CITY OF CLEVELAND, OHIO

CENTRAL COLLECTION AGENCY

DEPARTMENT OF FINANCE
DIVISION OF TAXATION

REPORT ON AUDIT OF FINANCIAL STATEMENTS
For the year ended December 31, 2024

CITY OF CLEVELAND, OHIO

CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION

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INDEPENDENT AUDITOR'S REPORT

City of Cleveland
Department of Finance
Division of Taxation
Central Collection Agency
Cuyahoga County
601 Lakeside Avenue
Cleveland, Ohio 44114

To the Honorable Justin M. Bibb, Mayor, Members of City Council and the Audit Committee and the Department of Finance, Division of Taxation, Central Collection Agency:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Internal Service and Custodial Funds of the Department of Finance, Division of Taxation, Central Collection Agency of the City of Cleveland, Cuyahoga County, Ohio (the Agency), as of and for the year ended December 31, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Department of Finance, Division of Taxation, Central Collection Agency of the City of Cleveland as of December 31, 2024, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Presentation

As discussed in Note A, the financial statements of the Department of Finance, Division of Taxation, Central Collection Agency of the City of Cleveland, are intended to present the financial position, the changes in financial position, and where applicable cash flows, of only that portion of the aggregate remaining fund information of the City of Cleveland that is attributable to the transactions of the Department of Finance, Division of Taxation, Central Collection Agency. They do not purport to, and do not, present fairly the financial position of the City of Cleveland as of December 31, 2024, the changes in its financial position or, where applicable, cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America. Our opinions are 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The Schedule of Cash Receipts and Distribution of Funds, the Schedule of Allocation of Net Operating Expenses, and the Schedule of Income Taxes Receivable (the schedules) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

June 26, 2025

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CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL

As management of the City of Cleveland's (the City) Department of Finance, Division of Taxation, Central Collection Agency (the Agency), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the year ended December 31, 2024. Please read this information in conjunction with the Agency's financial statements and footnotes starting on page 14.

The Division of Taxation was created in 1966 by the enactment of the City of Cleveland's Income Tax Ordinance providing the City's Income Tax Administrator with the authority to enter into agreements with any other municipal corporation to administer income tax laws and to provide a central income tax collection facility. Initially, in 1966, the Agency provided service for 14 member communities. By 2024, the Agency was providing a full range of tax collection services for 62 member communities throughout 34 Ohio counties. The Agency employs an average of 100 individuals to process approximately 700,000 returns, estimated payments and tax assessments.

COMPARISON OF CURRENT YEAR'S AND PRIOR YEAR'S DATA

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources for the internal service fund of the Agency are $5,702,059 and $6,352,416 at December 31, 2024 and 2023, respectively. The Agency's total assets and deferred outflows of resources decreased by $650,357 in 2024.

- The charges for services are $9,050,908 and $9,457,258 at December 31, 2024 and 2023, respectively.

- The Agency's total operating expenses were $9,966,563 in 2024 and $10,788,284 in 2023. In 2024, operating expenses consisted of $6,155,185 for employee's wages and benefits, $1,945,486 for allocated charges and $1,865,892 for other expenses.

- The Agency provides the opportunity for member municipalities to maximize efficiencies, minimize costs and capitalize from economies of scale. Pooling tax collections and investing at current market rates allows the operating expenses of the Agency to be reduced by interest income. The Agency's member municipalities also benefit by the Agency printing, mailing and delivering large volumes of income tax information and forms in bulk to local community public buildings and their taxpayers. This information is also available on the Agency's website – www.ccatax.ci.cleveland.oh.us.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's financial statements. The accompanying financial statements present financial information for the City of Cleveland's Division of Taxation Fund, in which the City accounts for the operations of the Department of Finance, Division of Taxation. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Agency operates two funds. The operating fund is considered an internal service proprietary fund because the operations of this fund are similar to a private-sector business enterprise. Accordingly, in accounting for the operating activities within this fund, the economic resources measurement focus and the accrual basis of accounting is used. The second fund is a custodial fund, which is used to account for the collection and remittance of income taxes for the member municipalities. For accounting measurement purposes, the custodial fund does not involve the measurement of operations.

The financial statements of the Agency can be found on pages 14-19 this report.

The notes to the financial statements and accompanying schedules provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements, required supplementary information, and supplementary information can be found on pages 21-47 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CONDENSED STATEMENT OF NET POSITION INFORMATION

Provided below is condensed statement of net position information for the internal service of the Agency as of December 31, 2024 and 2023:

	2024	2023
Assets:		
Cash and cash equivalents	$ 2,907,298	$ 2,199,238
Prepaid expenses	34,087	43,321
Capital assets, net of accumulated depreciation	18,192	45,681
Net pension asset	73,651	61,395
Net OPEB asset	235,153	
Total assets	3,268,381	2,349,635
Deferred outflows of resources	2,433,678	4,002,781
Liabilities:		
Accounts payable	112,614	172,867
Due to CCA custodial fund	1,811,772	1,062,518
Due to the City of Cleveland	42,528	94,824
Accrued wages and benefits - current	621,262	705,435
Accrued wages and benefits - long-term	371,401	252,596
Net pension liability	6,896,401	8,420,698
Net OPEB liability		177,371
Total liabilities	9,855,978	10,886,309
Deferred inflows of resources	535,417	526,222
Net Position:		
Investment in capital assets	18,192	45,681
Restricted for Net Pension and OPEB assets	308,804	61,395
Unrestricted	(5,016,332)	(5,167,191)
Total net position	$ (4,689,336)	$ (5,060,115)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CONDENSED STATEMENT OF NET POSITION INFORMATION (Continued)

Assets: The Agency collects and disburses income tax receipts monthly, except for the Cities of Cleveland, Clayton, Montpelier, Riverside and Union that receive advances intermittently during the month; the remaining tax receipts balance is disbursed on the scheduled monthly distribution date. Assets primarily consist of cash on hand. The total assets and deferred outflows of resources were decreased by $650,357 in 2024.

Capital Assets: The Agency's net capital assets as of December 31, 2024 amounted to $18,192. Capital assets include equipment and vehicles. A summary of the Agency's capital assets during the year ended December 31, 2024 is as follows:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024
Furniture, fixtures, equipment and vehicles	$ 420,330	$	$	$ 420,330
Total	420,330			420,330
Less: Accumulated depreciation	(374,649)	(27,489)		(402,138)
Total net capital assets	$ 45,681	$ (27,489)	$ -	$ 18,192

Liabilities: Liabilities primarily consist of amounts due for pension funding responsibilities. During 2024, the net decrease in liabilities resulted from a significant decrease in net pension liability.

***Net Pension/Other Postemployment Benefits (OPEB) Liabilities/(Assets)*:** The net pension and net OPEB liabilities/(assets) are reported by the Agency at December 31, 2024 and are reported pursuant to Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions — an Amendment of GASB Statement No. 27.* In 2018, the Agency adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revised accounting for costs and liabilities related to OPEB. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Agency's actual financial condition by adding deferred inflows of resources related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset, net OPEB asset and deferred outflows of resources related to pension and OPEB.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CONDENSED STATEMENT OF NET POSITION INFORMATION (Continued)

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*) and postemployment benefits (GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/(asset) or net OPEB liability/(asset). GASB Statement No. 68 and GASB Statement No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's State-wide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statement No. 68 and GASB Statement No. 75 require the net pension liability/(asset) and the net OPEB liability/(asset) to equal the Agency's proportionate share of each plan's collective:

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CONDENSED STATEMENT OF NET POSITION INFORMATION (Continued)

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

In accordance with GASB Statement No. 68 and GASB Statement No. 75, the Agency's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability/(asset) and net OPEB liability/(asset), respectively, not accounted for as deferred inflows/outflows of resources.

As a result of implementing GASB Statement No's 68 & 75, the Agency is reporting net pension liability/(asset) and net OPEB liability/(asset) and deferred inflows/outflows of resources related to pension and OPEB on the accrual basis of accounting.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Provided below are the statements of revenue, expenses and changes in net position for the internal service fund of the Agency for the years ended December 31, 2024 and 2023:

	Internal Service Fund	
	2024	**2023**
Operating Revenues		
Charges for services	$ 9,050,908	$ 9,457,258
Total operating revenues	9,050,908	9,457,258
Operating Expenses		
Salaries and wages and Employee benefits	6,155,185	6,502,766
Postage and office supplies	173,819	136,987
Allocation of City of Cleveland costs	1,945,486	2,082,069
Other administrative expenses	1,664,584	2,038,974
Depreciation	27,489	27,488
Total operating expense	9,966,563	10,788,284
Operating income (loss)	(915,655)	(1,331,026)
Non-operating Activity		
Interest income	1,496,955	1,217,787
Change in net position	581,300	(113,239)
Net position at beginning of year	(5,060,115)	(4,946,876)
Restatement for change in accounting principle	(210,521)	
Net position at beginning of year, as restated	(5,270,636)	(4,946,876)
Net position at end of year	$ (4,689,336)	$ (5,060,115)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Continued)

The information necessary to restate 2023 beginning balances and the related compensated absences expense amounts for the effects of the initial implementation of GASB Statement No. 101, *Compensated Absences*, is not reasonably available. Therefore, 2023 expenses are not adjusted from previously reported amounts and the accumulated effect of the restatement for the change in accounting principle totaling a negative $210,521 is netted against the 2024 beginning net position.

Operating Revenues: In 2024, charges for services decreased by $406,350. Charges for services are shared proportionately among all the members.

Operating Expenses: Salaries and wages and Employee benefits decreased by $347,581 as a result of a large decrease in net pension expense. Other administrative expenses decreased by $374,390 as a result of a decrease in professional services expense for ongoing enhancements to the CCA website and electronic filing services.

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, City Hall, Room 104, 601 Lakeside Avenue, Cleveland, Ohio 44114.

FINANCIAL STATEMENTS

CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION

STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
December 31, 2024

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$	2,907,298
Prepaid expenses		34,087
TOTAL CURRENT ASSETS		2,941,385
CAPITAL ASSETS:		
Furniture, fixtures, equipment and vehicles		420,330
Less: Accumulated depreciation		(402,138)
CAPITAL ASSETS, NET		18,192
NONCURRENT ASSETS:		
Net pension asset		73,651
Net OPEB asset		235,153
TOTAL NONCURRENT ASSETS		308,804
DEFERRED OUTFLOWS OF RESOURCES		
Pension		2,218,905
OPEB		214,773
TOTAL DEFERRED OUTFLOWS OF RESOURCES		2,433,678

CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION

STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
December 31, 2024

LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$	112,614
Due to CCA custodial fund		1,811,772
Due to the City of Cleveland		42,528
Accrued wages and benefits		621,262
TOTAL CURRENT LIABILITIES		2,588,176
LONG-TERM LIABILITIES		
Accrued wages and benefits		371,401
Net pension liability		6,896,401
TOTAL LONG-TERM LIABILITIES		7,267,802
DEFERRED INFLOWS OF RESOURCES		
Pension		399,910
OPEB		135,507
TOTAL DEFERRED INFLOWS OF RESOURCES		535,417
NET POSITION		
Investment in capital assets		18,192
Restricted for Net Pension and OPEB assets		308,804
Unrestricted		(5,016,332)
TOTAL NET POSITION	$	(4,689,336)

See notes to financial statements.

CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND
For the Year Ended December 31, 2024

OPERATING REVENUES		
Charges for services	$	9,050,908
TOTAL OPERATING REVENUES		9,050,908
OPERATING EXPENSES		
Salaries and wages and Employee benefits		6,155,185
Postage and office supplies		173,819
Allocation of City of Cleveland costs		1,945,486
Other administrative expenses		1,664,584
Depreciation		27,489
TOTAL OPERATING EXPENSES		9,966,563
OPERATING INCOME (LOSS)		(915,655)
NON-OPERATING ACTIVITY		
Interest income		1,496,955
CHANGE IN NET POSITION		581,300
NET POSITION BEGINNING OF YEAR AS PREVIOUSLY REPORTED		(5,060,115)
CHANGE IN ACCOUNTING PRINCIPLE (SEE NOTE L)		(210,521)
RESTATED NET POSITION BEGINNING OF YEAR		(5,270,636)
NET POSITION AT END OF YEAR	$	(4,689,336)

See notes to financial statements.

CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION

STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUND
For the Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from member municipalities	$	9,800,162
Cash payments to suppliers of goods and services		(3,896,438)
Cash payments for employee services and benefits		(6,692,619)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		(788,895)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned on investments		1,496,955
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		1,496,955
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		708,060
Cash and cash equivalents at beginning of year		2,199,238
Cash and cash equivalents at end of year	$	2,907,298
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATIONS		
Operating income (loss)	$	(915,655)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation		27,489
Changes in assets:		
Prepaid expense		9,234
Net pension asset		(12,256)
Net OPEB asset		(235,153)
Changes in deferred outflows of resources:		
Pension		1,258,370
OPEB		310,733
Changes in liabilities:		
Accounts payable		(60,253)
Accrued wages and benefits		(175,889)
Net pension liability		(1,524,297)
Net OPEB liability		(177,371)
Due to other funds		(52,296)
Due to other governments		749,254
Changes in deferred inflows of resources:		
Pension		(61,722)
OPEB		70,917
Total adjustments		126,760
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$	(788,895)

See notes to financial statements.

CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
December 31, 2024

Assets		
Cash and cash equivalents	$	10,229,307
Taxes receivable		101,046,547
Due from CCA internal service fund		1,811,772
Due from member municipalities		820,118
Total assets		113,907,744
Liabilities		
Due to the City of Cleveland	$	88,649,224
Due to member municipalities		25,258,520
Total liabilities		113,907,744
Net Position	$	-

See notes to financial statements.

CITY OF CLEVELAND, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Central Collection Agency
Additions	
Income tax collected for other governments	$ 658,969,229
Total additions	658,969,229
Deductions	
Payments of income tax to other governments	658,969,229
Total deductions	658,969,229
Change in net position	-
Net position, beginning of year	-
Net position, end of year	$ -

See notes to financial statements.

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CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

NOTE A - DESCRIPTION OF OPERATIONS AND BASIS OF PRESENTATION

The Central Collection Agency, Division of Taxation, City of Cleveland, Ohio (the Agency) is reported as part of the City of Cleveland's primary government and was created for the purpose of collecting city income taxes and disbursing those funds to the respective member municipalities (members) after payment of related expenses. Allocations of tax collections to members are based upon information provided by the taxpayers on the returns and supporting data. Such allocations are subject to adjustments in the subsequent year, dependent upon final returns filed by taxpayers and final review by the Agency. Refunds for overpayments are offset against allocated collections as amounts are determined.

Basis of Presentation: The financial statements are presented in accordance with Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* (GASB Codification) which requires financial statements by fund type. These financial statements present a columnar total for all fund types included in the statement of assets and liabilities.

The following fund types are used by the Agency:

Proprietary Fund Type - Internal Service Fund: This fund is used to account for the services provided to members on a cost-reimbursement basis.

Fiduciary Fund Type - Custodial Fund: This fund is used to account for assets held by the Agency as an agent for others.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and financial reporting practices of the Agency comply with accounting principles generally accepted in the United States of America applicable to governmental units.

In June of 2022, GASB Statement No. 100, *Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62*, was issued. This Statement is effective for the reporting periods beginning after June 15, 2023. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. As required, the Agency has implemented GASB Statement No. 100 as of December 31, 2024.

In June of 2022, GASB Statement No.101, *Compensated Absences*, was issued. This Statement is effective for reporting periods beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As required, the Agency has implemented GASB Statement No. 101 as of December 31, 2024.

The Agency's net position is accounted for in the accompanying statement of net position and is divided into amounts in investment in capital assets, restricted and unrestricted. The negative unrestricted amount is primarily the unfunded net pension and OPEB liabilities/(assets) and will not be passed along to members of the Agency.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting*:* All financial transactions of the Agency are reported on the accrual basis of accounting. Under this accounting method, assets and the related liabilities at the end of the year primarily consist of individual income taxes receivable arising from payroll tax withholdings in December and a receivable for quarterly and annual payments of income taxes pertaining to net profits, self-employment and residents' taxes earned in the prior years. Financial transactions for the internal service fund are reported on the accrual basis of accounting; revenues are recognized when earned and measurable and expenses are recognized as incurred.

For accounting purposes, the operations of the internal service fund are similar to a private-sector business enterprise. Accordingly, in accounting for the operating activities, the economic resources measurement focus is used.

Supplies: Supplies are expensed when purchased.

Statement of Cash Flows: The Agency utilizes the direct method of reporting for the statement of cash flows as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, for its internal service fund. In a statement of cash flows, cash receipts and cash payments are classified according to operating, non-capital financing, capital and related financing and investing activities.

For purposes of this statement, cash and cash equivalents include highly liquid investments with a maturity of three months or less when purchased and all of the Agency's share of the City of Cleveland's pooled cash accounts.

Allocation of Expenses: The Agency allocates all operating expenses, net of interest income and changes to unfunded pension and OPEB liabilities/(assets), to members based upon the arithmetic mean of the percentage of each municipality's transactions to total transactions and the percentage of each municipality's revenue to total revenue.

Allocation of Interest Income: Excess funds are invested on a daily basis and interest income earned on such investments is allocated to members based on the percentage of each municipality's revenue to total revenue. The City of Cleveland receives collections of tax receipts in advance of the regular monthly distribution date and accordingly, interest income is allocated exclusively to the other members.

Investments**:** The Agency follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which requires governmental entities to record their investments at fair value within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1inputs are quoted prices in an active market for identical assets. Level 2 inputs are significant other observable inputs valued by pricing sources used by the City's investment managers. Level 3 inputs are significant unobservable inputs. The Agency's investments in money market mutual funds and State Treasurer Asset Reserve Fund (STAR Ohio) funds are excluded from fair value measurement requirements under GASB Statement No. 72 and instead are reported at amortized cost.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Agency has invested funds in STAR Ohio during 2024. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with SEC as an investment company but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants,* for the purpose of measuring the value of shares in STAR Ohio. The Agency measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Prepaid Expenses and Other Assets: Payments made to vendors for services that benefit future periods are recorded as prepayments in the financial statements. A current asset for the prepaid amount is recorded at the time of purchase and the expense is reported in the year in which services are consumed.

Interfund Transactions: During the course of normal operations, the Agency has numerous transactions between other city divisions and departments. Unpaid amounts at year end are generally reflected as due to or due from in the accompanying financial statements.

Capital Assets and Depreciation: Capital assets are stated on the basis of historical cost, or if contributed, at their acquisition value on the date contributed. Depreciation is computed by allocating the cost of capital assets less any applicable salvage value over the estimated useful lives of the assets using the straight-line method. A capital asset is defined as an item with a useful life in excess of one year and an individual cost of more than \$5,000 for land, furniture, fixtures, equipment and vehicles and \$10,000 for all other assets. When capital assets are disposed, the cost and related accumulated depreciation are removed from the accounts with gains or losses on disposition being reflected in operations. The estimated useful lives are as follows:

Furniture, fixtures, equipment and vehicles	3 to 60 years

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as a deferred outflow of resources (expense) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as a deferred inflow of resources (revenue) until that time.

***Net Pension/OPEB Liabilities/(Assets)*:** For purposes of measuring the net pension/OPEB liabilities/(assets), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB and pension/OPEB expenses, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB systems. 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 systems report investments at fair value.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences: The Agency accrues for compensated absences such as vacation, sick leave and compensatory time using the termination payment method specified under GASB Statement No. 101, *Accounting for Compensated Absences*. These amounts are recorded as accrued wages and benefits in the accompanying statement of net position. Normally, all vacation time is to be taken in the year available. The Agency allows employees to carryover vacation time from one year to the next. Sick days not taken may be accumulated until retirement. An employee is paid one-third of accumulated sick leave upon retirement, calculated at the three-year average base salary rate, with the balance being forfeited.

NOTE C – LONG TERM LIABILITIES

Summary: Changes in long-term obligations for the Internal Service Fund for the year ended December 31, 2024 are as follows:

	Balance January 1, 2024	Increase	Decrease	Balance December 31, 2024	Due Within One Year
Accrued wages and benefits, restated	$ 1,168,552	$ 529,547	$ (705,436)	$ 992,663	$ 621,262
Net pension liability	8,420,698		(1,524,297)	6,896,401	
Net OPEB liability	177,371		(177,371)	-	
Total	$ 9,766,621	$ 529,547	$ (2,407,104)	$ 7,889,064	$ 621,262

NOTE D - DEPOSITS AND INVESTMENTS

Deposits: The carrying amount of the Agency's deposits at December 31, 2024 totaled $3,506,837 and the Agency's bank balances were $4,311,797. The differences represent outstanding warrants payable, positions in pooled bank accounts and normal reconciling items. Based on the criteria described in GASB Statement No. 3, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements* and GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3,* $4,311,797 of the bank balances at December 31, 2024, respectively, was insured or collateralized with securities held by the City or by its agent in the City's name.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Agency will not be able to recover deposits or collateral for securities that are in possession of an outside party. At year end, the Agency's deposits were fully insured or collateralized. All deposits are collateralized with eligible securities pledged and deposited either with the City or with a qualified trustee by the financial institution as security for repayment of all public monies deposited in the financial institution whose market value at all times is equal to at least 110.0% of the carrying value of the deposits being secured.

Investments: In accordance with GASB Statement No. 72, the City reports its investments at fair value based on quoted market values, where applicable and recognized the corresponding change in the fair value of the investments is recorded in investment earnings in the year in which the change occurs. The City's investment policies are governed by State Statutes and City ordinances which authorize the City to invest in obligations of

NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2024

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

the U.S. Treasury, agencies and instrumentalities; STAR Ohio; commercial paper; U.S. Government Money Market Mutual Funds; guaranteed investment contracts; manuscript debt; bonds and other State of Ohio obligations; certificates of deposit; and repurchase transactions. Such repurchase transactions must be purchased from financial institutions or registered broker/dealers. Repurchase transactions are not to exceed a period of one year and confirmation of securities pledged must be obtained.

Generally, investments are recorded in segregated accounts and are kept at the Federal Reserve Bank in the depository institutions' separate custodial account for the Agency, apart from the assets of the depository institution. Ohio statute prohibits the use of reverse repurchase agreements.

Investment securities are exposed to various risks such as interest rate, market and credit. Market values of securities fluctuate based on the magnitude of changing market conditions; significant changes in market conditions could materially affect portfolio value.

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, the Agency invests primarily in both short and long-term investments maturing within five years from the date of purchase. The intent is to avoid the need to sell securities prior to maturity. Investment maturities are disclosed in the Concentration of Credit Risk section.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The Agency does not have an investment policy dealing with investment custodial credit risk beyond the requirement in the State Statute.

Credit Risk: The Agency's investments as of December 31, 2024 include STAR Ohio and money market mutual funds. Investments in STAR Ohio and the Federated Government Obligations Fund carry a rating of AAAm, which is the highest money market fund rating given by S&P Global. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Concentration of Credit Risk: The Agency's Investment Policy places a limitation on the amount it may invest in any one issuer to help minimize the concentration of credit risk. The Agency had the following investments at December 31, 2024, which include those classified as cash and cash equivalents in the statement of net position in accordance with the provisions of GASB Statement No. 9 since they have a maturity of three months or less:

NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2024

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

Type of Investment	2024 Fair Value	2024 Cost	Investment Maturities Less Than One Year
STAR Ohio	$ 2,276,821	$ 2,276,821	$ 2,276,821
Money Market Mutual Funds	7,352,947	7,352,947	7,352,947
Total Investments	9,629,768	9,629,768	9,629,768
Total Deposits	3,506,837	3,506,837	3,506,837
Total Deposits and Investments	$ 13,136,605	$ 13,136,605	$ 13,136,605

These amounts are monies invested by the City Treasurer on behalf of the Agency and are used in daily operations with excess monies invested daily in STAR Ohio and money market mutual funds. These investments are carried at cost which approximates fair value. Monies due to member agencies are disbursed from these funds on a monthly basis.

As of December 31, 2024, the investments in STAR Ohio and money market mutual funds are approximately 23.6% and 76.4% of the Agency's total investments.

NOTE E - CAPITAL ASSETS

Capital Asset Activity: Capital Asset Activity for the Internal Service Fund for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024
Capital assets, being depreciated				
Furniture, fixtures, equipment and vehicles	$ 420,330	$	$	$ 420,330
Total capital assets, being depreciated	420,330			420,330
Less: Total accumulated depreciation	(374,649)	(27,489)		(402,138)
Total capital assets, being depreciated, net	45,681	(27,489)		18,192
Capital assets, net	$ 45,681	$ (27,489)	$ -	$ 18,192

NOTE F - DUE TO AND DUE FROM TRANSACTIONS

During the course of normal operations, the Agency has numerous transactions between its own funds and the municipalities which it serves, including transfers of resources to provide services. Such transactions are generally reflected as due to or due from account balances in the accompanying financial statements.

NOTE F - DUE TO AND DUE FROM TRANSACTIONS (Continued)

Individual due to and due from and certain payable balances as of December 31, 2024 are as follows:

	Internal Service Fund	Custodial Fund	Total
Due from CCA internal service fund	$	$ 1,811,772	$ 1,811,772
Due from member municipalities		820,118	820,118
Total Due From	$ -	$ 2,631,890	$ 2,631,890
Due to CCA custodial fund	$ 1,811,772	$	$ 1,811,772
Due to the City of Cleveland	42,528	88,649,224	88,691,752
Due to member municipalities		25,258,520	25,258,520
Total Due To	$ 1,854,300	$ 113,907,744	$ 115,762,044

NOTE G - DEFINED BENEFIT PENSION PLANS

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

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

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State Statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State Statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action

NOTE G - DEFINED BENEFIT PENSION PLANS (Continued)

to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability/(asset). Resulting adjustments to the net pension liability/(asset) would be effective when the changes are legally enforceable.

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

Ohio Public Employees Retirement System (OPERS): The Agency's employees participate in the OPERS. OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Agency's employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Plan.

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

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

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

NOTE G - DEFINED BENEFIT PENSION PLANS (Continued)

FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual COLA is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.0% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.0%.

Funding Policy: The ORC provides statutory authority for member and employer contributions. For 2024, member contribution rates were 10.0% and employer contribution rates were 14.0%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Agency's contractually required contribution was $677,677 for 2024. All required payments have been made.

Pension Liability/(Asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The net pension liability/(asset) for OPERS was measured as of December 31, 2023 and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability/(asset) was based on the Agency's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional	Combined
Proportionate Share of the Net Pension Liability/(Asset)	$ 6,896,401	$ (73,651)
Proportion of the Net Pension Liability/(Asset)	0.026342%	0.023961%
Change in Proportion	(0.002164%)	(0.002088%)
Pension Expense	$ 326,256	$ 13,950

NOTE G - DEFINED BENEFIT PENSION PLANS (Continued)

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

	Traditional	Combined
Deferred Outflows of Resources		
Differences between expected and actual economic experience	$ 112,716	$ 2,985
Net difference between projected and actual earnings on pension plan investments	1,391,988	11,979
Changes in assumptions		2,733
Change in Agency's proportionate share and difference in employer contributions		18,827
Agency's contributions subsequent to the measurement date	656,718	20,959
Total Deferred Outflows of Resources	$ 2,161,422	$ 57,483
Deferred Inflows of Resources		
Differences between expected and actual economic experience	$	$ 7,285
Change in Agency's proportionate share and difference in employer contributions	391,324	1,301
Total Deferred Inflows of Resources	$ 391,324	$ 8,586

The $677,677 reported as deferred outflows of resources related to pension resulting from the Agency's contributions subsequent to the measurement date which will be recognized as a reduction/(increase) of the net pension liability/(asset) 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:

NOTE G - DEFINED BENEFIT PENSION PLANS (Continued)

Year Ending December 31:	Traditional	Combined
2025	$ 33,253	$ 4,436
2026	390,053	5,947
2027	888,288	9,721
2028	(198,214)	1,066
2029		2,929
Thereafter		3,839
Total	$ 1,113,380	$ 27,938

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

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

Valuation Date	December 31, 2023
Wage Inflation	2.75%
Future Salary Increases, including wage inflation	
Traditional	2.75 to 10.75%
Combined	2.75 to 8.25%
COLA or Ad Hoc COLA	2.75%, simple Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 2.30%, simple through 2024, then 2.05%, simple
Investment Rate of Return	6.90%
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-

NOTE G - DEFINED BENEFIT PENSION PLANS (Continued)

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.

The long-term 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.

The allocation of investment assets with the Defined Benefit Portfolio is approved by the Board of Trustees (the Board) as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board approved asset allocation policy for 2023 and the long-term expected real rates of return:

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

Discount Rate: The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

NOTE G - DEFINED BENEFIT PENSION PLANS (Continued)

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate: The following table presents the Agency's proportionate share of the net pension liability/(asset) calculated using the current period discount rate assumption of 6.90% as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Agency's proportionate share of the net pension liability/(asset):			
Traditional Pension Plan	$ 10,856,789	$ 6,896,401	$ 3,602,510
Combined Pension Plan	(44,567)	(73,651)	(96,562)

NOTE H – DEFINED BENEFIT OPEB PLANS

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

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

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

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

NOTE H – DEFINED BENEFIT OPEB PLANS (Continued)

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

Plan Description – OPERS: OPERS administers three separate pension plans: the Traditional Pension Plan, a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan, a defined contribution plan; and the Combined Plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. Effective January 1, 2022 the Combined Plan is no longer available for member selection. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of OPEB as described in GASB Statement No. 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy: The ORC provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by the Board, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rates permitted by the ORC. Active member contributions do not fund health care.

Each year, the Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 0.0% and Combined Plan was 2.0% in 2024. The 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

NOTE H – DEFINED BENEFIT OPEB PLANS (Continued)

a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0%.

For the year ended December 31, 2024, OPERS did not allocate any employer contributions to the OPEB plan.

OPEB Liability/(Asset), OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: The net OPEB liability/(asset) and total OPEB liability/(asset) 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. The Agency's proportion of the net OPEB liability/(asset) was based on the Agency's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

		OPERS
Proportionate Share of the Net OPEB Liability/(Asset)	$	(235,153)
Proportion of the Net OPEB Liability/(Asset)		0.026055%
Change in Proportionate Share		(0.002076%)
OPEB Expense	$	(24,206)

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

		OPERS
Deferred outflows:		
Net Difference between projected and actual earnings on OPEB plan investments	$	141,223
Change of assumptions		60,540
Change in Agency's proportionate share and difference in employer contributions		13,010
Total deferred outflows	**$**	**214,773**
Deferred inflows:		
Difference between expected and actual earnings on OPEB plan investments	$	33,469
Change in assumptions		101,085
Change in Agency's proportionate share and difference in employer contributions		953
Total deferred inflows	**$**	**135,507**

NOTE H – DEFINED BENEFIT OPEB PLANS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB as follows:

Year Ending December 31:	OPERS
2025	$ 1,443
2026	15,579
2027	109,930
2028	(47,686)
Total	$ 79,266

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74, *Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans*:

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

NOTE H – DEFINED BENEFIT OPEB PLANS (Continued)

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

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

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

The allocation of investment assets with the Health Care Portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board approved asset allocation policy for 2023 and the long-term expected real rates of return:

Asset Class	Target Allocation	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	100.00 %	

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

NOTE H – DEFINED BENEFIT OPEB PLANS (Continued)

Discount Rate: A single discount rate of 5.70% was used to measure the total OPEB liability/(asset) on the measurement date of December 31, 2023. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) 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% and a municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 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, the duration of the projection period through which projected health care payments are fully funded.

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

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
Agency's proportionate share of the net OPEB liability/(asset)	$ 129,233	$ (235,153)	$ (536,995)

Sensitivity of the Agency's Proportionate Share of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rate: Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability/(asset). The following table presents the net OPEB liability/(asset) calculated using the assumed trend rates and the expected net OPEB liability/(asset) if it were calculated using a health care cost trend rate that is one percentage-point-lower or one-percentage-point higher than the current rate.

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

NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2024

NOTE H – DEFINED BENEFIT OPEB PLANS (Continued)

	1% Decrease (2.50%)	Current Health Care Cost Trend Rate Assumption (3.50%)	1% Increase (4.50%)
Agency's proportionate share of the net OPEB liability/(asset)	$ (244,918)	$ (235,153)	$ (224,074)

NOTE I - RELATED PARTY TRANSACTIONS

The Agency is provided various services by the City of Cleveland. Charges are based on actual use or on a reasonable pro rata basis. These costs, as reported in the statement of revenues and expenses and changes in net position of the internal service fund for the year ended December 31, 2024 were as follows:

City Administration	$ 1,000,000
Office Rent	428,271
Telephone	23,223
Utilities	192,182
Parking Facilities	1,320
Printing Services	289,280
Motor Vehicle Maintenance	11,210
Total	$ 1,945,486

NOTE J - DUE FROM MEMBER CITIES

The Agency has recorded certain liabilities in the internal service fund related to compensated absences totaling $820,118 at December 31, 2024 as accrued wages and benefits. These amounts are recorded as due from member municipalities in the custodial fund.

NOTE K - CONTINGENT LIABILITIES AND RISK MANAGEMENT

Contingent Liabilities: Various claims are pending against the City involving the Agency for personal injuries, property damage and other matters, which the City is responsible for. The City’s management is of the opinion that ultimate settlement of such claims will not result in a material adverse effect on the Agency’s financial position, results of operations or cash flows.

NOTE K - CONTINGENT LIABILITIES AND RISK MANAGEMENT (Continued)

Risk Management: The Agency is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency is generally self-insured. No material losses, including incurred but not reported losses, occurred in 2024.

The City provides the choice of two separate health insurance plans to its employees. The Agency is charged a monthly rate per employee by type of coverage. The City participates in the State of Ohio Worker's Compensation retrospective rating program.

In accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards.

Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses, regardless of whether allocated to specific claims.

Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Claims liability for the Agency is immaterial.

NOTE L – RESTATEMENT OF AN ACCOUNTING PRINCIPLE

For 2024, the Agency implemented GASB Statement No. 101, *Compensated Absences*. It established standards to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The implementation of GASB Statement No. 101 had the following effect on net position as reported December 31, 2023:

	Net Position December 31, 2023	Restatement	Restated Net Position December 31, 2023
Beginning net position	$ (5,060,115)	$ (210,521)	$ (5,270,636)

CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS (1)

	Agency's Proportion of the Net Pension Liability/(Asset)	Agency's Proportionate Share of the Net Pension Liability/(Asset)	Agency's Covered Payroll	Agency's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)
Traditional:					
2015	0.030085%	$ 3,617,001	$ 3,764,833	96.07%	86.45%
2016	0.033857	5,365,647	4,316,792	124.30	81.08
2017	0.032616	6,906,177	4,326,558	159.62	77.25
2018	0.033800	4,774,282	4,565,446	104.57	84.66
2019	0.036162	9,072,105	5,124,500	177.03	74.70
2020	0.035740	6,357,970	5,084,007	125.06	82.17
2021	0.031972	4,734,395	4,919,314	96.24	86.88
2022	0.032565	2,833,316	4,689,600	60.42	92.62
2023	0.028506	8,420,698	4,771,471	176.48	75.74
2024	0.026342	6,896,401	4,742,414	145.42	79.01
Combined:					
2021	0.030756	(88,782)	4,919,314	(1.80)	157.67
2022	0.030546	(120,354)	4,689,600	(2.57)	169.88
2023	0.026049	(61,395)	4,771,471	(1.29)	137.14
2024	0.023961	(73,651)	4,742,414	(1.55)	144.55

(1) Information presented for each year was determined as the Agency's measurement date, which is the prior year end.

Notes to Schedule:

Change in assumptions. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following was the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.0% down to 7.5% (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019, the following was the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.5% down to 7.2%. There were no changes in assumptions in 2020 and 2021. For 2022, the most significant changes of assumptions that affected the total pension liability/(asset) since the prior measurement date was the assumed rate of return and discount rate were reduced from 7.2% down to 6.9%. There were no changes in assumption for 2023 and 2024.

In 2021, the Agency presented the Combined Pension Plan separately. In prior years it was netted with the Traditional Pension Plan.

CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
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REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

SCHEDULE OF CONTRIBUTIONS - NET PENSION LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS (1)

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Agency's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 518,015	$ (518,015)	$ -	$ 4,316,792	12.00 %
2016	519,187	(519,187)	-	4,326,558	12.00
2017	593,508	(593,508)	-	4,565,446	13.00
2018	717,430	(717,430)	-	5,124,500	14.00
2019	711,761	(711,761)	-	5,084,007	14.00
2020	688,704	(688,704)	-	4,919,314	14.00
2021	656,544	(656,544)	-	4,689,600	14.00
2022	668,006	(668,006)	-	4,771,471	14.00
2023	663,938	(663,938)	-	4,742,414	14.00
2024	677,677	(677,677)	-	4,840,550	14.00

(1) Represents Agency's calendar year.

CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT YEARS (1), (2)

	Agency's Proportion of the Net OPEB Liability/(Asset)	Agency's Proportionate Share of the Net OPEB Liability/ (Asset)	Agency's Covered Payroll	Agency's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2017	0.032039 %	$ 3,236,001	$ 4,326,558	74.79 %	54.04 %
2018	0.033251	3,610,773	4,565,446	79.09	54.14
2019	0.033755	4,400,808	5,124,500	85.88	46.33
2020	0.033288	4,597,992	5,084,007	90.44	47.80
2021	0.031538	(561,876)	4,919,314	(11.42)	115.57
2022	0.032074	(1,004,605)	4,689,600	(21.42)	128.23
2023	0.028131	177,371	4,771,471	3.72	94.79
2024	0.026055	(235,153)	4,742,414	(4.96)	107.76

(1) Information presented for each year was determined as of the Agency's measurement date, which is the prior year end.
(2) Information prior to 2017 is not available. The Agency will continue to present information for years available until a full ten-year trend is compiled.

Notes to Schedule:

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

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

In 2020, the single discount rate changed from 3.96% to 3.16% and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.50% ultimate in 2030.

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

In 2022, the health care cost trend rate changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

In 2023, the single discount rate changed from 6.00% to 5.22%. The municipal bond rate also changed from 1.84% to 4.05 %. The health care cost trend rate changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

In 2024, the single discount rate changed from 5.22% to 5.70%. The municipal bond rate also changed from 4.05% to 3.77%.

CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
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REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

SCHEDULE OF CONTRIBUTIONS - NET OPEB LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE YEARS (1), (2), (3)

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Agency's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 86,531	$ (86,531)	$ -	$ 4,326,558	2.00 %
2017	45,654	(45,654)	-	4,565,446	1.00
2018	-	-	-	5,124,500	0.00
2019	-	-	-	5,084,007	0.00
2020	-	-	-	4,919,314	0.00
2021	5,252	(5,252)	-	4,689,600	0.00
2022	-	-	-	4,771,471	0.00
2023	-	-	-	4,742,414	0.00
2024	-	-	-	4,840,550	0.00

(1) Beginning in 2016, OPERS used one trust as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(2) The OPEB plan includes the members from the Traditional Plan, the Combined Plan and the Member-Directed Plan.

(3) Represents Agency's calendar year. Information prior to 2016 is not available. The Agency will continue to present information for years available until a full ten-year trend is compiled.

CITY OF CLEVELAND
CENTRAL COLLECTION AGENCY
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SCHEDULE OF CASH RECEIPTS AND DISTRIBUTION OF FUNDS
FOR YEAR ENDED DECEMBER 31, 2024

Members	Balance Collected and Due Members January 1, 2024	Cash Receipts Net	Total Cash Receipts	Cash Disbursed	Allocation of Net Operating Expenses	Total Disbursements and Expenses	Balance Collected And Due Members December 31, 2024
AKRON	$ 47.50	$ 325.00	$ 372.50	$ 210.00	$ 81.25	$ 291.25	$ 81.25
ALLIANCE	(2.50)		(2.50)				(2.50)
BURTON	83,395.94	834,567.78	917,963.72	826,306.75	14,176.00	840,482.75	77,480.97
CHILLICOTHE	(22.87)		(22.87)				(22.87)
CLAYTON	398,401.79	6,139,362.69	6,537,764.48	6,053,944.92	80,020.44	6,133,965.36	403,799.12
CLEVELAND	2,072,801.17	571,642,896.74	573,715,697.91	559,796,053.06	8,271,757.79	568,067,810.85	5,647,887.06
DALTON	56,016.45	920,200.89	976,217.34	887,927.34	12,626.35	900,553.69	75,663.65
DAYTON	(13.49)		(13.49)				(13.49)
EDON		428,361.22	428,361.22	392,448.24	5,341.09	397,789.33	30,571.89
ELIDA	68,001.37	631,933.77	699,935.14	630,600.00	13,817.57	644,417.57	55,517.57
ENGLEWOOD	(112.26)		(112.26)				(112.26)
GENEVA-ON-THE-LAKE	27,804.71	306,899.20	334,703.91	297,945.90	6,128.97	304,074.87	30,629.04
GERMANTOWN	257,135.26	2,427,413.27	2,684,548.53	2,451,758.23	40,582.05	2,492,340.28	192,208.25
GRAND RAPIDS	24,377.52	248,795.93	273,173.45	244,115.22	9,056.36	253,171.58	20,001.87
GRAND RIVER	26,114.71	396,175.41	422,290.12	342,475.52	3,588.66	346,064.18	76,225.94
HARTVILLE	(146.28)		(146.28)				(146.28)
HIGHLAND HILLS	249,151.02	3,478,926.85	3,728,077.87	3,397,508.08	14,928.83	3,412,436.91	315,640.96
LAKEWOOD	(3.00)		(3.00)				(3.00)
LINNDALE	7,094.41	54,600.79	61,695.20	55,785.20	798.00	56,583.20	5,112.00
LORAIN	(333.87)		(333.87)				(333.87)
MARBLE CLIFF	157,168.63	1,681,592.39	1,838,761.02	1,711,991.02	10,085.71	1,722,076.73	116,684.29
MENTOR-ON-THE-LAKE	167,290.18	1,747,988.75	1,915,278.93	1,712,026.32	28,271.85	1,740,298.17	174,980.76
MONTPELIER	152,187.34	2,260,969.93	2,413,157.27	2,280,447.27	21,078.63	2,301,525.90	111,631.37
MUNROE FALLS	218,304.92	2,449,552.98	2,667,857.90	2,395,376.93	33,521.34	2,428,898.27	238,959.63
NEW CARLISLE	200,877.64	2,108,350.43	2,309,228.07	2,076,803.84	35,671.15	2,112,474.99	196,753.08
NEW MADISON	18,212.45	200,676.37	218,888.82	202,088.82	4,308.25	206,397.07	12,491.75
NEW MIAMI	16,003.23	183,555.49	199,558.72	180,393.72	6,412.35	186,806.07	12,752.65
NEW PARIS	20,096.41	234,677.91	254,774.32	226,709.32	7,499.39	234,208.71	20,565.61
NORTH BALTIMORE	133,780.54	1,658,949.51	1,792,730.05	1,546,944.77	20,834.81	1,567,779.58	224,950.47
NORTH RANDALL	1,024,272.90	9,677,361.25	10,701,634.15	9,833,193.85	31,400.51	9,864,594.36	837,039.79
OBETZ	1,266,019.50	12,285,452.87	13,551,472.37	12,170,390.10	58,277.37	12,228,667.47	1,322,804.90
ORWELL	108,791.82	1,374,750.31	1,483,542.13	1,355,444.81	10,389.11	1,365,833.92	117,708.21
PAULDING	137,181.97	1,437,538.85	1,574,720.82	1,434,997.90	21,189.23	1,456,187.13	118,533.69
PHILLIPSBURG	8,017.05	94,598.89	102,615.94	91,050.94	3,396.99	94,447.93	8,168.01
PITSBURG	4,898.64	100,237.14	105,135.78	94,035.78	2,573.72	96,609.50	8,526.28
PRAIRIE OBETZ	579,301.70	5,491,627.44	6,070,929.14	5,624,658.89	16,632.78	5,641,291.67	429,637.47
RIVERSIDE	764,034.60	9,863,623.66	10,627,658.26	10,043,913.83	100,254.23	10,144,168.06	483,490.20
ROCK CREEK	8,606.14	130,631.70	139,237.84	126,247.84	3,668.46	129,916.30	9,321.54
RUSSELLS POINT	32,282.50	387,744.44	420,026.94	376,001.94	9,062.57	385,064.51	34,962.43
SEVILLE	220,852.38	1,985,965.02	2,206,817.40	2,005,240.27	25,724.07	2,030,964.34	175,853.06
SHREVE	35,973.38	340,403.25	376,376.63	339,218.63	8,309.05	347,527.68	28,848.95
SOMERSET	12,279.21	513,761.90	526,041.11	486,073.11	7,477.81	493,550.92	32,490.19
SOUTH RUSSELL	261,598.73	2,702,679.13	2,964,277.86	2,666,453.38	34,843.77	2,701,297.15	262,980.71
SPRINGFIELD	(16.25)	300.00	283.75	195.00	75.00	270.00	13.75
STOW	(12.50)		(12.50)				(12.50)
TROTWOOD	(408.72)	472.03	63.31		118.01	118.01	(54.70)
TROY	(32.00)		(32.00)				(32.00)
UNION	248,793.56	4,621,558.06	4,870,351.62	4,543,840.40	38,848.73	4,582,689.13	287,662.49
VILLAGE OF OAKWOOD	11,197.33	157,882.01	169,079.34	145,511.27	3,416.97	148,928.24	20,151.10
WARREN	12.50	100.00	112.50	70.00	25.00	95.00	17.50
WAYNESFIELD	16,079.77	164,383.53	180,463.30	164,678.30	3,869.12	168,547.42	11,915.88
WEST MILTON	184,994.91	1,948,003.45	2,132,998.36	1,923,342.73	30,769.04	1,954,111.77	178,886.59
TOTALS	$ 9,278,348.04	$ 653,315,848.23	$ 662,594,196.27	$ 641,134,419.44	$ 9,050,908.38	$ 650,185,327.82	$ 12,408,868.45

CITY OF CLEVELAND
CENTRAL COLLECTION AGENCY
DIVISION OF TAXATION

SCHEDULE OF ALLOCATION OF NET OPERATING EXPENSES
FOR THE ENTIRE YEAR ENDED DECEMBER 31, 2024

Members	Cost Allocation Percent	Interest Allocation Percent	Cost Allocation Before Interest Income	Interest Income of Municipalities (Excluding Cleveland)	Allocation of Net Operating Expenses
AKRON	0.000000%	0.000000%	$ 81.25	$	$ 81.25
ALLIANCE	0.000000%	0.000000%			-
BURTON	0.484113%	1.820116%	41,422.32	27,246.32	14,176.00
CLAYTON	2.732714%	10.274161%	233,820.03	153,799.59	80,020.44
CLEVELAND	73.402070%	0.000000%	8,271,757.79	-	8,271,757.79
DALTON	0.431193%	1.621151%	36,894.25	24,267.90	12,626.35
EDON	0.182399%	0.685765%	15,606.68	10,265.59	5,341.09
ELIDA	0.471873%	1.774095%	40,374.98	26,557.41	13,817.57
GENEVA-ON-THE-LAKE	0.209306%	0.786924%	17,908.87	11,779.90	6,128.97
GERMANTOWN	1.385885%	5.210500%	118,580.90	77,998.85	40,582.05
GRAND RAPIDS	0.309277%	1.162785%	26,462.73	17,406.37	9,056.36
GRAND RIVER	0.122554%	0.460763%	10,486.08	6,897.42	3,588.66
HIGHLAND HILLS	0.509822%	1.916775%	43,622.09	28,693.26	14,928.83
LINNDALE	0.027252%	0.102459%	2,331.76	1,533.76	798.00
MARBLE CLIFF	0.344429%	1.294947%	29,470.48	19,384.77	10,085.71
MENTOR-ON-THE-LAKE	0.965489%	3.629942%	82,610.46	54,338.61	28,271.85
MONTPELIER	0.719839%	2.706374%	61,591.83	40,513.20	21,078.63
MUNROE FALLS	1.144761%	4.303947%	97,949.49	64,428.15	33,521.34
NEW CARLISLE	1.218177%	4.579969%	104,231.23	68,560.08	35,671.15
NEW MADISON	0.147127%	0.553154%	12,588.71	8,280.46	4,308.25
NEW MIAMI	0.218983%	0.823309%	18,736.91	12,324.56	6,412.35
NEW PARIS	0.256106%	0.962879%	21,913.26	14,413.87	7,499.39
NORTH BALTIMORE	0.711513%	2.675068%	60,879.38	40,044.57	20,834.81
NORTH RANDALL	1.072334%	4.031644%	91,752.41	60,351.90	31,400.51
OBETZ	1.990185%	7.482481%	170,286.76	112,009.39	58,277.37
ORWELL	0.354790%	1.333901%	30,357.01	19,967.90	10,389.11
PAULDING	0.723616%	2.720574%	61,915.00	40,725.77	21,189.23
PHILLIPSBURG	0.116008%	0.436153%	9,926.01	6,529.02	3,396.99
PITSBURG	0.087893%	0.330450%	7,520.41	4,946.69	2,573.72
PRAIRIE OBETZ JEDZ	0.568013%	2.135552%	48,601.04	31,968.26	16,632.78
RIVERSIDE	3.423702%	12.872062%	292,943.23	192,689.00	100,254.23
ROCK CREEK	0.125279%	0.471009%	10,719.25	7,050.79	3,668.46
RUSSELLS POINT	0.309488%	1.163581%	26,480.85	17,418.28	9,062.57
SEVILLE	0.878482%	3.302822%	75,165.83	49,441.76	25,724.07
SHREVE	0.283756%	1.066834%	24,279.08	15,970.03	8,309.05
SOMERSET	0.255369%	0.960108%	21,850.19	14,372.38	7,477.81
SOUTH RUSSELL	1.189922%	4.473738%	101,813.62	66,969.85	34,843.77
SPRINGFIELD	0.000000%	0.000000%	75.00		75.00
TROTWOOD	0.000000%	0.000000%	118.01		118.01
UNION	1.326692%	4.987952%	113,516.14	74,667.41	38,848.73
VILLAGE OF OAKWOOD	0.116690%	0.438719%	9,984.39	6,567.42	3,416.97
WARREN	0.000000%	0.000000%	25.00		25.00
WAYNESFIELD	0.132130%	0.496770%	11,305.57	7,436.45	3,869.12
WEST MILTON	1.050769%	3.950567%	89,907.26	59,138.22	30,769.04
TOTAL	100.000000%	100.000000%	$ 10,547,863.54	$ 1,496,955.16	$ 9,050,908.38

CITY OF CLEVELAND
CENTRAL COLLECTION AGENCY
DIVISION OF TAXATION

SCHEDULE OF INCOME TAXES RECEIVABLE
FOR YEAR ENDED DECEMBER 31, 2024

AKRON	$	50.00
BURTON		202,178.07
CLAYTON		1,702,156.75
CLEVELAND		83,001,336.60
DALTON		380,159.05
EDON		36,183.46
ELIDA		201,157.66
GENEVA-ON-THE-LAKE		80,709.40
GERMANTOWN		673,094.33
GRAND RAPIDS		83,289.33
GRAND RIVER		69,075.32
HIGHLAND HILLS		343,157.89
LINNDALE		9,797.89
MARBLE CLIFF		331,579.45
MENTOR-ON-THE-LAKE		497,907.20
MONTPELIER		478,239.32
MUNROE FALLS		713,560.16
NEW CARLISLE		626,417.83
NEW MADISON		48,146.93
NEW MIAMI		68,789.94
NEW PARIS		99,875.27
NORTH BALTIMORE		427,350.45
NORTH RANDALL		1,274,639.20
OBETZ		2,180,667.21
ORWELL		219,710.73
PAULDING		360,802.63
PHILLIPSBURG		40,879.37
PITSBURG		50,632.14
PRAIRIE OBETZ		480,054.36
RIVERSIDE		2,463,833.54
ROCK CREEK		36,493.05
RUSSELLS POINT		107,090.70
SEVILLE		584,112.35
SHREVE		102,905.17
SOMERSET		327,905.12
SOUTH RUSSELL		931,815.54
SPRINGFIELD		50.00
UNION		1,128,053.81
VILLAGE OF OAKWOOD		34,194.36
WARREN		50.00
WEST MILTON		648,445.58
TOTAL	$	101,046,547.16