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. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) 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

**City of Macedonia
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Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

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):

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

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement. Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

**City of Macedonia
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Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

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, 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:

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2024 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2024 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

** This rate is determined by OPERS' Board and has no maximum rate established by ORC.

*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

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

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

For 2024, the City's contractually required contribution was \$681,124, of this amount \$96,914 is reported in accrued wages and benefits.

Ohio Police & Fire Pension Fund (OP&F)

Plan Description

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

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

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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.

Funding Policy

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

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	<u>Police</u>	<u>Firefighters</u>
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	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,109,799 for 2024, of this amount \$85,450 is reported as accrued wages and benefits.

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

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

	OPERS		
	Traditional Plan	OPF	Total
Proportionate Share of the:			
Net Pension Liability	\$6,974,723	\$16,331,819	\$23,306,542
Proportion of the Net Pension Liability:			
Current Measurement Date	0.02664100%	0.16904230%	
Prior Measurement Date	<u>0.02579400%</u>	<u>0.16042140%</u>	
Change in Proportionate Share	<u>0.00084700%</u>	<u>0.00862090%</u>	
Pension Expense	\$924,556	\$1,873,518	\$2,798,074

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

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	OPERS		
	Traditional Plan	OPF	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$113,996	\$524,299	\$638,295
Changes in assumptions	0	1,032,153	1,032,153
Net difference between projected and actual earnings on pension plan investments	1,407,797	1,850,738	3,258,535
Changes in employer proportionate share of net pension liability	115,214	879,181	994,395
Contributions subsequent to the measurement date	681,124	1,109,799	1,790,923
Total Deferred Outflows of Resources	\$2,318,130	\$5,396,171	\$7,714,302
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$182,653	\$182,653
Changes in assumptions	0	248,018	248,018
Changes in employer proportionate share of net pension liability	0	259,655	259,655
Total Deferred Inflows of Resources	\$0	\$690,325	\$690,325

\$1,790,923 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS		
	Traditional Plan	OPF	Total
2025	\$436,964	\$986,668	\$1,423,632
2026	502,130	1,030,230	1,532,361
2027	898,376	1,393,943	2,292,319
2028	(200,465)	(1,747)	(202,212)
2029	0	181,508	181,508
Thereafter	0	5,445	5,445
Total	\$1,637,006	\$3,596,047	\$5,233,054

Actuarial Assumptions – OPERS

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

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

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OPERS Traditional Plan	
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
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 Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

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

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

Discount Rate

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability 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 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%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$10,980,088	\$6,974,723	\$3,643,423

Actuarial Assumptions – OP&F

The total pension liability is determined by OP&F 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.

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

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 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 131.0 percent for females. All rates are projected using the MP-2021 Improvement Scale.

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

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

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

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

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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 their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	Current		
	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$21,632,711	\$16,331,819	\$11,923,612

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Note 11 – Postemployment Benefits

Net OPEB Liability

See Note 10 for a description of the net OPEB liability.

Ohio Public Employees Retirement System (OPERS)

Plan Description

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Effective January 1, 2022 the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill 33 which allows for the consolidation of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. 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 selected with the assistance of an OPERS vendor.

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 traditional pension plan and combined plan 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

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

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

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

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

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

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the 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 <i>January 1, 2015 through December 31, 2021</i> Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Any Age with 10 years of service credit <i>January 1, 2015 through December 31, 2021</i> 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	Any Age with 10 years of service credit <i>January 1, 2015 through December 31, 2021</i> Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

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

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

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

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

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

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

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

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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. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2024.

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.

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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.

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 City's contractually required contribution to OP&F was \$25,942 for 2024.

Net OPEB Liability (Asset)

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

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	OPERS		
	Traditional Plan	OPF	Total
Proportionate Share of the:			
Net OPEB (Asset)	(\$233,068)	\$0	(\$233,068)
Net OPEB Liability	0	1,234,230	1,234,230
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.02582400%	0.16904230%	
Prior Measurement Date	<u>0.02480200%</u>	<u>0.16042140%</u>	
Change in Proportionate Share	<u>0.00102200%</u>	<u>0.00862090%</u>	
OPEB Expense	(\$31,994)	\$120,726	\$88,732

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

	OPERS		
	Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$59,351	\$59,351
Changes in assumptions	60,003	424,710	484,714
Net difference between projected and actual earnings on pension plan investments	139,970	91,140	231,110
Changes in employer proportionate share of net OPEB liability	88	209,344	209,431
Contributions subsequent to the measurement date	0	25,942	25,942
Total Deferred Outflows of Resources	<u>\$200,062</u>	<u>\$810,487</u>	<u>\$1,010,548</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$33,172	\$226,816	\$259,988
Changes in assumptions	100,189	794,815	895,004
Changes in employer proportionate share of net OPEB liability	6,405	84,672	91,078
Total Deferred Inflows of Resources	<u>\$139,766</u>	<u>\$1,106,303</u>	<u>\$1,246,070</u>

\$25,942 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 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:

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Year Ending December 31:	OPERS		
	Traditional Plan	OPF	Total
2025	(\$9,944)	\$37,745	\$27,801
2026	8,547	(40,865)	(32,317)
2027	108,955	(14,680)	94,274
2028	(47,263)	(88,478)	(135,741)
2029	0	(101,630)	(101,630)
Thereafter	0	(113,851)	(113,851)
Total	\$60,295	(\$321,759)	(\$261,463)

Actuarial Assumptions – OPERS

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

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

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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. The OPERS's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future 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 Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

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

Discount Rate

A single discount rate of 5.70 percent was used to measure the total OPEB liability (asset) 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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
	(4.70%)	(5.70%)	(6.70%)
Proportionate share of the net OPEB liability (asset)	\$128,087	(\$233,068)	(\$532,233)

Sensitivity of the 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. The following table presents the net liability or asset calculated using the assumed trend rates, and the expected net OPEB liability 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
Proportionate share of the net OPEB liability	(\$242,746)	(\$233,068)	(\$222,086)

Actuarial Assumptions – OP&F

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

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employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	4.07 percent
Prior measurement date	4.27 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2038

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 135.0 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 131.0 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.

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

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

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

Note: Assumptions are geometric.

* levered 2.0x

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

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 Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.07 percent, as well

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as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07 percent), or one percentage point higher (5.07 percent) than the current rate.

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
Proportionate share of the net OPEB liability	\$1,520,229	\$1,234,230	\$993,363

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Note 12 - Long-Term Obligations

The original issue date, interest rate, original issue amount and date of maturity of each of the City's bonds and loans follows:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities:			
General Obligation Bonds			
Street Improvement Bonds 2022	4.20%	\$470,000	December 1, 2042
Radio G.O. Bonds 2020	1.50%	575,000	December 1, 2025
2020 Refunding of 2019 Bonds	1.50%	1,185,000	December 1, 2028
2020 Refunding of 2010 Bonds	1.23%	3,435,000	December 1, 2030
Fire Truck Acquisition Bonds, 2019	3.60%	1,450,000	December 1, 2028
Various Purpose - Roads, 2018	2.50-4.00%	9,000,000	December 1, 2038
Special Assessments			
Highland Road Improvement Variance, 2003	2.00-4.00%	1,260,000	December 1, 2023
North Freeway Drive, 2006	5.38%	543,300	December 1, 2026
Ohio Public Works Commission Loan (OPWC)			
North Freeway Drive Project, 2005	0.00%	678,957	December 1, 2027
Valley View Road Project, 2019	0.00%	677,787	January 4, 2040
Ledge Road Reconstruction Project 2020	0.00%	707,935	July 31, 2050
State Infrastructure Bank Loan			
I-271 Ramp Project, 2014	3.00%	502,000	July 31, 2034

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

	Restated Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due in One Year
General Obligation Bonds and BANS					
Street Improvement Bonds, 2022	\$460,000	\$0	(\$15,000)	\$445,000	\$15,000
Radio G. O. Bonds 2020	235,000	0	(115,000)	120,000	120,000
2020 Refunding of 2019 Bonds	720,000	0	(150,000)	570,000	145,000
2020 Refunding of 2010 Bonds	2,455,000	0	(350,000)	2,105,000	345,000
Various Purpose Bonds, 2018	7,345,000	0	(395,000)	6,950,000	400,000
Premium on 2018 Issuance	339,110	0	(22,607)	316,503	0
<i>Total General Obligation Bonds and BANS</i>	<u>11,554,110</u>	<u>0</u>	<u>(1,047,607)</u>	<u>10,506,503</u>	<u>1,025,000</u>
Special Assessment Bonds with Governmental Commitment					
North Freeway Drive, 2006	122,400	0	(38,700)	83,700	40,700
Ohio Department of Transportation (ODOT)					
State Infrastructure Bank Loans (I-271 Ramp)	35,000	0	(35,000)	0	0
Ohio Public Works Commission Loans (OPWC)					
North Freeway Drive Project, 2005	135,789	0	(33,948)	101,841	33,948
CH07W, 2020	634,443	0	(37,320)	597,123	37,320
Ledge Road Reconstruction Project, CH06U	637,141	0	(23,598)	613,543	23,598
Valley View Road Resurfacing Project, CHO3Z	32,400	0	0	32,400	1,620
<i>Total OPWC Loan</i>	<u>1,439,773</u>	<u>0</u>	<u>(94,866)</u>	<u>1,344,907</u>	<u>96,486</u>
Net Pension Liability					
Net OPEB Liability	22,858,037	448,505	0	23,306,542	0
Old Aerosol Factory Liability	1,298,535	0	(64,305)	1,234,230	0
Compensated Absences Payable	252,840	0	(19,752)	233,088	25,284
Notes Payable	2,474,709	76,537	0	2,551,246	1,712,713
Premiums	2,312,363	0	(479,971)	1,832,392	481,267
	<u>49,714</u>	<u>0</u>	<u>(7,187)</u>	<u>42,527</u>	<u>0</u>
Total Governmental Long-Term Liabilities	<u><u>\$42,397,481</u></u>	<u><u>\$525,042</u></u>	<u><u>(\$1,787,388)</u></u>	<u><u>\$41,135,135</u></u>	<u><u>\$3,381,450</u></u>

The City owns a former Aerosol Factory site known as the Old Aerosol Factory. The City took ownership of the property on July 31, 2023. State and federal laws require that the City monitor and maintain the site indefinitely after closure. For the year ended December 31, 2024, the City evaluated the outstanding liability related to post closure care costs. The City's new estimated accrued liability for post-closure costs related to the closed facility is \$233,088. The estimated costs of post-closure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables. The liability will be paid with the general revenues of the City and follows the guidelines set forth by GASB Statement No. 18.

General obligation bonds are the direct obligation of the City for which its full faith and credit are pledged for repayment and will be paid from the collection of income taxes.

On January 15, 2014, ODOT issued the City a loan to acquire the rights-of-way for the I-271 ramp project. The loan was in the amount of \$502,000 and had an interest rate of 3.00%. The loan has a maturity date of July 31, 2024. Principal and interest payments are due semi-annually. The loan had a 0.00% interest rate until July 30, 2015.

Special assessment bonds will be paid from special assessment proceeds levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City.

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The OPWC loan for North Freeway Drive Project will be paid from special assessments. The OPWC loan for Valley View Road Project will be paid from the Road Program Fund.

Compensated absences will be paid from the general fund and the street construction, maintenance and repair, parks and recreation and family recreation center special revenue funds.

Optional Redemption - The bonds maturing on or after December 1, 2013, shall be subject to redemption, by and at the option of the City, on or after December 1, 2012, in whole or in part on any date, in the integral multiples of \$5,000, at the redemption price of 100.00% of principal amount to be redeemed, plus interest accrued to the redemption date.

2022 Street Improvement Bonds

On September 7, 2022 the City issued \$470,000 in general obligation bonds with an interest rate of 4.200%. The proceeds were used to pay for the cost of constructing, reconstructing, improving, grading, draining and paving various roads and streets in the City.

2021 Bond Anticipation Notes

On April 29, 2021 the City issued \$580,000 in bond anticipation notes with an interest rate of 0.50%. the proceeds were used to pay for the cost of street improvements throughout the city.

2020 Radio G.O. Bonds

On December 15, 2020 the City issued \$575,000 in general obligation bonds with an interest rate of 1.500%. the proceeds were used to pay for the cost of acquiring, installing, equipping and otherwise improving the City's communication system.

2019 Fire Truck Acquisition Bonds

On January 17, 2019, the City issued \$1,450,000 in general obligation bonds with an interest rate of 3.60%. The proceeds were used to pay for the acquisition of new fire trucks.

2018 Various Purpose Bonds

On July 16, 2018, the City issued \$9,000,000 in general obligation bonds with interest rates varying from 2.50% to 4.00%. The proceeds were used to pay the costs of constructing, reconstructing, improving, grading, draining and paving various roads and streets in the City.

2010 Various Purpose Bonds

On September 22, 2010, the City issued \$5,130,000 in general obligation bonds with interest rates varying from 2.00% to 4.00%. The bond issue included serial and term bonds.

Optional Redemption - The bonds maturing after December 1, 2020, are subject to prior redemption, by and at the sole option of the City, in whole or in part as selected by the City (in integral multiples of \$5,000), on any date on or after December 1, 2020, at a redemption price equal to 100.00% of the principal

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amount redeemed, plus interest accrued to the redemption date.

Mandatory Redemption - The bonds maturing on December 1, 2030, (the term bonds), are subject to mandatory sinking fund redemption requirements, at a redemption price equal to 100.00% of the principal amount redeemed, plus interest accrued to the redemption date, on December 1 of the years shown, and according to, the following schedule:

<u>Year</u>	<u>Principal Amount</u>
2025	\$325,000
2026	340,000
2027	350,000
2028	365,000
2029	375,000
2030	380,000

In 2023, the City entered into a new notes payable for police vehicles in the amount of \$350,000.

In 2022, the City entered into a new notes payable for Cot Loader in the amount of \$47,465.

In 2022, the City entered into a new notes payable for two F-750s in the amount of \$414,000.

In 2022, the City entered into a new notes payable for Fire Pumper in the amount of \$747,480.

In 2022, the City entered into a new notes payable for one Durango, four Tahoes and one ambulance in the amount of \$975,000.

In 2017, the City entered into a new notes payable for Grade All Machine in the amount of \$322,000.

Principal and interest requirements to retire the long-term obligations as of December 31, 2024, are as follows:

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Years	General Obligation		Special Assessment		OPWC Loans	
	Bonds and BANS		Bonds			
	Principal	Interest	Principal	Interest		
2025	\$1,025,000	\$345,718	\$40,700	\$3,962	\$96,486	
2026	925,000	326,932	43,000	1,743	102,966	
2027	935,000	308,083	0	0	117,543	
2028	960,000	284,363	0	0	60,918	
2029	835,000	260,118	0	0	60,918	
2030-2034	3,070,000	944,277	0	0	304,590	
2035-2039	2,340,000	368,340	0	0	304,590	
2040-2044	100,000	14,070	0	0	155,313	
2045-2049	0	0	0	0	117,990	
2050-2053	0	0	0	0	23,593	
Total	<u>\$10,190,000</u>	<u>\$2,851,900</u>	<u>\$83,700</u>	<u>\$5,705</u>	<u>\$1,344,907</u>	

During the current year and in previous years, the City entered into notes payable agreements with a local bank to finance the purchase of various heavy machinery, vehicles and dump trucks. The source of revenue to fund the principal and interest payments is derived from general operating revenues of the City. The following is a schedule of notes payable as of December 31, 2024.

Years	Notes Payable	
	Principal	Interest
2025	\$481,267	\$60,483
2026	499,009	42,740
2027	321,303	24,291
2028	181,010	13,968
2029	107,202	8,184
2030-2032	<u>242,601</u>	<u>11,491</u>
Total	<u>\$1,832,392</u>	<u>\$161,157</u>

Note 13 - Jointly Governed Organization

Northeast Ohio Public Energy Council (NOPEC)

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a Regional Council of Governments (RCOG) formed under Chapter 167 of the ORC. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 200 communities who have been authorized by ballot to purchase electricity and natural gas on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the ten-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program.

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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 Macedonia did not contribute to NOPEC during 2024. Financial information can be obtained by contacting Dr. William Koons, Board Chairman, 31320 Solon Rd. Suite 20, Solon, Ohio or at the website www.nopecinfo.org.

Regional Council of Governments (RCOG)

In 1971, 38 municipalities joined together to organize a RCOG to administer tax collection and enforcement concerns facing the cities and villages. The first official act of the RCOG was to form the RITA. Today RITA serves as the income tax collection agency for 250 municipalities throughout the State of Ohio. The City began using RITA for its income tax collection services during 2005.

Each member municipality appoints its own delegate to the RCOG, including electing members to the RITA Board of Trustees. Regardless of the population or tax collections of member municipalities, each member of the RCOG has an equal say in the operations of RITA.

Note 14 - Joint Venture

The City participates in the Northfield Center Township - Macedonia Joint Economic Development District (JEDD) which is created in accordance with sections 715.70 and 715.71 of the Ohio Revised Code. The purpose of the JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the Township and the City. The City and the Township shall work together to provide or cause to be provided, water, sewer, storm sewer, street lighting, roads, sidewalks and other local government services to the area. These services are funded by a predetermined percentage of income tax revenue. The Board of Directors consists of six members, three from each the City and the Township. The Township members of the Board are the Township Trustees. The City members are the Mayor and two elected members of Council who are appointed to the Board by the Mayor and approved by Council. The Board adopted an annual budget for the JEDD and estimated the revenues and expenses of the operation of the JEDD. They also established the distribution of the income tax revenues. The Board is authorized to take such necessary and appropriate actions, or establish such programs to facilitate economic development in the JEDD area.

Continued existence of the JEDD is dependent on the City's continued participation; however, the City does not have an equity interest in the JEDD. The JEDD is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2024, 50.00% of the JEDD's total distributions after expenses went to the City. Complete financial statements can be obtained from the JEDD, City of Macedonia, Finance Department, 9691 Valley View Road, Macedonia, Ohio, 44056.

Note 15 - Tax Increment Financing District (TIF)

The City, pursuant to the ORC and City Ordinances, has established TIF districts. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as "payments in lieu of taxes (PILOTS)", as though the TIF had not been established. These "PILOTS" are then dedicated to the payments for various public improvements within or adjacent to the TIF districts. Property values existing before the commencement date of a TIF continue to be subjected to property taxes.

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

PILOTS are reported in the fund financial statements. The TIF has a longevity of the shorter period of 30 years or until the public improvements are paid for. The property tax exemption then ceases; PILOTS cease and property taxes then apply to the increased property values.

Note 16 – Contingencies

Grants

The City received 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 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 Macedonia is a party to legal proceedings seeking damages. 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 17 - Other Commitments

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General Fund	\$244,174
Other Nonmajor Governmental	<u>7,496,626</u>
Total	<u>\$7,740,800</u>

Note 18 - Fund Balance

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

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**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

Fund balance	General	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Materials and supplies inventory	\$5,286	\$181,214	\$186,500
Unclaimed monies	2,589	0	2,589
Prepays	127,071	41,952	169,023
Total nonspendable	134,946	223,166	358,112
Restricted:			
Street, Construction Maintenance & Repair	0	517,622	517,622
State Highway Improvement	0	103,071	103,071
Bond Retirement	0	10,336	10,336
Permissive Tax	0	14,990	14,990
Nardonia Hills Home Days	0	21,676	21,676
Motor Vehicle License	0	133,597	133,597
City Income Tax	0	6,093	6,093
Drug Law Enforcement	0	24,942	24,942
Law Enforcement Education	0	27,742	27,742
Other Debt	0	26,123	26,123
Mayors Court Computer	0	36,974	36,974
Federal Fire Grants	0	14,044	14,044
Law Enforcement Trust	0	19,355	19,355
Quiet Zone Maintenance Fund	0	19,074	19,074
ARRA Grants Fund	0	5,416	5,416
Federal Equitable Sharing	0	24,166	24,166
K-9 Police Donation	0	1,266	1,266
Wireless E911	0	14,903	14,903
Safety Services	0	1,836,097	1,836,097
Capital Improvement	0	1,224,739	1,224,739
CDBG Grant	0	8,153	8,153
OH State Waterproofing TIF	0	3,552	3,552
Cleanland TIF	0	63	63
Macedonia Shoppes TIF	0	239	239
Maquire Property TIF	0	155	155
Culver's TIF	0	155	155
KFC TIF	0	86	86
Optima	0	6,454	6,454
Road Program	0	1,514,707	1,514,707
Longwood Park Improvements	0	5,912	5,912
OneOhio Opioid Settlement	0	67,201	67,201
Manor House Renovations	0	29,513	29,513
Total restricted	0	5,718,416	5,718,416
Committed:			
Community environment	0	56,239	56,239
Water Maintenance and Expansion	0	208,744	208,744
Leisure time activities	0	2,509,938	2,509,938
Retirement reserve	674,330	0	674,330
Underground storage tank	7,700	0	7,700
Capital projects	0	1,462,743	1,462,743
Total committed	682,030	4,237,664	4,919,694
Assigned:			
Future Encumbrances	506,056	0	506,056
Budgetary Resources	1,937,789	0	1,937,789
Total assigned	2,443,845	0	2,443,845
Unassigned (deficit)	4,808,559	(121,626)	4,686,933
Total fund balances	\$8,069,380	\$10,057,620	\$18,127,000

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

Note 19 – Tax Abatements

As of December 31, 2024, the City had \$70,662 in taxes abated per CRA agreement.

Note 20 – Lease – Lessor Disclosure

The City collectively (the “lessor”) entered into an agreement to land for a golf course and an agreement for cell tower space. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at various discounted rates.

Details of each lease are presented below:

The lease for the golf course land was as follows:

<u>Lease Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Rent</u>
2025	\$59,979	\$11,421	\$71,400
2026	61,520	9,880	71,400
2027	63,100	8,300	71,400
2028	64,720	6,680	71,400
2029	66,382	5,018	71,400
2030-2032	161,597	5,003	166,600
	<u>\$477,298</u>	<u>\$46,302</u>	<u>\$523,600</u>

The lease for the cell tower space was as follows:

<u>Lease Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Rent</u>
2025	\$11,666	\$6,457	\$18,123
2026	11,965	6,158	18,123
2027	12,273	5,850	18,123
2028	12,588	5,535	18,123
2029	12,911	5,212	18,123
2030-2034	69,701	20,913	90,614
2035-2039	79,123	11,491	90,614
2040-2042	49,494	1,854	51,348
	<u>\$259,721</u>	<u>\$63,470</u>	<u>\$323,191</u>

The City recognized \$76,972 in lease revenues and \$19,671 interest revenues from lease activity for 2024.

Note 21 – Implementation of New Accounting Principles

For fiscal year 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 99, Omnibus 2022, GASB Statement No. 100, Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62, GASB Statement No. 101, Compensated Absences.

GASB Statement No. 99 sets out to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

GASB Statement No. 100 sets out to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent,

**City of Macedonia
Summit County, Ohio
Notes to Basic Financial Statements
For the Year Ended December 31, 2024**

and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the City.

GASB Statement No. 101 sets out to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 had the following effect on net position as reported December 31, 2023, by opinion unit affected:

<u>Government-Wide</u>	
<u>Governmental Activities</u>	
Net Position-Beginning of Year, as Previously Presented	\$55,931,140
Change in Accounting Principle- Adoption of GASB 101	<u>(892,712)</u>
Net Position-Beginning of Year, as Restated	<u><u>\$55,038,428</u></u>

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REQUIRED **S**UPPLEMENTARY **I**NFORMATION

City of Macedonia, Ohio
 Required Supplementary Information
 Schedule of the City's Proportionate Share
 of the Net Pension Liability
 OPERS - Traditional Plan
 Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.02664100%	0.02579400%	0.02531800%	0.02427300%	0.02627200%	0.02554100%	0.02584800%	0.02617800%	0.02360200%	0.02391200%
City's Proportionate Share of the Net Pension Liability	\$6,974,723	\$7,619,559	\$2,202,768	\$3,594,303	\$5,192,839	\$6,995,162	\$4,055,050	\$5,944,579	\$4,088,065	\$2,806,984
City's Covered Payroll	\$4,383,200	\$3,996,736	\$3,647,114	\$3,418,736	\$3,610,557	\$3,449,771	\$3,415,838	\$3,383,100	\$3,457,500	\$2,933,192
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.12%	190.64%	60.40%	105.14%	143.82%	202.77%	118.71%	175.71%	118.24%	95.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

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

See accompanying notes to the required supplementary information.

City of Macedonia, Ohio
 Required Supplementary Information
 Schedule of the City's Proportionate Share
 of the Net Pension Liability
 OP&F Pension Fund
 Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.16904230%	0.16042140%	0.16607910%	0.15912780%	0.15329720%	0.15417300%	0.15970700%	0.14462900%	0.13528800%	0.02391120%
City's Proportionate Share of the Net Pension Liability	\$16,331,819	\$15,238,478	\$10,375,662	\$10,847,885	\$10,326,918	\$12,584,591	\$9,801,940	\$9,160,656	\$8,703,172	\$6,980,575
City's Covered Payroll	\$4,723,332	\$4,321,154	\$4,233,819	\$3,827,000	\$3,804,875	\$3,881,037	\$3,870,684	\$3,463,626	\$2,632,917	\$2,812,122
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	345.77%	352.65%	245.07%	283.46%	271.41%	324.26%	253.24%	264.48%	330.55%	248.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.63%	62.90%	75.03%	70.65%	69.89%	63.07%	70.91%	68.36%	66.77%	72.20%

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

See accompanying notes to the required supplementary information.

City of Macedonia, Ohio
 Required Supplementary Information
 Schedule of City Contributions
 for Net Pension Liability
 OPERS - Traditional Plan
 Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$681,124	\$613,648	\$559,543	\$510,596	\$478,623	\$505,478	\$482,968	\$444,059	\$405,972	\$414,900
Contributions in Relation to the Contractually Required Contribution	(681,124)	(613,648)	(559,543)	(510,596)	(478,623)	(505,478)	(482,968)	(444,059)	(405,972)	(414,900)
Contribution Deficiency (Excess)	<u>\$0</u>									
City Covered Payroll	\$4,865,171	\$4,383,200	\$3,996,736	\$3,647,114	\$3,418,736	\$3,610,557	\$3,449,771	\$3,415,838	\$3,383,100	\$3,457,500
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

See accompanying notes to the required supplementary information.

City of Macedonia, Ohio
 Required Supplementary Information
 Schedule of City Contributions
 for Net Pension Liability
 OP&F Pension Fund
 Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$1,109,799	\$1,014,164	\$925,254	\$897,993	\$815,002	\$803,970	\$737,397	\$735,430	\$658,089	\$528,953
Contributions in Relation to the Contractually Required Contribution	(1,109,799)	(1,014,164)	(925,254)	(897,993)	(815,002)	(803,970)	(737,397)	(735,430)	(658,089)	(528,953)
Contribution Deficiency (Excess)	<u>\$0</u>									
City Covered Payroll	\$5,188,411	\$4,723,332	\$4,321,154	\$4,233,819	\$3,827,000	\$3,804,875	\$3,881,037	\$3,870,684	\$3,463,626	\$2,632,917
Contributions as a Percentage of Covered Payroll	21.39%	21.47%	21.41%	21.21%	21.29%	21.13%	19.00%	19.00%	19.00%	20.09%

See accompanying notes to the required supplementary information.

City of Macedonia, Ohio
 Required Supplementary Information
 Schedule of the City's Proportionate Share
 of the Net OPEB Liability
 OPERS - Traditional Plan
 Last Eight Fiscal Years (1)

	2024	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.02582400%	0.02480200%	0.02443900%	0.02344200%	0.02507900%	0.02424900%	0.02459000%	0.02489388%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$233,068)	\$156,381	(\$765,467)	(\$417,638)	\$3,464,061	\$3,161,497	\$2,670,293	\$2,514,366
City's Covered Payroll	\$4,383,200	\$3,996,736	\$3,647,114	\$3,418,736	\$3,610,557	\$3,449,771	\$3,415,838	\$3,383,100
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	-5.32%	3.91%	-20.99%	-12.22%	95.94%	91.64%	78.17%	74.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.04%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

City of Macedonia, Ohio
 Required Supplementary Information
 Schedule of the City's Proportionate Share
 of the Net OPEB Liability
 OP&F Pension Fund
 Last Eight Fiscal Years (1)

	2024	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.16904230%	0.16042140%	0.16607910%	0.15912780%	0.15329720%	0.15417300%	0.15970700%	0.14462900%
City's Proportionate Share of the Net OPEB Liability	\$1,234,230	\$1,142,154	\$1,820,370	\$1,685,985	\$1,514,229	\$1,403,982	\$9,048,775	\$6,865,213
City's Covered Payroll	\$4,723,332	\$4,321,154	\$4,233,819	\$3,827,000	\$3,804,875	\$3,881,037	\$3,870,684	\$3,463,626
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	26.13%	26.43%	43.00%	44.06%	39.80%	36.18%	233.78%	198.21%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	51.90%	52.60%	46.90%	45.42%	69.89%	46.57%	14.13%	15.96%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

City of Macedonia, Ohio
 Required Supplementary Information
 Schedule of City Contributions to OPEB
 OPERS - Traditional Plan
 Last Nine Fiscal Years (1)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contributions to OPEB in Relation to the Contractually Required Contribution	0	0	0	0	0	0	0	0	0
Contribution Deficiency (Excess)	<u>\$0</u>								
City Covered Payroll	\$4,865,171	\$4,383,200	\$3,996,736	\$3,647,114	\$3,418,736	\$3,610,557	\$3,449,771	\$3,415,838	\$3,383,100
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

City of Macedonia, Ohio
 Required Supplementary Information
 Schedule of City Contributions to OPEB
 OP&F Pension Fund
 Last Nine Fiscal Years (1)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution to OPEB	\$25,942	\$23,617	\$21,606	\$21,031	\$19,136	\$18,866	\$17,344	\$17,483	\$13,048
Contributions to OPEB in Relation to the Contractually Required Contribution	(25,942)	(23,617)	(21,606)	(21,031)	(19,136)	(18,866)	(17,344)	(17,483)	(13,048)
Contribution Deficiency (Excess)	<u>\$0</u>								
City Covered Payroll	\$5,188,411	\$4,723,332	\$4,321,154	\$4,233,819	\$3,827,000	\$3,804,875	\$3,881,037	\$3,870,684	\$3,463,626
Contributions to OPEB as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.45%	0.45%	0.38%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

City of Macedonia

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Fiscal Year Ended December 31, 2024

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Property Taxes	\$2,450,481	\$2,539,687	\$2,601,062	\$61,375
Income Taxes	11,027,369	11,428,802	11,704,994	276,192
Charges for Services	3,022,465	3,132,493	3,208,194	75,701
Investment Earnings	815,126	844,799	865,215	20,416
Intergovernmental	704,893	730,553	748,208	17,655
Special Assessments	4,310	4,467	4,575	108
Fines, Licenses & Permits	629,030	651,929	667,684	15,755
Other Revenues	317,483	329,040	336,992	7,952
Total Revenues	18,971,157	19,661,770	20,136,924	475,154
Expenditures:				
Current:				
General Government	4,017,270	4,449,220	4,355,680	93,540
Public Safety	9,237,349	10,230,578	10,015,492	215,086
Community Environment	470,166	520,720	509,772	10,948
Basic Utility Service	93,081	103,089	100,922	2,167
Public Health and Welfare	208,790	231,240	226,378	4,862
Capital Outlay	612,693	678,572	664,306	14,266
Total Expenditures	14,639,349	16,213,419	15,872,550	340,869
Excess of Revenues Over (Under) Expenditures	4,331,808	3,448,351	4,264,374	816,023
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	82,313	85,309	87,371	2,062
Transfers In	141,316	146,461	150,000	3,539
Transfers (Out)	(5,404,714)	(5,985,845)	(5,860,000)	125,845
Total Other Financing Sources (Uses)	(5,181,085)	(5,754,075)	(5,622,629)	131,446
Net Change in Fund Balance	(849,277)	(2,305,724)	(1,358,255)	947,469
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,003,828	5,003,828	5,003,828	0
Fund Balance End of Year	\$4,154,551	\$2,698,104	\$3,645,573	\$947,469

See accompanying notes to the required supplementary information.

**City of Macedonia
Summit County, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2024**

Note 1 - Budgetary Process

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The schedule of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to restricted, assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the budgetary basis schedule to the GAAP basis statements (as reported in the fund financial statements) for all governmental funds for which a budgetary basis schedule is presented:

<u>Net Change in Fund Balance</u>	
	<u>General</u>
GAAP basis	(\$861,935)
Net adjustment for revenue accruals	(526,240)
Net adjustment for expenditure accruals	449,094
Transfers In	150,000
Transfers (Out)	(325,000)
Adjustment for encumbrances	<u>(244,174)</u>
Budget basis	<u>(\$1,358,255)</u>

**City of Macedonia
Summit County, Ohio
Notes to the Required Supplementary Information
For The Year Ended December 31, 2024**

Certain funds that are legally budgeted in other funds are considered part of the general fund on a GAAP basis.

Note 2 – Net Pension Liability

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

Changes in assumptions:

2024-2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 7.20% to 6.90%
- Decrease in wage inflation from 3.25% to 2.75%
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%

2021-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 7.50% to 7.20%.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2016-2014: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Changes in benefit terms:

2024-2014: There were no changes in benefit terms for this period.

OHIO POLICE AND FIRE PENSION FUND CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

Changes in assumptions:

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent

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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.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed investment rate of return from 8.00% to 7.50%

2021-2019: There have been no OP&F pension plan amendments adopted or changes in assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

2017-2014: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Changes in benefit terms:

2024-2014: There were no changes in benefit terms for the period.

Note 3 - Net OPEB Liability (Asset)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

Changes in assumptions:

2024: The following were the most significant changes of assumptions that affected the total OPEB (asset) since the prior measurement date:

- The single discount rate increased from 5.22% to 5.70%.
- The municipal bond rate decreased from 4.05% to 3.77%.

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 6.00% to 5.22%.
- The municipal bond rate increased from 1.84% to 4.05%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond rate decreased from 2.00% to 1.84%.
- The initial health care cost trend rate decreased from 8.50% to 5.50%.
- Decrease in wage inflation from 3.25% to 2.75%.

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- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16% to 6.00%.
- The municipal bond rate decreased from 2.75% to 2.00%.
- The initial health care cost trend rate decreased from 10.50% to 8.50%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96% to 3.16%.
- The municipal bond rate decreased from 3.71% to 2.75%.
- The initial health care cost trend rate increased from 10.00% to 10.50%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85% to 3.96%.
- The investment rate of return decreased from 6.50% to 6.00%.
- The municipal bond rate increased from 3.31% to 3.71%.
- The initial health care cost trend rate increased from 7.50% to 10.00%.

2018: The single discount rate changed from 4.23% to 3.85%.

Changes in Benefit Terms:

2023-2024: There were no changes in benefit terms for the period.

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

2021: There were no changes in benefit terms for the period.

2020: On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-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 pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.

2019-2018: There were no changes in benefit terms for the period.

OHIO POLICE AND FIRE PENSION FUND CHANGES IN BENEFIT TERMS AND ASSUMPTIONS

Changes in assumptions:

2024: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The projected salary increases changed from 3.75% to 10.50%, to 3.50% to 10.50%
- The blended discount rate changed from 4.27% to 4.07%
- The depletion year of OPEB assets is projected in year 2038

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- The municipal bond index rate decreased from 3.65% to 3.38%

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%
- The depletion year of OPEB assets is projected in year 2036
- 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.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- The single discount rate changed from 2.96% to 2.84%

2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 3.56% to 2.96%.

2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 4.66% to 3.56%.

2019: Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%. The single discount rate increased from 3.24% to 4.66% and the municipal bond rate from 3.16% to 4.13%.

2018: The single discount rate changed from 3.79% to 3.24%

Changes in benefit terms:

2024-2020: There were no changes in benefit terms for the period.

2019: See above regarding change to stipend-based model.

2018: There were no changes in benefit terms for the period.

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

City of Macedonia
Summit County
9691 Valley View Road
Macedonia, Ohio 44056

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, each major fund, and the aggregate remaining fund information of the City of Macedonia (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 September 26, 2025. We noted the City adopted new accounting guidance in Government 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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*.

City's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

September 26, 2025

CITY OF MACEDONIA
SCHEDULE OF AUDIT FINDINGS
December 31, 2024

2024- 001 Finding Type-Material Weakness-Controls Related to Cybersecurity and Data Backup Plan

The City was subject to a severe ransomware attack in March 2025 that encrypted a substantial portion of its financial data. Despite efforts by the City to restore its systems from backups and recover the encrypted data, a significant portion of the data required to support the financial statements remains unrecoverable or unverifiable. We were unable to verify the completeness, existence and accuracy of detailed revenue, expenditure and other transactions and account balances. The ransomware attack severely impacted the systems used to provide us with detail financial reports to verify the completeness, existence and accuracy of these accounts.

Recommendation:

The City needs to establish a robust data protection strategy. We recommend the City evaluate and implement improvements to internal control policies related to Cybersecurity and their Data Backup Plan.

Management's Response:

The City agrees and is implementing new data protection strategies.

OHIO AUDITOR OF STATE KEITH FABER



CITY OF MACEDONIA

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/23/2025

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

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