

Village of Evendale
Hamilton County, Ohio

Financial Statements
December 31, 2016



Dave Yost • Auditor of State

Village Council
Village of Evendale
10500 Reading Road
Evendale, Ohio 45241

We have reviewed the *Independent Auditor's Report* of the Village of Evendale, Hamilton County, prepared by Bastin & Company, LLC, for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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Dave Yost
Auditor of State

July 24, 2017

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Village of Evendale
Hamilton County, Ohio

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Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Village of Evendale
Hamilton County
10500 Reading Road
Evendale, Ohio 45241

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Evendale, Hamilton County, Ohio (the Village), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Evendale, Hamilton County, Ohio, as of December 31, 2016, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to Management's Discussion and Analysis, as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2017, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
June 16, 2017

Village of Evendale
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

This discussion and analysis of the Village of Evendale's financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2016, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2016 are as follows:

Net position of governmental activities increased \$137,078, or .7%. The General Fund decreased \$693,947 and the remainder of the funds increased by \$831,025.

The Village's general receipts are primarily earnings taxes. Earnings tax represents 86.0% of the total cash received for governmental activities during the year. Charges for Emergency Medical Service runs performed by the Village's Fire Department resulted in income of \$166,811 in 2016, which is an increase of approximately 16.7% from 2015. Revenues from EMS services are accounted for in a Special Revenue Fund, Fire Services, and are used to help offset the cost of providing Fire and EMS services and equipment costs such as the purchase of a fire truck in 2016.

In 2016 the Village Council elected not to collect property taxes that would increase the total revenues of the Village by approximately \$664,000. The property tax millage available to the Village includes the following:

	Inside Mils
General Fund	3.00
Police Pension	.30
Fire Pension	.04

The Village has two grants from 2015 that were extended into 2016 and beyond.

The Village received approval from Ohio Public Works Commission for a grant of \$225,259 for a Mill Creek Restoration project in June 2015. The Village of Evendale was to provide a cash match of approximately \$52,000 and an in kind match of approximately \$23,000. The Village has funded this project in the amount of \$33,862. The project is currently on hold while the Mill Creek Council acquires the affected property from Evendale Commons LTD. No grant funds were received in 2016; however, the grant has been extended. In addition the Village was awarded a Federal grant of \$487,100 from the Ohio Department of Transportation in September 2015 for resurfacing a portion of Reading Road. The local match requirement related to this grant is at 51% or \$505,000. No funds were received in 2016 as this work is expected to commence in the spring of 2017. The complete project cost of approximately \$992,000 was included in the 2017 budget.

The Village entered into several significant agreements in 2016. The first agreement was approved with Ordinance 16-06. This ordinance allowed the Mayor to enter into an agreement with Pierce Manufacturing for the purchase of a Pumper Fire Apparatus and Chassis for approximately \$675,000 with optional equipment added. Delivery is expected early 2017.

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The next two agreements relate to the continuation of plans for the "Through the Valley" project which entails ODOT's IR 75 updates. The Village continued its contract with IBI for schematic design related to this project with Ordinance 16-22 for an additional \$192,400. The IBI design is primarily for aesthetic updates for the bridge, lighting and landscape surrounding the entrance to the Village of Evendale. Ordinance 16-87 allowed for the Mayor to enter into contract with ODOT for the IR 75 highway project that runs between Shepard Lane and Glendale-Milford Road which includes redesign of the Shepard Lane interchange and improvements to the Glendale-Milford Road interchange. The Village paid a deposit of \$327,070 to ODOT in early 2017 for the anticipated design upgrades with the remaining costs to be determined after ODOT bids the contract around March of 2017. The Village anticipates the upgrade cost to be approximately \$2,000,000 and have budgeted as such for 2017. The construction project is expected to last three or more years.

The Village of Evendale has continued its development project from 2015 with the OPUS Development Company LLC to develop a Class A office building on Village owned property along the I75 corridor as part of a state-of-the-art technical research center commonly referred to as the "Aerohub Project." In conjunction with this project two significant events took place. The first is the purchase of 24.5865 acres from Landmark Baptist Temple Inc. to increase the acreage available for this project. The purchase of the land for approximately 2.7 million was finally approved with Ordinance 16-75 in November 2016. In addition, as part of the agreement the Village has the right of first refusal to purchase approximately 120 additional acres from Landmark Baptist Temple Inc. The second significant event was an award of a \$500,000 grant from Jobs Ohio to the Village for infrastructure development within the Aerohub project boundaries. The Village anticipates infrastructure costs in 2017 of approximately \$2.5 million in addition to the grant funds.

Finally Ordinance 16-39 was approved proposing a charter amendment authorizing the Village to issue bonds without the vote of the people for up to five million dollars. The proposal was put on the ballot November 2016 and passed.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, No. 54 and No. 63, as applicable to the Government's cash basis of accounting.

Report Components

The Statement of Net Position and the Statement of Activities provide information about the cash and investment activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the village-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Village of Evendale
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting in accordance with GASB Statement 34 and 54. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Village as a Whole

The Village of Evendale, Hamilton County, Ohio, is a home rule municipal corporation established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village operates under its own Charter and is directed by a publicly-elected mayor and a six member council. The Village provides general governmental services including Police protection, Fire and Emergency Medical Services, Recreation Center and fitness activities, park operations, local tax return preparation, trash and yard waste removal, and maintenance of Village streets and thoroughfares.

The Statement of Net Position and the Statement of Activities reflect how the Village performed financially during 2016, within the limitations of cash basis accounting. The Statement of Net Position presents the cash balances and investments of the governmental-type activities of the Village as of December 31, 2016. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services, and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Village's general receipts.

These statements report the Village's cash and investment position and the changes in those positions. Keeping in mind the limitations of the cash basis of accounting, the change in cash and investment positions is one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash or investment position may be one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, non-financial factors must be considered such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as earnings taxes and potential property tax revenue.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money restricted for a particular purpose is being spent as intended. The Village only has governmental funds.

Village of Evendale
Hamilton County, Ohio
 Management's Discussion and Analysis
 For the Year Ended December 31, 2016
 Unaudited

Governmental Funds - The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's only major governmental funds in 2016 were the General Fund and the Capital Improvement Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. This relationship is presented in a reconciliation presented with the governmental fund financial statements.

The Village as a Whole

Table 1 provides a summary of the Village's net position for 2016 compared to 2015 on a cash basis:

(Table 1)
Net Position

	Governmental Activities	
	2016	2015
Assets		
Equity in pooled cash and Cash Equivalents	\$ 18,752,818	\$ 18,615,740
Total Assets	\$ 18,752,818	\$ 18,615,740
Net Position		
Restricted for:		
Debt Service	\$ 1,083,163	\$ 917,216
Capital Projects	382,070	238,326
Other Purposes	1,721,209	1,199,875
Unrestricted	15,566,376	16,260,323
Total Net Position	\$ 18,752,818	\$ 18,615,740

As mentioned previously, net position of governmental activities increased \$137,078, or .7% during 2016.

Village of Evendale
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 Management's Discussion and Analysis
 For the Year Ended December 31, 2016
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Table 2 reflects the changes in net position on a cash basis in 2016 and 2015 for government activities.

(Table 2)
Changes in Net Position

	Governmental Activities 2016	Governmental Activities 2015
	<u>2016</u>	<u>2015</u>
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 696,229	\$ 695,971
Operating Grants and Contributions	547,497	503,832
Capital Grants and Contributions	16,091	-
Total Program Receipts	<u>1,259,817</u>	<u>1,199,803</u>
General Receipts:		
Payments in Lieu of Taxes	703,375	710,039
Earnings Tax	15,518,308	14,677,187
Grants and Entitlements Not Restricted to Specific Programs	101,623	135,427
Interest	397,879	344,705
Sale of Capital Assets	17,212	27,496
Miscellaneous	53,509	37,729
Total General Receipts	<u>16,791,906</u>	<u>15,932,583</u>
Total Receipts	<u>18,051,723</u>	<u>17,132,386</u>
Disbursements:		
General Government	3,094,930	2,590,153
Security of Persons and Property	6,221,486	6,061,766
Public Health Services	12,755	12,739
Leisure Time Activities	1,900,415	1,787,749
Community Environment	371,816	380,236
Basic Utilities	242,532	250,449
Transportation	906,298	1,038,376
Capital Outlay	4,893,038	2,601,210
Interest and Fiscal Charges	271,375	276,900
Total Disbursements	<u>17,914,645</u>	<u>14,999,578</u>
Increase (Decrease) in Net Position	137,078	2,132,808
Net Position, January 1	<u>18,615,740</u>	<u>16,482,932</u>
Net Position, December 31	<u>\$ 18,752,818</u>	<u>\$ 18,615,740</u>

Program receipts represent only 7.0% of total receipts and are primarily comprised of recreation receipts, charges for emergency medical services, restricted intergovernmental receipts such as motor vehicle licenses and gas tax, building permits, inspection fees, and fines and forfeitures.

Village of Evendale
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

General receipts represent 93.0% of the Village's total receipts. Local earnings tax is 92.4% of the general receipts. The service payments from the Evendale Commons Public Improvement project accounts for 4.2% of the general receipts. Grants, interest, asset sales and other miscellaneous income account for 3.4% of the general receipts for 2016.

The Village as a Whole

The earnings tax receipts as of 2016 reflected a 5.7% increase over the 2015 receipts. The increase was due to various factors including an increase primarily in the withholding tax related to an improved economy and resulting increases in personnel and wages. Individual tax remained relatively consistent from 2015 to 2016 with a 1% increase in 2016. In contrast, business tax decreased by 8%. The decrease in business tax is primarily attributed to timing of estimated payments received and amounts available to carry over to the next tax year.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for other Village activities. Support services include the costs of the council, administration department and the cost of finance, building maintenance and earnings tax departments.

Security of persons and property are the costs of police, fire protection and emergency medical services. Public health services are contracted with the Hamilton County Health Department. Leisure time activities are the costs of maintaining the parks, swimming pool, recreation programs and playing fields. The economic development department promotes the Village to industry and commerce as well as working with other governments in the area to attract new business. Transportation is the cost of maintaining the roads.

The capital outlay was related to property acquisition, vehicle purchase and general street maintenance in both 2016 and 2015.

Governmental Activities

A comparison between the total cost of services and the net cost of services for Governmental Activities is presented in Table 3. The first column on the statement of activities, which accompanies this report, lists the major services provided by the Village. The second column identifies the costs of providing these services. The largest program disbursement for Governmental Activities is for security of persons and property, which accounts for 34.7% of all governmental disbursements. General Government (17.3%), leisure time activities (10.6%), capital outlay (27.3%) and transportation (5%) also represent significant costs in 2016. The "Net Cost" amount represents the cost of the service being paid from money provided by the general receipts. Program receipts, on the Statement of Activities, are the amounts paid by those who are directly charged for the services received and include grants received by the Village that must be used to provide a specific service. The Net Receipt (Disbursement) column, on the Statement of Activities, compares the program receipts to the cost of the service which are presented at the bottom of the Statement of Activities.

Village of Evendale
Hamilton County, Ohio
 Management's Discussion and Analysis
 For the Year Ended December 31, 2016
 Unaudited

(Table 3)

Governmental Activities

	Total Cost Of Services 2016	Net Cost of Services 2016
	<u>2016</u>	<u>2016</u>
General Government	\$ 3,094,930	\$ 3,050,354
Security of Persons and Property	6,221,486	5,909,225
Public Health Services	12,755	12,755
Leisure Time Activities	1,900,415	1,631,093
Community Environment	371,816	295,655
Basic Utilities	242,532	242,532
Transportation	906,298	358,801
Capital Outlay	4,893,038	4,883,038
Interest and Fiscal Charges	271,375	271,375
Total Expenses	<u>\$ 17,914,645</u>	<u>\$ 16,654,828</u>

The dependence upon earnings tax receipts is apparent through this analysis as approximately 87% of governmental activities are supported through this general receipt.

The Government's Funds

Total governmental funds had receipts and other financing sources of \$23,561,728 including transfers and advances, and disbursements and other financing uses of \$23,424,650. The greatest change within governmental funds occurred between the General Fund and the Other Governmental Funds. The Fund Balance of the General Fund decreased \$693,947 while the Other Governmental Funds increased \$687,281.

General Fund Budgeting Highlights

The Village's budget is prepared according to Ohio law and the Village's Charter and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2016, the Village amended its General Fund budget several times to reflect changing circumstances. Final actual receipts exceeded budgeted receipts by \$1,277,569. Final disbursements were budgeted at \$13,845,384 while actual disbursements plus encumbrances were \$12,623,368.

Capital Assets and Debt Administration

Capital Assets

The Village does not report its capital assets and infrastructure as part of the financial statements prepared on the cash basis of accounting. Inventories of furniture and fixtures, machinery and equipment and vehicles are kept by each department and inventoried per the fixed asset policy approved by the Village Council in 2005.

Village of Evendale
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

Debt

The Village issued \$4,385,000 in Tax Increment Revenue Notes in 2009 which were refinanced in 2013 in the amount of \$4,305,000 as Tax Increment Revenue Refunding Bonds. These bonds are not a general obligation of the Village and the general credit and taxing power of the Village are not pledged to the payment of the debt service on these funds. Only the revenues from the service payments to be made by owners of the property located within the Evendale Commons project are pledged to pay the debt service on the bonds. The 2013 bonds were purchased by the Village's General Fund. Refer to note 10 of the Notes to the Financial Statements for further disclosure.

Current Issues

Governments are constantly challenged to provide the needed services to the public, maintain expected quality and stay within budget. The Village of Evendale relies heavily on earnings tax generation from its business base. The Village has seen an increase in overall earnings tax receipts for the last three years. This is a positive sign for the general business climate in Evendale and indicative of what is expected over the next few years.

GE Aviation continues to renovate and expand their global headquarter campus in Evendale. This level of activity is evidenced by their earnings tax receipts and the number of building department permits (31 permits in 2016) issued. The Village completed a comprehensive Zoning Code amendment in 2013 which is expected to propel the Village forward in commercially developing some Village owned property to help spur other development and investment in the Village. Although Village wide building permits decreased in 2016 with 176 versus 234 issued in 2015 the focus has been primarily on spurring new development. This has been realized with the planning of the "Aerohub technical facility" currently in progress. The Evendale Commons Business Park was approved in 2005 as a planned business development and with the 2017 10,000 sq. ft. expansion of Kinetic Vision and a future additional 8000 sq. ft. facility planned this mixed-use development will be 85% complete. The remaining area to be developed is designated for office, distribution and warehouse which should further bolster our earnings tax base with added jobs.

In 2016 the Council approved the budget with a 2.5% increase in wages. The Village changed health care providers in 2016 and the newly negotiated rate increased health benefit costs by 4.29% from October 2016 to June 2017. For July 2017 the rate will be renegotiated on an annual basis as the Village assimilates into the ERC (Employer's Resource Council). Joining the ERC will provide negotiating strength as a collaborative group health care purchaser.

Earnings tax revenues received for 2016 were more than one million over budgeted expectations. Withholding and individual accounts were up while business accounts were down. The estimate for earnings tax revenue in 2017 was increased to \$14,300,000 and is expected to be conservative based on 2016 results.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the government's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Cynthia J. Caracci, CPA^(inactive)/ Chief Fiscal and Accounting Officer, Village of Evendale, 10500 Reading Road, Evendale, Ohio 45241.

Village of Evendale
Hamilton County, Ohio
Statement of Net Position - Cash Basis
December 31, 2016

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 18,752,818
<i>Total Assets</i>	<i>\$ 18,752,818</i>
Net Position	
Restricted for:	
Capital Projects	\$ 382,070
Debt Service	1,083,163
Other Purposes	1,721,209
Unrestricted	15,566,376
<i>Total Net Position</i>	<i>\$ 18,752,818</i>

See accompanying notes to the basic financial statements

Village of Evendale
Hamilton County, Ohio
Statement of Activities - Cash Basis
For the Year Ended December 31, 2016

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Positions
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Current:					
General Government	\$ 3,094,930	\$ 44,576	\$ -	\$ -	\$ (3,050,354)
Security of Persons and Property	6,221,486	306,170	-	6,091	(5,909,225)
Public Health Services	12,755	-	-	-	(12,755)
Leisure Time Activities	1,900,415	269,322	-	-	(1,631,093)
Community Environment	371,816	76,161	-	-	(295,655)
Basic Utility Services	242,532	-	-	-	(242,532)
Transportation	906,298	-	547,497	-	(358,801)
Capital Outlay	4,893,038	-	-	10,000	(4,883,038)
Debt Service					
Interest and Fiscal Charges	271,375	-	-	-	(271,375)
Total Governmental Activities	\$ 17,914,645	\$ 696,229	\$ 547,497	\$ 16,091	\$ (16,654,828)
General Receipts					
					15,518,308
					703,375
					101,623
					17,212
					397,879
					53,509
					<i>Total General Receipts</i> 16,791,906
					137,078
					18,615,740
					\$ 18,752,818

See accompanying notes to the basic financial statements

Village of Evendale
Hamilton County, Ohio
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2016

	<u>General</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 15,566,376	\$ 382,070	\$ 2,804,372	\$ 18,752,818
<i>Total Assets</i>	<u>\$ 15,566,376</u>	<u>\$ 382,070</u>	<u>\$ 2,804,372</u>	<u>\$ 18,752,818</u>
Fund Balances				
Restricted	\$ -	\$ -	\$ 2,804,372	\$ 2,804,372
Committed	-	23,215	-	23,215
Assigned	6,362,377	358,855	-	6,721,232
Unassigned	9,203,999	-	-	9,203,999
<i>Total Fund Balances</i>	<u>\$ 15,566,376</u>	<u>\$ 382,070</u>	<u>\$ 2,804,372</u>	<u>\$ 18,752,818</u>

See accompanying notes to the basic financial statements

Village of Evendale

Hamilton County, Ohio

Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis

Governmental Funds

For the Year Ended December 31, 2016

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Receipts				
Municipal Income Taxes	\$ 15,518,308	\$ -	\$ -	\$ 15,518,308
Payments in Lieu of Taxes	-	-	703,375	703,375
Charges for Services	233,429	-	205,484	438,913
Fines, Licenses and Permits	236,940	-	19,871	256,811
Intergovernmental	107,714	10,000	548,002	665,716
Interest	362,478	-	35,401	397,879
<i>Total Receipts</i>	<u>16,458,869</u>	<u>10,000</u>	<u>1,512,133</u>	<u>17,981,002</u>
Disbursements				
Current:				
General Government	2,926,244	-	168,686	3,094,930
Security of Persons and Property	6,215,031	-	6,455	6,221,486
Public Health Services	12,755	-	-	12,755
Leisure Time Activities	1,562,213	-	338,202	1,900,415
Community Environment	371,816	-	-	371,816
Basic Utility Services	242,532	-	-	242,532
Transportation	-	-	906,298	906,298
Capital Outlay	562,941	3,449,006	881,091	4,893,038
Debt Service:				
Interest and Fiscal Charges	-	-	271,375	271,375
<i>Total Disbursements</i>	<u>11,893,532</u>	<u>3,449,006</u>	<u>2,572,107</u>	<u>17,914,645</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,565,337</u>	<u>(3,439,006)</u>	<u>(1,059,974)</u>	<u>66,357</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	17,212	-	-	17,212
Transfers In	-	3,582,750	1,837,255	5,420,005
Transfers Out	(5,420,005)	-	-	(5,420,005)
Advance In	90,000	-	-	90,000
Advance Out	-	-	(90,000)	(90,000)
Other Financing Sources	53,509	-	-	53,509
<i>Total Other Financing Sources (Uses)</i>	<u>(5,259,284)</u>	<u>3,582,750</u>	<u>1,747,255</u>	<u>70,721</u>
<i>Net Change in Fund Balances</i>	(693,947)	143,744	687,281	137,078
<i>Fund Balances Beginning of Year</i>	<u>16,260,323</u>	<u>238,326</u>	<u>2,117,091</u>	<u>18,615,740</u>
<i>Fund Balances End of Year</i>	<u>\$ 15,566,376</u>	<u>\$ 382,070</u>	<u>\$ 2,804,372</u>	<u>\$ 18,752,818</u>

See accompanying notes to the basic financial statements

Village of Evendale
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Municipal Income Taxes	\$ 13,800,000	\$ 14,300,000	\$ 15,518,308	\$ 1,218,308
Charges for Services	224,000	224,000	233,429	9,429
Fines, Licenses and Permits	223,300	223,300	236,940	13,640
Intergovernmental	137,000	137,000	107,714	(29,286)
Interest	347,000	347,000	362,478	15,478
<i>Total receipts</i>	<u>14,731,300</u>	<u>15,231,300</u>	<u>16,458,869</u>	<u>1,227,569</u>
Disbursements				
Current:				
General Government	3,794,905	3,981,005	3,256,685	724,320
Security of Persons and Property	6,477,562	6,596,162	6,317,485	278,677
Public Health Services	13,000	13,000	12,755	245
Leisure Time Activities	1,754,200	1,754,200	1,640,191	114,009
Community Environment	348,188	423,188	394,977	28,211
Basic Utility Services	339,385	339,385	296,862	42,523
Capital Outlay	723,444	738,444	704,413	34,031
<i>Total Disbursements</i>	<u>13,450,684</u>	<u>13,845,384</u>	<u>12,623,368</u>	<u>1,222,016</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,280,616</u>	<u>1,385,916</u>	<u>3,835,501</u>	<u>2,449,585</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	1,000	1,000	17,212	16,212
Transfers Out	(2,636,750)	(5,420,005)	(5,420,005)	-
Advances In	90,000	90,000	90,000	-
Other Financing Sources	20,000	20,000	53,509	33,509
<i>Total Other Financing Sources (Uses)</i>	<u>(2,525,750)</u>	<u>(5,309,005)</u>	<u>(5,259,284)</u>	<u>49,721</u>
<i>Net Change in Fund Balance</i>	(1,245,134)	(3,923,089)	(1,423,783)	2,499,306
<i>Fund Balance Beginning of Year</i>	15,920,238	15,920,238	15,920,238	-
Prior Year Encumbrances Appropriated	340,085	340,085	340,085	-
<i>Fund Balance End of Year</i>	<u>\$ 15,015,189</u>	<u>\$ 12,337,234</u>	<u>\$ 14,836,540</u>	<u>\$ 2,499,306</u>

See accompanying notes to the basic financial statements

Village of Evendale
Hamilton County, Ohio
Statement of Fiduciary Net Position- Cash Basis
Agency Funds
December 31, 2016

Assets

Cash and Cash Equivalents in Segregated Accounts	<u><u>\$ 9,155</u></u>
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Net Position

Held on Behalf of Others	<u><u>\$ 9,155</u></u>
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See accompanying notes to the basic financial statements

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 1 – Reporting Entity

The Village of Evendale, Hamilton County, Ohio (the Village) is a home rule municipal corporation established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village operates under its own charter and is directed by a six-member council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements of the Village are not misleading.

Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Village. The primary government of the Village of Evendale provides the following services to its citizens: general government services, police, fire and paramedic services, parks and recreation operations, building inspection and the maintenance of Village roads and bridges. Council has direct responsibility for these services.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Village does not have business-type activities.

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

The statement of net position presents the cash balance of the governmental activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Village.

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

Fund Accounting

The 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 in two categories: governmental and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

General 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.

Capital Improvements Fund The Capital Improvement Fund is used to account for major capital projects and equipment purchases.

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are not available to support the Village's own programs. The Village does not have any trust funds. Agency funds are purely custodial in nature and are used to account for assets held by the Village for individuals, other governments, or other organizations. The Village's agency fund accounts for the Mayor's Court.

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Village Council may appropriate.

The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Chief Fiscal and Accounting Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Village Council during the year.

Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held separately in accounts at a financial institution for the Village's Mayor's Court are reported as "Cash and Cash Equivalents in Segregated Accounts."

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

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

During 2016, the Village invested in certificates of deposit, commercial paper, U.S. Government Agencies, STAR Ohio and a money market fund. Investments are reported at fair value, which is based on quoted market price or current share price. The Village's money market fund investment is recorded at the amount reported by Fifth Third Bank on December 31, 2016.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Village also implemented GASB Statement No. 79 for 2016. The implementation of this GASB pronouncement had no effect on beginning net position/fund balance. The Village measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund and Other Governmental Funds during 2016 were \$362,478 and \$35,401, respectively.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. As of December 31, 2016, there were no restricted assets.

Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Interfund Receivables/Payables

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for State Highway Improvements, Court Computer, Alcohol Law Enforcement, Drug Law Enforcement, Gorman Heritage Farm, Fire Services, and Municipal Road Improvements.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors,

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Village Council or a Village official delegated that authority by resolution or by State Statute. State Statute authorizes the Village Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes amounts not contained 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.

Internal Activity

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$729,836 for the General Fund.

Note 4 – Deposits and Investments

State statutes classify monies held by the Village into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

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

At year end, the Village had \$1,365 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$3,727,590 of the Village's bank balance of \$3,986,745 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Investments

The fair value of these investments is not materially different than measurement value. As of December 31, 2016, the Village had the following investments:

Investment Type	Measurement Value	Investment Maturities (in Years)		
		Less than 1	1-2	3-5
Federal Home Loan				
Mortgage Corporation Notes	\$ 1,429,500	\$ 562,156	\$ 867,344	\$ -
Federal Home Loan Bank Notes	2,547,921	1,334,882	899,835	313,204
Federal National Mortgage Association Notes	2,386,755	154,956	1,386,313	845,486
Money Market Mutual Fund	650,885	650,885	-	-
Federal Farm Credit Bank	507,218	507,218	-	-
U.S. Treasury Notes/Bonds	3,587,086	1,730,466	1,632,006	224,614
STAR Ohio	3,806,856	3,806,856	-	-
Total Investments	<u>\$ 14,916,221</u>	<u>\$ 8,747,419</u>	<u>\$ 4,785,498</u>	<u>\$1,383,304</u>

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's investment policy addresses interest rate risk by requiring the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk The government agency notes and bonds carry a rating ranging from AA+ to AAA by Moody's and by Standard and Poor's. STAR Ohio carries a rating of AAA by Standard and Poor's. The money market fund carries a rating of AAA by Moody's and by Standard and Poor's. The Village has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Mortgage Corporation Notes, the Federal Home Loan Bank Notes and the Federal National Mortgage Association Notes are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Village's name.

The Village has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Concentration of Credit Risk The Village places no limit on the amount it may invest in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2016:

Investment Issuer	Percentage of Investments
Federal Home Loan Mortgage Corporation Notes	9.58%
Federal Home Loan Bank Notes	17.08%
Federal National Mortgage Association Notes	16.00%
U.S. Treasury Notes/Bonds	24.05%
STAR Ohio	25.52%

Note 5 – Taxes

Property Taxes

For the year ended December 31, 2016, Village Council elected not to collect property taxes that would have increased the total revenues of the Village by approximately \$664,000. The property tax millage available to the Village includes the following:

	Inside Mils
General Fund	3.00
Police Pension	.30
Fire Pension	.04

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes are levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The assessed values upon which 2016 property tax receipts were based are as follows:

Agriculture/Residential & Other Real Estate Property	\$ 189,730,000
Public Utility Personal Property	2,500,000
Total	\$ 192,230,000

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

Income Taxes

The Village levies a 1.2% income tax on substantially all income earned in the Village. In addition, Village residents employed in municipalities having an income tax less than 1.2% must pay the difference to the Village. Additional increases in the income tax rate require voter approval. Employers within the Village withhold income tax on employee compensation and remit at least quarterly and file an annual declaration.

Note 6 – Interfund Balances and Transfers

Transfers

During 2016 the following transfers were made:

Street Construction Maintenance & Repair Fund	\$ 958,000
Municipal Motor Vehicle Fund	60,000
Fire Services Fund	450,000
Gorman Heritage Farm Fund	369,255
Capital Improvement Fund	<u>3,582,750</u>
Total Transfers from General Fund	<u>\$5,420,005</u>

Transfers from the General Fund represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund Balances

Interfund balances at December 31, 2016, consisted of the following individual fund receivables and payables:

	Receivable	Payable
Major Funds		
General Fund	\$ 4,085,000	\$ -
Other Governmental Funds		
Evendale Commons Fund	-	4,085,000
Total	\$ 4,085,000	\$ 4,085,000

Advances from the General Fund to the Evendale Commons Fund are for the principle portion due on Evendale Commons Tax Increment Revenue Refunding Bonds, Series 2013 that were purchased by the General Fund during 2013 for a total of \$4,325,000. During 2016, \$90,000 of the original advance was repaid.

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 7 – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014 (the latest information available).

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	<u>(9,112,030)</u>	<u>(8,942,504)</u>
Members' Equity	<u>\$5,531,637</u>	<u>\$5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 8 - Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Village employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Village employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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	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	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

	State and Local	Public Safety	Law Enforcement
2016 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2016 Actual Contribution Rates			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	2.0	2.0	2.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.			
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.			

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village's contractually required contribution was \$246,908 for year 2016.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

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

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

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

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

	Police		Firefighters	
2016 Statutory Maximum Contribution Rates				
Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%
2016 Actual Contribution Rates				
Employer:				
Pension	19.00	%	23.50	%
Post-employment Health Care Benefits	0.50		0.50	
Total Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OPF was \$807,139 for 2016.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

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

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

OPERS maintained two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which funded 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 of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

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 an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. 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 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined plans. 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 third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

Substantially all of the Village's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2016, 2015, and 2014 was \$41,151, \$39,538, and \$38,680, respectively. The full amount has been contributed for all three years.

Ohio Police and Fire Pension Fund

Plan Description - The Village contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

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

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

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

The Village's contributions to OPF for the years ended December 31, 2016, 2015, and 2014 were \$825,987, \$829,208 and \$810,782, respectively, of which \$18,848, \$18,922, and \$18,725, respectively, was allocated to the healthcare plan. The full amount has been contributed for all three years.

Note 10 - Manuscript Debt

During 2013, Village Council approved the purchase by the General Fund the \$4,305,000 Evendale Commons Tax Increment Revenue Refunding Bonds, Series 2013 issued by the Evendale Commons Fund. The interfund purchase of the bonds have been reported using the advance method. Proceeds from the Bonds were used to refund the Evendale Commons Tax Increment Revenue Refunding Bonds, Series 2009 that provided funding for constructing and acquiring improvements within the Evendale Commons TIF District. The Series 2013 bonds carry an interest rate of 6.5 percent and mature in varying amounts through 2037.

The future principal and interest requirements to retire the manuscript debt due from the Evendale Commons Fund to the General Fund are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 95,000	\$ 265,525	\$ 360,525
2018	100,000	259,350	359,350
2019	110,000	252,850	362,850
2020	115,000	245,700	360,700
2021	125,000	238,225	363,225
2022-2026	750,000	1,059,500	1,809,500
2027-2031	1,035,000	780,975	1,815,975
2032-2036	1,415,000	397,800	1,812,800
2037	340,000	22,100	362,100
Total	<u>\$ 4,085,000</u>	<u>\$ 3,522,025</u>	<u>\$ 7,607,025</u>

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Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 11 – Fund Balances

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

Fund Balances	General Fund	Capital Improvement Fund	Other Governmental Funds	Total
Restricted for				
Road Improvements	\$ -	\$ -	\$ 1,333,779	\$ 1,333,779
Police Operations	-	-	92,458	92,458
Fire Services	-	-	184,476	184,476
Debt Service	-	-	1,083,163	1,083,163
Other Purposes	-	-	110,496	110,496
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>2,804,372</u>	<u>2,804,372</u>
Committed to				
Capital Improvements	-	23,215	-	23,215
<i>Total Committed</i>	<u>-</u>	<u>23,215</u>	<u>-</u>	<u>23,215</u>
Assigned to				
Capital Improvements	-	358,855	-	358,855
Encumbrances	729,836	-	-	729,836
2017 Appropriations	5,632,541	-	-	5,632,541
<i>Total Assigned</i>	<u>6,362,377</u>	<u>358,855</u>	<u>-</u>	<u>6,721,232</u>
Unassigned (deficits):	<u>9,203,999</u>	<u>-</u>	<u>-</u>	<u>9,203,999</u>
<i>Total Fund Balances</i>	<u>\$ 15,566,376</u>	<u>\$ 382,070</u>	<u>\$ 2,804,372</u>	<u>\$ 18,752,818</u>

Note 12 – Contingent Liabilities

The Village is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters 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. Grantors 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.

Bastin & Company, LLC

Certified Public Accountants

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

Village of Evendale
Hamilton County
10500 Reading Road
Evendale, Ohio 45241

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Evendale, Hamilton County, (the Village) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 16, 2017, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent, or detect and timely correct a material misstatement of the Village's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
June 16, 2017

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Dave Yost • Auditor of State

VILLAGE OF EVENDALE

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 3, 2017