



OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

Village of Hunting Valley
Cuyahoga County
38251 Fairmount Blvd.
Hunting Valley, Ohio 44202

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Hunting Valley, Cuyahoga County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2023 and 2022, or the changes in financial position thereof for the year then ended.

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 Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Efficient • Effective • Transparent

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *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 Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

August 21, 2024

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The Village of Hunting Valley
 Cuyahoga County
 Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Regulatory Cash Basis)
 All Governmental Fund Types
 For the Year Ended December 31, 2023

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Taxes	\$1,106,392	\$42,481	\$0	\$1,270,083	\$2,418,956
Intergovernmental	560,363	66,396	0	2,705	629,464
Fines, Licenses and Permits	212,245	0	0	0	212,245
Earnings on Investments	1,083,679	1,765	0	0	1,085,444
Miscellaneous	308,785	10,000	0	0	318,785
<i>Total Cash Receipts</i>	<u>3,271,464</u>	<u>120,642</u>	<u>0</u>	<u>1,272,788</u>	<u>4,664,894</u>
Cash Disbursements					
Current:					
Security of Persons & Property	2,084,744	57,320	0	0	2,142,064
Basic Utility Services	245,045	0	0	0	245,045
Transportation	4,732,211	32,640	0	0	4,764,851
General Government	1,667,271	18,020	0	18,859	1,704,150
Debt Service:					
Principal Retirement	0	0	34,255	0	34,255
<i>Total Cash Disbursements</i>	<u>8,729,271</u>	<u>107,980</u>	<u>34,255</u>	<u>18,859</u>	<u>8,890,365</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(5,457,807)</u>	<u>12,662</u>	<u>(34,255)</u>	<u>1,253,929</u>	<u>(4,225,471)</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	4,070,374	0	0	0	4,070,374
Loans Issued	339,684	0	0	0	339,684
Transfers In	0	0	84,000	0	84,000
Transfers Out	(84,000)	0	0	0	(84,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>4,326,058</u>	<u>0</u>	<u>84,000</u>	<u>0</u>	<u>4,410,058</u>
<i>Net Change in Fund Cash Balances</i>	(1,131,749)	12,662	49,745	1,253,929	184,587
<i>Fund Cash Balances, January 1</i>	<u>\$53,075,757</u>	<u>\$110,265</u>	<u>\$1,221</u>	<u>\$3,755,903</u>	<u>\$56,943,146</u>
<i>Fund Cash Balances, December 31</i>	<u>\$51,944,008</u>	<u>\$122,927</u>	<u>\$50,966</u>	<u>\$5,009,832</u>	<u>\$57,127,733</u>

See accompanying notes to the basic financial statements

The Village of Hunting Valley
Cuyahoga County
Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Types
For the Year Ended December 31, 2023

	<u>Fiduciary Fund Types</u>
	<u>Custodial</u>
Additions	
Deposits Received	<u>\$256,758</u>
<i>Total Additions</i>	<u>256,758</u>
Deductions	
Distributions of Deposits	<u>110,945</u>
<i>Total Deductions</i>	<u>110,945</u>
<i>Net Change in Fund Balances</i>	145,813
<i>Fund Cash Balances, January 1</i>	<u>262,769</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$408,582</u></u>

See accompanying notes to the basic financial statements

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 - Reporting Entity

The Village of Hunting Valley, Cuyahoga County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides street repair and maintenance and police protection. The Village contracts with the Village of Chagrin Falls Suburban Fire Department to provide its residents with fire protection and ambulance services.

Jointly Governed Organizations and Public Entity Risk Pool

The Village participates in jointly governed organizations and a public entity risk pool. Notes 6 and 11 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a statement of additions, deductions and changes in fund balances (regulatory cash basis) fiduciary fund types, which are all organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Police Disability and Pension Fund The police disability and pension fund accounts for and reports receipts of property tax and intergovernmental monies restricted for the purpose of providing pension services to the Village police officers.

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

General Obligation Bond Retirement Fund The general obligation bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance public improvements deemed to benefit the community.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Road Construction Fund The road construction fund accounts for and reports receipts of property tax monies restricted for the purpose of completing road construction projects.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund primarily accounts for deposits received related to construction projects within the Village's boundaries.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Appropriations Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values U.S. Treasury Notes at cost. Investments in STAR Ohio are measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

SBITAs

The Village has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems. Subscription disbursements are recognized when they are paid.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Nonspendable The Village classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

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

Committed Council can commit amounts via formal action (ordinance or resolution). The Village must adhere to these commitments unless Council amends the ordinance or resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,993,438	\$ 7,681,522	\$4,688,084
Special Revenue	137,610	120,642	(16,968)
Debt Service	84,000	84,000	-
Capital Projects	1,103,334	1,272,788	169,454

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 3 - Budgetary Activity (continued)

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$12,006,894	\$ 10,287,349	\$1,719,545
Special Revenue	193,180	153,121	40,059
Debt Service	35,000	34,255	745
Capital Projects	25,000	18,859	6,141

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

	2023
Demand deposits	\$ 819,685
Total deposits	819,685
U.S. Treasury	1,885,947
STAR Ohio	4,402,870
STAR SMA	47,724,311
Municipal bonds	2,703,502
Total investments	56,716,630
Total deposits and investments	\$57,536,315

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Village did not have any unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Depository Insurance Corporation, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2023, none of the deposits were not insured or collateralized, contrary to Ohio Law.

Investments

The Federal Reserve holds the Village’s U.S. Treasury Notes in book-entry form, in the name of the Village’s financial institution. The financial institution maintains records identifying the Village as owner of these securities.

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (continued)

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

A financial institution's trust department holds the Village's equity securities in book-entry form in the Village's name.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Note 6 - Risk Management

Commercial Insurance

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2023
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants’ gross salaries. The Village has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement System

The Village’s full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members’ wages. The Village has paid all contributions required through December 31, 2023.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5% to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2023 was as follows:

	Principal	Interest Rate
OPWC #CT04O	\$ 117,995	0%
OPWC #CT06S	151,708	0%
OPWC #CT07X	218,107	0%
OPWC #CT09Y	241,313	0%
Total	\$ 729,123	

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt (continued)

The Ohio Public Works Commission (OPWC) Loan (Fairmount Reconstruction Loan - #CT04O) is a zero-interest loan for the project known as Fairmount I to reconstruct that road. This loan will be repaid from the Bond Retirement fund of the Village.

The Ohio Public Works Commission (OPWC) Loan (Fairmount Reconstruction Loan - #CT06S) is a zero-interest loan for the project known as Fairmount Phase II to reconstruct that road. This loan will be repaid from the Bond Retirement fund of the Village.

The Ohio Public Works Commission (OPWC) Loan (Shaker Boulevard Loan - #CT07X) is a zero-interest loan for the project known as Shaker Boulevard (CR 13) Rehabilitation to reconstruct that road. This loan will be repaid from the Bond Retirement fund of the Village.

The Ohio Public Works Commission (OPWC) Loan (Chagrin River Loan - #CT09Y) is a zero-interest loan for the project known as Chagrin River Road Improvements to reconstruct that road. This loan will be repaid from the Bond Retirement fund of the Village.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending	OPWC	OPWC	OPWC	OPWC
December 31:	<u>#CT04O</u>	<u>#CT06S</u>	<u>#CT07X</u>	<u>#CT09Y</u>
2024	\$ 5,619	\$ 5,619	\$ 5,592	\$ 6,188
2025	11,238	11,238	11,185	12,375
2026	11,238	11,238	11,185	12,375
2027	11,238	11,238	11,185	12,375
2028	11,238	11,238	11,185	12,375
2029-2033	56,190	56,190	55,925	61,875
2034-2038	11,234	44,947	55,925	61,875
2039-2043	-	-	55,925	61,875
Total	<u>\$117,995</u>	<u>\$151,708</u>	<u>\$218,107</u>	<u>\$241,313</u>

Note 10 – Contingent Liabilities

The Village is a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village's financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Jointly Governed Organizations

Northeast Ohio Public Energy Council

The Village is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and gas. NOPEC is currently comprised of over 240 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity and gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and gas to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. Representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The Village did not contribute to NOPEC during 2022. Financial information can be obtained by contacting Chuck Keiper, Executive Director, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Valley Enforcement Regional Council of Governments

The Village is a member of Valley Enforcement Regional Council of Governments (VERCOG). VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (VEG), a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is currently comprised of sixteen communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four (4) or more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purposes. Participating political subdivisions appoint one representative to VERCOG and this representative is the Mayor, Safety Director, or other official designated by the enabling legislation passed by the political subdivision. Each Member of VERCOG is entitled to one (1) vote on each item under consideration. Financial information can be obtained by contacting Susan Renda, 4350 SOM Center Rd, Moreland Hills OH 44022, (440) 248-1188.

Suburban Water Regional Council of Governments

The Village is a member of the Suburban Water Regional Council of Governments, which is an organization of political subdivisions to which the City of Cleveland, Ohio, sells water, either by direct service to residents or on a bulk basis. The purpose of the Council is to represent such political subdivisions in communications, understandings, uniform approaches and exchange of information between the Council of Governments and the City of Cleveland, Ohio, with respect to water service, system and local operations, rates, maintenance and capital improvements including, but not limited to negotiations with the City of Cleveland concerning the Standard Water Contract and issues concerning the use of the fees for water service for repair and replacement of water lines in the political subdivisions. Financial information can be obtained by contacting Lisa Barno, 10107 Brecksville Road, Brecksville OH 44141, (440) 526-3433.

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 11 – Jointly Governed Organizations (continued)

Chagrin Valley Dispatch Council

The Village is a member of the Chagrin Valley Dispatch Council (CVD). CVD is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. CVD was formed to promote cooperative arrangements and coordinate action among its members in matters relating to the dispatch of public safety services and the operation of the Chagrin Valley Regional Communications Center (RCC). Participation in CVD was initially limited to political subdivisions located within the Chagrin Valley that were currently receiving public safety dispatch services from the Village of Chagrin Falls. At December 31, 2023, it was comprised of nine communities. It is authorized to perform all functions necessary to improve, maintain and operate the RCC including entering into contractual arrangements for necessary services; to employ staff; purchase, lease or otherwise provide for supplies, materials and equipment and facilities; accept and raise public and private funding; and any and all other powers and authorities available pursuant to Chapter 167 of the Ohio Revised Code. Participating political subdivisions appoint one representative to CVD and this representative is the Mayor, Safety Director, or Chairman of the Board of Trustees or other official designated by the enabling legislation passed by the political subdivision. Each Member of CVD is entitled to one (1) vote on each item under consideration by the board. Financial information can be obtained by contacting Virginia Price at the Chagrin Valley Dispatch, 88 Center Avenue, Suite B100, Bedford, Ohio 44146 or by calling (440) 247-7321.

Note 12 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$1,474,078	\$45,141	\$1,519,219

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and the capital projects fund are restricted, committed or assigned. These restricted, committed and assigned amounts in the special revenue fund include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

The Village of Hunting Valley
 Cuyahoga County
 Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Regulatory Cash Basis)
 All Governmental Fund Types
 For the Year Ended December 31, 2022

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Taxes	\$1,108,021	\$42,615	\$0	\$1,274,287	\$2,424,923
Intergovernmental	181,196	101,567	0	2,953	285,716
Charges for Services	29,852	0	0	0	29,852
Fines, Licenses and Permits	115,166	0	0	0	115,166
Earnings on Investments	1,334,240	1,027	0	0	1,335,267
Miscellaneous	527,863	31,101	0	0	558,964
<i>Total Cash Receipts</i>	<u>3,296,338</u>	<u>176,310</u>	<u>0</u>	<u>1,277,240</u>	<u>4,749,888</u>
Cash Disbursements					
Current:					
Security of Persons & Property	1,912,056	115,824	0	0	2,027,880
Basic Utility Services	243,304	0	0	0	243,304
Transportation	1,549,122	28,140	0	0	1,577,262
General Government	1,425,087	6,313	0	20,674	1,452,074
Debt Service:					
Principal Retirement	0	0	22,475	0	22,475
<i>Total Cash Disbursements</i>	<u>5,129,569</u>	<u>150,277</u>	<u>22,475</u>	<u>20,674</u>	<u>5,322,995</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,833,231)</u>	<u>26,033</u>	<u>(22,475)</u>	<u>1,256,566</u>	<u>(573,107)</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	17,882	0	0	0	17,882
Transfers In	0	0	23,000	0	23,000
Transfers Out	(23,000)	0	0	0	(23,000)
Advances In	38,000	0	0	0	38,000
Advances Out	0	(38,000)	0	0	(38,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>32,882</u>	<u>(38,000)</u>	<u>23,000</u>	<u>0</u>	<u>17,882</u>
<i>Net Change in Fund Cash Balances</i>	(1,800,349)	(11,967)	525	1,256,566	(555,225)
<i>Fund Cash Balances, January 1</i>	<u>54,876,106</u>	<u>122,232</u>	<u>696</u>	<u>2,499,337</u>	<u>57,498,371</u>
<i>Fund Cash Balances, December 31</i>	<u>\$53,075,757</u>	<u>\$110,265</u>	<u>\$1,221</u>	<u>\$3,755,903</u>	<u>\$56,943,146</u>

See accompanying notes to the basic financial statements

The Village of Hunting Valley
Cuyahoga County
Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Types
For the Year Ended December 31, 2022

	<u>Fiduciary Fund Types</u>
	<u>Custodial</u>
Additions	
Deposits Received	<u>\$136,950</u>
<i>Total Additions</i>	<u>136,950</u>
Deductions	
Distributions of Deposits	<u>125,706</u>
<i>Total Deductions</i>	<u>125,706</u>
<i>Net Change in Fund Balances</i>	11,244
<i>Fund Cash Balances, January 1</i>	<u>251,525</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$262,769</u></u>

See accompanying notes to the basic financial statements

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 - Reporting Entity

The Village of Hunting Valley, Cuyahoga County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides street repair and maintenance and police protection. The Village contracts with the Village of Chagrin Falls Suburban Fire Department to provide its residents with fire protection and ambulance services.

Jointly Governed Organizations and Public Entity Risk Pool

The Village participates in jointly governed organizations and a public entity risk pool. Notes 6 and 11 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a statement of additions, deductions and changes in fund balances (regulatory cash basis) fiduciary fund types, which are all organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

American Rescue Plan Fund The American rescue plan fund accounts for and reports grants received from the government to help alleviate financial pressures caused by the coronavirus pandemic.

Street Construction, Maintenance, and Repair Fund The street construction, maintenance and repair fund accounts for and reports receipts of gasoline tax and motor vehicle tax money for the purpose of constructing, maintaining, and repairing Village streets.

Police Disability and Pension Fund The police disability and pension fund accounts for and reports receipts of property tax monies restricted for the purpose of providing pension services to the Village police officers.

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

General Obligation Bond Retirement Fund The general obligation bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance public improvements deemed to benefit the community.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Road Construction Fund The road construction fund accounts for and reports receipts of property tax monies used for the purpose of completing road construction projects.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund primarily accounts for deposits received related to construction projects within the Village's boundaries.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Appropriations Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values U.S. Treasury Notes at cost. Investments in STAR Ohio are measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

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

Committed Council can commit amounts via formal action (ordinance or resolution). The Village must adhere to these commitments unless Council amends the ordinance or resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 - Budgetary Activity

Budgetary activity for the year ended December 31, 2022 follows:

Fund Type	2022 Budgeted vs. Actual Receipts		Variance
	Budgeted Receipts	Actual Receipts	
General	\$ 2,965,699	\$ 3,352,220	\$ 386,521
Special Revenue	224,022	176,310	(47,712)
Debt Service	23,000	23,000	-
Capital Projects	1,076,459	1,277,240	200,781

Fund Type	2022 Budgeted vs. Actual Budgetary Basis Disbursements		Variance
	Appropriation Authority	Budgetary Disbursement	
General	\$ 8,115,646	\$ 6,338,463	\$1,777,183
Special Revenue	242,648	169,636	73,012
Debt Service	23,000	23,000	-
Capital Projects	25,000	20,674	4,326

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

	<u>2022</u>
Demand deposits	\$ 796,052
Savings account	10,067
Certificates of deposit	<u>62,979</u>
Total deposits	<u>869,098</u>
U.S. Treasury	1,949,988
STAR Ohio	12,047
STAR SMA	50,577,702
Municipal bonds	<u>3,797,080</u>
Total investments	<u>56,336,817</u>
Total deposits and investments	<u><u>\$57,205,915</u></u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Village did not have any unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Depository Insurance Corporation, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2022, none of deposits were not insured or collateralized, contrary to Ohio law.

Investments

The Federal Reserve holds the Village’s U.S. Treasury Notes in book-entry form, in the name of the Village’s financial institution. The financial institution maintains records identifying the Village as owner of these securities.

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

A financial institution’s trust department holds the Village’s equity securities in book-entry form in the Village’s name.

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Note 6 - Risk Management

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2023
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 - Defined Benefit Pension Plans (continued)

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2022.

Note 8 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4% during calendar year 2022. OP&F contributes 0.5% to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

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

Note 9 – Debt

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest Rate
OPWC #CT04O	\$ 129,232	0%
OPWC #CT06S	162,945	0%
OPWC #CT07X	131,515	0%
Total	\$ 423,692	

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt (continued)

The Ohio Public Works Commission (OPWC) Loan (Fairmount Reconstruction Loan - #CT04O) is a zero-interest loan for the project known as Fairmount I to reconstruct that road. This loan will be repaid from the Bond Retirement fund of the Village.

The Ohio Public Works Commission (OPWC) Loan (Fairmount Reconstruction Loan - #CT06S) is a zero-interest loan for the project known as Fairmount Phase II to reconstruct that road. This loan will be repaid from the Bond Retirement fund of the Village.

The Ohio Public Works Commission (OPWC) Loan (Shaker Boulevard Loan - #CT07X) is a zero-interest loan for the project known as Shaker Boulevard (CR 13) Rehabilitation, to reconstruct that road. This loan will be repaid from the Bond Retirement fund of the Village.

From the information received, the Village prepared a detailed amortization schedule for each loan based upon the amount expected to be financed. However, the amortization schedule for Shaker Boulevard Loan is not available and amortization will be adjusted when OWDA revises the amount to be financed.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	OPWC #CT04O	OPWC #CT06S
2023	\$ 5,619	\$ 5,619
2024	11,237	11,237
2025	11,238	11,238
2026	11,237	11,237
2027	11,238	11,238
2028-2032	56,188	56,188
2033-2037	22,475	56,188
Total	\$ 129,232	\$ 162,945

Note 10 – Contingent Liabilities

The Village is a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village’s financial condition.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Jointly Governed Organizations

Northeast Ohio Public Energy Council

The Village is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and gas. NOPEC is currently comprised of over 240 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity and gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and gas to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. Representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The Village did not contribute to NOPEC during 2022. Financial information can be obtained by contacting Chuck Keiper, Executive Director, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Valley Enforcement Regional Council of Governments

The Village is a member of Valley Enforcement Regional Council of Governments (VERCOG). VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (VEG), a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is currently comprised of sixteen communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four (4) or more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purposes. Participating political subdivisions appoint one representative to VERCOG and this representative is the Mayor, Safety Director, or other official designated by the enabling legislation passed by the political subdivision. Each Member of VERCOG is entitled to one (1) vote on each item under consideration. Financial information can be obtained by contacting Susan Renda, 4350 SOM Center Rd, Moreland Hills OH 44022, (440) 248-1188.

Suburban Water Regional Council of Governments

The Village is a member of the Suburban Water Regional Council of Governments, which is an organization of political subdivisions to which the City of Cleveland, Ohio, sells water, either by direct service to residents or on a bulk basis. The purpose of the Council is to represent such political subdivisions in communications, understandings, uniform approaches and exchange of information between the Council of Governments and the City of Cleveland, Ohio, with respect to water service, system and local operations, rates, maintenance and capital improvements including, but not limited to negotiations with the City of Cleveland concerning the Standard Water Contract and issues concerning the use of the fees for water service for repair and replacement of water lines in the political subdivisions. Financial information can be obtained by contacting Lisa Barno, 10107 Brecksville Road, Brecksville OH 44141, (440) 526-3433.

Village of Hunting Valley
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Jointly Governed Organizations (continued)

Chagrin Valley Dispatch Council

The Village is a member of the Chagrin Valley Dispatch Council (CVD). CVD is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. CVD was formed to promote cooperative arrangements and coordinate action among its members in matters relating to the dispatch of public safety services and the operation of the Chagrin Valley Regional Communications Center (RCC). Participation in CVD was initially limited to political subdivisions located within the Chagrin Valley that were currently receiving public safety dispatch services from the Village of Chagrin Falls. At December 31, 2022 it was comprised of nine communities. It is authorized to perform all functions necessary to improve, maintain and operate the RCC including entering into contractual arrangements for necessary services; to employ staff; purchase, lease or otherwise provide for supplies, materials and equipment and facilities; accept and raise public and private funding; and any and all other powers and authorities available pursuant to Chapter 167 of the Ohio Revised Code. Participating political subdivisions appoint one representative to CVD and this representative is the Mayor, Safety Director, or Chairman of the Board of Trustees or other official designated by the enabling legislation passed by the political subdivision. Each Member of CVD is entitled to one (1) vote on each item under consideration by the board. Financial information can be obtained by contacting Virginia Price at the Chagrin Valley Dispatch, 88 Center Avenue, Suite B100, Bedford, Ohio 44146 or by calling (440) 247-7321.

Note 12 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Total
Outstanding Encumbrances	\$1,185,894	\$ 19,360	\$ 525	\$ 1,205,779

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted, committed, or assigned. These restricted, committed and assigned amounts in the special revenue and debt service funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021, while the national state of emergency continues. During 2022, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Village’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

OHIO AUDITOR OF STATE KEITH FABER



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

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

Village of Hunting Valley
Cuyahoga County
38251 Fairmount Blvd.
Hunting Valley, Ohio 44202

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental and fiduciary type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Village of Hunting Valley, Cuyahoga County, (the Village) and have issued our report thereon dated August 21, 2024, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

August 21, 2024



VILLAGE OF HUNTING VALLEY

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023 AND 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	General Fund Cash Fund Balance and Earnings on Investments were overstated by \$367,594, in the 2020 financial statements,	Corrective Action Taken and Finding is Fully Corrected	The Village made significant revisions to its accounting practices accounting for investments on a monthly basis. These revisions will more accurately reflect the Village’s monthly investments on a book value basis, as well as ensure stronger internal controls are in place to make certain investments are accounted for accurately.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF HUNTING VALLEY

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/3/2024

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

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