



OHIO AUDITOR OF STATE
KEITH FABER

VILLAGE OF EVENDALE
HAMILTON COUNTY
DECEMBER 31, 2023

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash-basis 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, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2023, and the respective changes in modified cash-basis financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the modified cash-basis of accounting described in Note 2.

Basis for Opinions

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

Emphasis of Matter - Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Information

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
August 12, 2024

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Village of Evendale
Hamilton County, Ohio
Management’s Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

This discussion and analysis of the Village of Evendale’s (the Village) financial performance provides an overall review of the Village’s financial activities for the year ended December 31, 2023, within the limitations of the Village’s modified cash basis of 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 2023 are as follows:

GE Aviation has been located in Evendale since 1948. November 2021, GE announced it would split into three entities- GE Aerospace (aviation), GE Vernova (power and renewable energy) and GE HealthCare (healthcare). In 2023, GE Aerospace announced it will make Evendale its National Headquarters. The transition is expected to be completed in April 2024 with the spin-off of GE Vernova. The rebound of air travel post COVID-19 pandemic continues to be profitable for GE Aerospace. Revenue was again up 22 percent in 2023 resulting in a profit margin of 15 percent. Orders in 2023 were also on the rise with a total of \$79.2 billion and a 25 percent increase from 2022. The increase in orders also brings with it an increase in employment and significant investment in its manufacturing facilities. GE Aerospace further predicts “2024 will be a momentous year.”

Net position of governmental activities increased by \$5,070,185, or 16%. Ending Fund balance for the General Fund decreased by \$789,546 and the remainder of the funds increased by \$5,859,731. A large transfer was made from the General fund to the Capital fund in anticipation of constructing a new service building. Design of the building commenced in 2023. Construction is anticipated to begin in spring of 2024.

The Village’s general receipts are primarily earnings taxes. Earnings tax represents 87.5% 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 \$140,871 in 2023, which is an increase of approximately 20.6% from 2022. 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. The year-end accumulated fund balance in the Fire Services fund was \$676,079.

In 2023, the Village Council elected not to collect property taxes that would increase the total revenues of the Village by approximately \$784,566. The property tax millage available to the Village includes the following:

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

New development continues in the AeroHub Innovation District, a 50+ acre commercial/industrial campus comprised of mostly Village-owned property. AeroHub has the potential to accommodate upwards of 500,000 square feet of new commercial, industrial and office space with three to four thousand potential new jobs. Phase I of a new \$3.2 million public roadway called AeroHub Blvd was completed in 2019. In March 2019, the Village sold 5.14 acres to the Modal Shop, a sound/vibration measurement technology company. Modal’s \$4+ million, 40,000 sq. ft. headquarters (with plans to expand to 100,000 sq. ft.) construction in the south end of AeroHub was completed in 2020. The Modal Shop took occupancy in the summer of 2020.

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The AeroHub Phase II roadway expansion started in Summer 2020 and was substantially complete with road dedication and opening in December 2020. Phase II was funded in large part from issuance of a \$5 million Public Infrastructure Improvement Bond and grant funding through the Ohio Department of Transportation and Jobs Ohio totaling \$588,371. Village officials finalized a land purchase agreement with another technology-based company, Kinetic Vision, who started construction on their projected \$10+/- million, 40,000+ sq. ft. headquarters in the spring of 2021. The building was completed and occupied in 2022. In July 2023, the Village completed the sale of lot 4 to General Tool Company (GTC) with closing receipts of over \$469,000. GTC is a defense/aerospace advanced manufacturing company which is consistent with the mission and vision of the entities to be located within the AeroHub development. The construction of their new \$10+/- million, 55,000 sq. ft. facility commenced in the fall of 2023 with completion and occupancy expected in 2024. Village officials continue to meet with multiple prospective end users which includes investors in a proposed 100,000+/- sq. ft. Workforce Development Innovation Center.

In 2018, Evendale passed Ordinance 18-43 creating a Municipal Public Improvement Tax Increment Fund (TIF) referred to as the "AeroHub TIF." The TIF District includes all current AeroHub parcels as well as GE Aerospace World Headquarters. TIF Funds (\$162,660 realized in 2023) will primarily be used to pay bond debt and to compensate the local school district in accordance with a State-mandated revenue sharing agreement. The Village also expanded its existing Enterprise Zone district to encompass all AeroHub property to enable Village officials to provide tax incentives for new construction if/when needed. Finally, at the end of 2023, the Village purchased an additional parcel from the Ohio Department of Transportation for \$70,000 to round out the south end of AeroHub.

The American Rescue Plan Act (ARPA) of 2021, a 1.9 trillion economic COVID-19 stimulus package was signed into law on March 11, 2021. This relief funding was to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses. The Village received funds in 2021 and 2022 totaling \$286,796 related to the revenue reduction allowability category. In 2023, the Village received the ARPA First Responder Wellness, Recruitment, Retention and Resiliency Grant totaling \$160,200. The Village was reimbursed \$154,475 in 2023 with the remainder of the grant (\$5,725) expected to be used in 2024. The Village continues to be diligent in its budget process and has emerged from the pandemic in a stable fiscal position.

While carefully monitoring the budget, the Village completed several capital investment projects in 2023 including road resurfacing and repair projects totaling approximately \$644,000. In addition, the Village completed construction of four pickleball courts on its campus as well as a roof replacement on the Cultural Arts Center and replacements of windows and doors in the Bell Tower Arts Pavilion. The Village also replaced an old truck and a tractor at Gorman Heritage Farm both of which were well over life expectancy. Initial funds for design and construction of a new service building were appropriated with the expectation of breaking ground in 2024. Funding was also appropriated for Phase 3 renovations at the recreation center; however, that project was put on hold until 2024. The Village received a grant from Hamilton County at the end of 2023 for the purchase and installation of six automated external defibrillators (AEDs). This project is expected to be completed in early 2024.

The Village adopted an updated Civil Rights policy and a Multi-Hazard Mitigation plan in 2023. At year end, the Village approved a moratorium of 360 days on permits for adult use cannabis operations.

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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, as applicable to the Village's modified 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.

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 modified cash basis of accounting in accordance with GASB Statement 34. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified 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 modified 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, Cultural Arts and Music Center, park operations, local tax return preparation, gas and electric aggregation, 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 2023, within the limitations of modified 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, 2023. 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

Village of Evendale
Hamilton County, Ohio
Management's Discussion and Analysis
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Unaudited

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 modified 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 has governmental funds and a Custodial Fund which is Fiduciary.

Governmental Funds - Most of the Village's activities are reported in 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 major governmental funds in 2023 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.

Custodial Fund – The Custodial Fund is a Fiduciary Fund which accounts for the activities of the Village's Mayors Court.

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The Village as a Whole

Table 1 provides a summary of the Village's net position for 2023 compared to 2022 on a modified cash basis:

(Table 1)
Net Position

	Governmental Activities	
	2023	2022
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 36,884,376	\$ 31,814,191
Total Assets	\$ 36,884,376	\$ 31,814,191
Net Position		
Restricted for:		
Debt Service	\$ 4,537,846	\$ 4,005,540
Capital Projects	4,875,520	583,183
Other Purposes	3,087,738	2,052,650
Unrestricted	24,383,272	25,172,818
Total Net Position	\$ 36,884,376	\$ 31,814,191

As mentioned previously, net position of governmental activities increased \$5,070,185, or 16% during 2023.

Village of Evendale
Hamilton County, Ohio
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Table 2 reflects the changes in net position on a modified cash basis in 2023 and 2022 for government activities.

Changes in Net Position

	Governmental Activities 2023	Governmental Activities 2022
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 790,117	\$ 661,973
Operating Grants and Contributions	715,955	717,577
Capital Grants and Contributions	264,563	496,757
Total Program Receipts	<u>1,770,635</u>	<u>1,876,307</u>
General Receipts:		
Payments in Lieu of Taxes	952,041	908,125
Earnings Tax	17,838,366	16,248,228
Other Local Tax	26,999	28,303
Grants and Entitlements Not Restricted to Specific Programs	123,691	97,508
Interest	1,603,193	340,407
Sale of Capital Assets	477,822	22,349
Miscellaneous	157,201	85,905
Total General Receipts	<u>21,179,313</u>	<u>17,730,825</u>
Total Receipts	<u>22,949,948</u>	<u>19,607,132</u>
Disbursements:		
General Government	3,233,817	3,127,825
Security of Persons and Property	7,377,464	7,053,365
Public Health Services	13,911	13,994
Leisure Time Activities	2,226,935	2,093,640
Community Environment	353,628	345,054
Basic Utilities	738,065	653,759
Transportation	1,427,161	1,349,968
Capital Outlay	2,025,182	2,869,009
Interest and Fiscal Charges	483,600	418,050
Total Disbursements	<u>17,879,763</u>	<u>17,924,664</u>
Increase (Decrease) in Net Position	5,070,185	1,682,468
Net Position, January 1	<u>31,814,191</u>	<u>30,131,723</u>
Net Position, December 31	<u>\$ 36,884,376</u>	<u>\$ 31,814,191</u>

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Unaudited

Program receipts represent 7.7% 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.

General receipts represent 92.3% of the Village's total receipts. Local earnings tax is 84.2% of the general receipts. The service payments from the Evendale Commons Public Improvement project and the AeroHub TIF Fund project accounts for 4.5% of the general receipts. Grants, interest, asset sales, other local tax and other miscellaneous income account for 11.3% of the general receipts for 2023.

The Village as a Whole

The 2023 Earnings Tax Receipts of \$17,838,366 reflected an increase of 9.78% from the 2022 Earnings Tax Receipts of \$16,248,228. The increase was due primarily to the continued economic recovery from the effects of the COVID 19 pandemic, including a steady increase in business expansions within the Village of Evendale as outlined in the key highlights for 2023. The 2023 Withholding Tax Receipts were up 16.2% from the 2022 Withholding Tax Receipts due to the economic recovery, business expansions and minimal impact from the work from home (WFH) provisions created during the pandemic. The 2023 decrease in Net Profit Receipts of 26.2% was due largely to timing of Estimated Tax Payments received. Individual Income Tax Receipts were down 6.98% in 2023 representing a shift in work from home provisions and the increase of courtesy Withholding tax accounts and receipts for residents working from home.

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, grounds beautification and earnings tax departments. In addition, the cost of economic development that promotes the Village to industry and commerce as well as working with other governments in the area to attract new business are included here.

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 Community Environment Department processes building permits. The department also provides for storm water control, flooding prevention and a community recycling day. Utilities relate primarily to gas and electric including electric for traffic signal and street lights and contracts for trash and recycle pickup. Transportation is the cost of maintaining the roads.

The capital outlay was related to property and equipment acquisition, village campus enhancements and street construction and general street maintenance, in both 2023 and 2022.

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 account for 41.3% of all governmental disbursements. General Government (18.1%), Leisure Time Activities (12.5%), Capital Outlay (11.3%) and Transportation (8%) also represent significant costs in 2023. 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

Village of Evendale
Hamilton County, Ohio
Management's Discussion and Analysis
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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.

(Table 3)

	Total Cost Of Services 2023	Net Cost of Services 2023
General Government	\$ 3,233,817	\$ 3,162,515
Security of Persons and Property	7,377,464	6,923,150
Public Health Services	13,911	13,911
Leisure Time Activities	2,226,935	1,858,437
Community Environment	353,628	194,053
Basic Utilities	738,065	738,065
Transportation	1,427,161	711,206
Capital Outlay	2,025,182	2,024,191
Interest and Fiscal Charges	483,600	483,600
Total Expenses	<u>\$ 17,879,763</u>	<u>\$ 16,109,128</u>

The dependence upon earnings tax receipts is apparent through this analysis as approximately 99.76% of governmental activities are supported through this general receipt.

The Government's Funds

Total governmental funds had receipts and other financing sources(uses) of \$22,949,948. The greatest change within governmental funds occurred between the General Fund and the Capital Improvement Fund. The Fund Balance of the General Fund decreased \$789,546 while the Capital Improvement Fund increased \$4,292,337. This was primarily due to a transfer from the General Fund to the Capital Improvement Fund of \$5,189,000 in anticipation of construction of a new service building.

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 2023, the Village amended its General Fund budget to reflect changing circumstances. Final actual receipts exceeded budgeted receipts by \$2,234,387. Final disbursements were budgeted at \$17,936,993 while actual disbursements plus encumbrances were \$14,991,538.

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Hamilton County, Ohio
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Unaudited

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 modified 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.

Debt

In May 2020 the Village issued \$5,000,000 Public Infrastructure Special Obligation Income Tax Revenue Bond Series 2020 for the purpose of constructing public infrastructure improvements within the designated AeroHub Tax Increment District. The bonds do not constitute general obligation debt or pledge the full faith and credit of the Village. Income tax is pledged for debt service. Refer to note 10 of the Notes to the Financial Statements for further disclosure.

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 needed services to the public, maintain expected quality, and stay within budget. The Village of Evendale relies primarily on revenue generated from the 1.2% earnings tax. Over the past five years the Village earnings tax receipts have a 4.4% increase, despite the impacts from the COVID-19 pandemic. Earnings tax receipts received for the tax year 2023 ended at \$17,838,366 which was an increase of \$1,590,138 (9.78%) from the tax year 2022.

GE Aerospace continued to renovate their global headquarter campus, and auxiliary buildings in Evendale. The Village issued GE Aerospace 55 building permits in 2023. The valuation of those improvements is estimated at \$32+/- million. In 2022, GE Aerospace (Aviation) invested over \$7.9 million in campus updates, renovations, and improvements. Village wide building permits issued in 2023 increased with 245 permits issued as compared to 2022 with 190 permits issued. Residential home renovations remained strong in 2023 with 80 residential permits issued.

In 2023 the Council approved an annual budget which included a 4% increase for employee wages. The Village retained Anthem as its health care provider in 2023. The newly negotiated major-medical plan increased insurance premium costs by 4% through December 2024. Village employees are incentivized to take part in a wellness program to help control health care costs, specifically premium rates, and improve employees' health, morale and productivity. The Village will continue to explore ways to contain health care costs.

Village of Evendale
Hamilton County, Ohio
Management's Discussion and Analysis
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Unaudited

The Evendale Commons Business Park, which is approximately 90% built, is a planned mixed-use business development originally approved in 2005. The last three undeveloped lots are zoned for professional offices, laboratories, hospitals and banks which should further bolster Evendale's earnings tax base with added jobs.

January 2024 the Village Council approved the capital budget to include additional funds for the new service building to be located on the Evendale facilities campus. The total funds currently appropriated for the building are approximately \$6,736,000. The design phase began in 2023 with the expectation that design will be completed in early winter of 2024. The project is being constructed under a Construction Manager at Risk process. Bidding packages for the project are expected in the first quarter of 2024 and construction is expected to commence in spring or early summer. Council approved the phase three remodel of the recreation center building in 2023 with costs expected to total approximately \$430,000. The project was put on hold until 2024. The bidding for this project is planned for the first quarter of 2024. Finally, the Council also approved accessibility upgrades to the Cultural Arts Center with a \$1,500,000 budget for a new elevator, bathrooms and flooring. Design services are currently underway and construction is anticipated to commence later in 2024.

On February 13, 2024 the Village of Evendale Council authorized the Mayor to enter into an agreement with Enable Injections, Inc. in order to retain their corporate headquarters in Evendale for the next ten years thus preserving existing jobs and facilitating employment opportunity in Evendale as well as economic growth. Evendale is providing funding to Enable Injections, Inc. to renovate their current facilities for expanded employment and modern functional use. The economic development and job retention/expansion is expected to raise the earnings tax receipts in an amount equal to or greater than the economic development incentive being provided. The financial support is being made in three phases to ensure that Enable Injections Inc. meets their growth projections. A claw back provision is also included in the contract in order to protect the Village's investment.

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 - Modified Cash Basis
December 31, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 36,884,376
<i>Total Assets</i>	<i>\$ 36,884,376</i>
 Net Position	
Restricted for:	
Capital Projects	\$ 4,875,520
Debt Service	4,537,846
Other Purposes	3,087,738
Unrestricted	24,383,272
<i>Total Net Position</i>	<i>\$ 36,884,376</i>

See accompanying notes to the basic financial statements

Village of Evendale
Hamilton County, Ohio
Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
December 31, 2023

	<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	\$ 24,383,272	\$ 4,875,520	\$ 7,625,584	\$ 36,884,376
<i>Total Assets</i>	<u>\$ 24,383,272</u>	<u>\$ 4,875,520</u>	<u>\$ 7,625,584</u>	<u>\$ 36,884,376</u>
Fund Balances				
Restricted	\$ -	\$ -	\$ 7,625,584	\$ 7,625,584
Committed	-	149,051	-	149,051
Assigned	6,372,333	4,726,469	-	11,098,802
Unassigned	18,010,939	-	-	18,010,939
<i>Total Fund Balances</i>	<u>\$ 24,383,272</u>	<u>\$ 4,875,520</u>	<u>\$ 7,625,584</u>	<u>\$ 36,884,376</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 - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2023

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Receipts				
Municipal Income Taxes	\$ 17,838,366	\$ -	\$ -	\$ 17,838,366
Payments in Lieu of Taxes	-	-	952,041	952,041
Other Local Taxes	-	-	26,999	26,999
Charges for Services	337,795	900	197,075	535,770
Fines, Licenses and Permits	244,161	-	6,398	250,559
Intergovernmental	388,163	-	719,743	1,107,906
Interest	1,425,126	-	178,067	1,603,193
Miscellaneous	157,201	91	-	157,292
<i>Total Receipts</i>	<u>20,390,812</u>	<u>991</u>	<u>2,080,323</u>	<u>22,472,126</u>
Disbursements				
Current:				
General Government	3,038,237	-	195,580	3,233,817
Security of Persons and Property	7,372,801	-	4,663	7,377,464
Public Health Services	13,911	-	-	13,911
Leisure Time Activities	1,827,119	-	399,816	2,226,935
Community Environment	335,335	-	18,293	353,628
Basic Utility Services	738,065	-	-	738,065
Transportation	-	-	1,427,161	1,427,161
Capital Outlay	693,265	897,654	434,263	2,025,182
Debt Service:				
Principal Retirement	-	-	100,000	100,000
Interest and Fiscal Charges	-	-	383,600	383,600
<i>Total Disbursements</i>	<u>14,018,733</u>	<u>897,654</u>	<u>2,963,376</u>	<u>17,879,763</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>6,372,079</u>	<u>(896,663)</u>	<u>(883,053)</u>	<u>4,592,363</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	8,375	-	469,447	477,822
Transfers In	-	5,189,000	2,121,000	7,310,000
Transfers Out	(7,310,000)	-	-	(7,310,000)
Advance In	140,000	-	-	140,000
Advance Out	-	-	(140,000)	(140,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(7,161,625)</u>	<u>5,189,000</u>	<u>2,450,447</u>	<u>477,822</u>
<i>Net Change in Fund Balances</i>	<u>(789,546)</u>	<u>4,292,337</u>	<u>1,567,394</u>	<u>5,070,185</u>
<i>Fund Balances Beginning of Year</i>	<u>25,172,818</u>	<u>583,183</u>	<u>6,058,190</u>	<u>31,814,191</u>
<i>Fund Balances End of Year</i>	<u>\$ 24,383,272</u>	<u>\$ 4,875,520</u>	<u>\$ 7,625,584</u>	<u>\$ 36,884,376</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Municipal Income Taxes	\$ 15,000,000	\$ 17,000,000	\$ 17,838,366	\$ 838,366
Charges for Services	263,000	263,000	337,795	74,795
Fines, Licenses and Permits	150,000	150,000	244,161	94,161
Intergovernmental	103,925	255,925	388,163	132,238
Interest	437,500	437,500	1,425,126	987,626
Miscellaneous	50,000	50,000	157,201	107,201
<i>Total receipts</i>	<u>16,004,425</u>	<u>18,156,425</u>	<u>20,390,812</u>	<u>2,234,387</u>
Disbursements				
Current:				
General Government	4,284,690	4,086,690	3,287,249	799,441
Security of Persons and Property	8,461,875	8,613,875	7,731,153	882,722
Public Health Services	13,912	13,912	13,911	1
Leisure Time Activities	2,248,774	2,250,774	1,930,462	320,312
Community Environment	436,955	458,955	344,072	114,883
Basic Utility Services	979,716	979,716	840,738	138,978
Capital Outlay	1,463,071	1,533,071	843,953	689,118
<i>Total Disbursements</i>	<u>17,888,993</u>	<u>17,936,993</u>	<u>14,991,538</u>	<u>2,945,455</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,884,568)</u>	<u>219,432</u>	<u>5,399,274</u>	<u>5,179,842</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	1,000	1,000	8,375	7,375
Transfers Out	(7,156,000)	(7,310,000)	(7,310,000)	-
Advances In	140,000	140,000	140,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>(7,015,000)</u>	<u>(7,169,000)</u>	<u>(7,161,625)</u>	<u>7,375</u>
<i>Net Change in Fund Balance</i>	<u>(8,899,568)</u>	<u>(6,949,568)</u>	<u>(1,762,351)</u>	<u>5,187,217</u>
<i>Fund Balance Beginning of Year</i>	23,931,142	23,931,142	23,931,142	-
Prior Year Encumbrances Appropriated	1,241,676	1,241,676	1,241,676	-
<i>Fund Balance End of Year</i>	<u>\$ 16,273,250</u>	<u>\$ 18,223,250</u>	<u>\$ 23,410,467</u>	<u>\$ 5,187,217</u>

See accompanying notes to the basic financial statements

Village of Evendale
Hamilton County, Ohio
Statement of Fiduciary Net Position - Modified Cash Basis
Fiduciary Funds
December 31, 2023

	Custodial
	Other
	Custodial
Assets	
Cash and Cash Equivalents in Segregated Accounts	\$ 4,074
Net Position	
Held on Behalf of Others	\$ 4,074

See accompanying notes to the basic financial statements

Village of Evendale
Hamilton County, Ohio
Statement of Changes in Fiduciary Net Position - Modified Cash Basis
Fiduciary Funds
For the Year Ended December 31, 2023

	<u>Custodial</u>
	<u>Other</u>
	<u>Custodial</u>
Additions	
Fines, Licenses and Permits for Distribution	\$ 68,741
Deductions	
Other Distributions	\$ 67,450
<i>Change in Net Position</i>	\$ 1,291
<i>Net Position Beginning of Year</i>	\$ 2,783
<i>Net Position End of Year</i>	\$ 4,074

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, 2023

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 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, cultural arts and music, building inspection and the maintenance of Village roads and bridges.

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 modified cash basis of accounting. This modified 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 modified 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, 2023

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

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 custodial funds. Trust funds are used to account for assets held by the Village under a trust agreement, or equivalent arrangement that has certain characteristics, 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. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Village's custodial fund accounts for amounts collected and distributed for the Mayor's Court.

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Basis of Accounting

The Village's financial statements are prepared using the modified 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 modified 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 custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations 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."

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 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 2023, the Village invested in certificates of deposit, commercial paper, U.S. Treasury Notes/Bonds/Bills, 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 US Bank on December 31, 2023.

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 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 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

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 2023 were \$1,425,126 and \$178,067, 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, 2023, 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, 2023

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 modified 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 other postemployment benefits (OPEB).

Long-Term Obligations

The Village's modified 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.

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

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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, 2023

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 modified cash basis is that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (modified cash basis). In addition, outstanding year end advances are treated as other financing source or use (budgetary basis) rather than as an interfund receivable or payable (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$972,805 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.

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

Interim monies held by the 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

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, 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 \$1,165 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, \$7,175,606 of the Village's bank balance of \$7,425,606 was exposed to custodial credit risk because those deposits were uninsured.

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 participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

The fair value of these investments is not materially different than measurement value. As of December 31, 2023, the Village had the following investments:

Investment Type	Measurement Value	Investment Maturities (in Years)		
		Less than 1	1-2	3-5
- Certificates of Deposit	\$ 7,917,184	\$ 1,706,740	\$ 5,732,457	477,987
Federal Home Loan Bank	850,916	535,871	-	315,045
Federal Farm Credit Bank	282,252	-	282,252	-
Federal National Mortgage Association Notes	363,410	-	363,410	-
- U.S. Treasury Notes/Bonds/Bills	550,238	550,238	-	-
- Money Market Mutual Fund	20,652	20,652	-	-
- Commercial Paper	4,115,736	4,115,736	-	-
- STAR Ohio	15,555,958	15,555,958	-	-
Total Investments	\$ 29,656,346	\$ 22,485,195	\$ 6,378,119	\$793,032

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 Certificates of Deposit do not carry a rating by Moody's and Standard and Poor's. STAR Ohio carries a rating of AAAM by Standard and Poor's. The money market fund carries a rating of AAA by Moody's and by Standard and Poor's. The Commercial Paper carries a rating of P-1 and A-1 to A-1+ for Moody's and Standard and Poor's respectively. The Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, and Federal Farm Credit Bank all have ratings of AAA and AA+ by Moody's and Standard and Poor's respectively. 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 statistical rating organization and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization.

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 Certificates of Deposit are insured by the FDIC. The Commercial Paper, Federal Home Loan Bank Notes, Federal Farm Credit Bank Notes, Federal National Mortgage Association Notes and the US Treasury Notes are exposed to custodial credit risk as they are

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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, governing board, 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.”

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, 2023:

Investment Issuer	Percentage of Investments
STAR Ohio	52.45%
Certificates of Deposit	26.69%
Commercial Paper	13.87%

Note 5 – Taxes

Property Taxes

For the year ended December 31, 2023, Village Council elected not to collect property taxes that would have increased the total revenues of the Village by approximately \$784,566. The property tax millage available to the Village includes the following:

	Inside Mills
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 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

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. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

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The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

	Amount
Agriculture/Residential & Other Real Estate Property	\$ 220,400,000
Public Utility Personal Property	14,500,000
Total	\$ 234,900,000

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 2023 the following transfers were made:

Street Construction Maintenance & Repair Fund	\$1,630,000
Gorman Heritage Farm Fund	491,000
Capital Improvement Fund	5,189,000
Total Transfers from General Fund	\$7,310,000

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.

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Interfund Balances

Interfund balances at December 31, 2023, consisted of the following individual fund receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
Major Funds		
General Fund	\$ 3,870,000	\$ -
Aerohub TIF Fund		600,000
Other Governmental Funds		
Evendale Commons Fund	-	3,270,000
Total	\$ 3,870,000	\$ 3,870,000

Advances from the General Fund to the Evendale Commons Fund are for the principal 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 2023, \$140,000 of the original advance was repaid. Advances from the General Fund to the AeroHub TIF Fund represent startup funds for infrastructure and debt service payments.

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) (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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

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The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

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

Note 8 - Defined Benefit Pension Plans

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

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 is a cost sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this 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 in the traditional plan were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Village of Evendale, Ohio
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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. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2023 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
 2023 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
 Total Employer	 <u>14.0 %</u>	 <u>18.1 %</u>	 <u>18.1 %</u>
 Employee	 <u>10.0 %</u>	 <u>12.0 %</u>	 <u>13.0 %</u>

* 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 \$392,565 for year 2023.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

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

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is

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calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

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

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

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

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

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

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	Police	Firefighters
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2023 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 OP&F was \$929,440 for 2023.

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.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension plan. Medicare-enrolled retirees in the Traditional Pension plan may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

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

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

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

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

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

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was \$0 for 2023.

Ohio Police and Fire Pension Fund

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

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The Village's contractually required contribution to OP&F was \$21,636 for 2023.

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Note 10 – Long-Term Obligations

The changes in the Village’s long-term debt during 2023 were as follows:

	Amount Outstanding 12/31/22	Additions	Deletions	Amount Outstanding 12/31/23	Amount Due in One Year
Governmental Activities					
Public Infrastructure Special Obligation					
Income Tax Revenue Bonds Series 2020	\$4,970,000	\$0	\$100,000	\$4,870,000	\$150,000
Total Governmental Activities	\$4,970,000	\$0	\$100,000	\$4,870,000	\$150,000

The Village of Evendale issued Public Infrastructure Special Obligation Income Tax Revenue Bonds 2020 in the amount of \$5,000,000. The bonds are for the purpose of constructing public infrastructure improvements within the designated AeroHub Tax Increment District. The bonds do not constitute general obligation debt or pledge the full faith and credit of the Village. Income tax is pledged for debt service.

The serial bonds maturing after December 1, 2030, are subject to optional redemption in integral multiples of \$5,000, at the option of the Village on or after June 1, 2030, in whole or in part, by lot within any maturity, at the redemption price of par plus accrued interest to the redemption date.

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Principal and interest requirements to retire serial bonds outstanding at December 31, 2023, were as follows:

Year	Serial Bonds		Total
	Principal	Interest	
2024	150,000	157,950	\$307,950
2025	155,000	151,950	\$306,950
2026	160,000	145,750	\$305,750
2027	170,000	139,350	\$309,350
2028	175,000	132,550	\$307,550
2029-2033	990,000	557,200	\$1,547,200
2034-2038	1,150,000	393,600	\$1,543,600
2039-2043	1,330,000	210,450	\$1,540,450
2044-2045	590,000	26,700	\$616,700
Total	\$4,870,000	\$1,915,500	\$6,785,500

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2023, were an overall debt margin of \$19,794,500 and an unvoted debt margin of \$8,049,500.

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.

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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>
2024	150,000	212,550	362,550
2025	160,000	202,800	362,800
2026	170,000	192,400	362,400
2027	180,000	181,350	361,350
2028	195,000	169,650	364,650
2029-2033	1,175,000	641,875	1,816,875
2034-2037	1,240,000	208,000	1,448,000
Total	<u>\$ 3,270,000</u>	<u>\$ 1,808,625</u>	<u>\$ 5,078,625</u>

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Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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	\$ -	\$ -	\$ 1,898,124	\$ 1,898,124
Police Operations	-	-	115,122	115,122
Fire Services	-	-	676,079	676,079
Debt Service	-	-	4,537,846	4,537,846
Other Purposes	-	-	398,413	398,413
<i>Total Restricted</i>	-	-	7,625,584	7,625,584
Committed to				
Capital Improvements	-	149,051	-	149,051
<i>Total Committed</i>	-	149,051	-	149,051
Assigned to				
Capital Improvements	-	4,726,469	-	4,726,469
Subsequent Year's Budget	5,399,528	-	-	5,399,528
Encumbrances	972,805	-	-	972,805
<i>Total Assigned</i>	6,372,333	4,726,469	-	11,098,802
Unassigned (deficits):	18,010,939	-	-	18,010,939
<i>Total Fund Balances</i>	\$ 24,383,272	\$ 4,875,520	\$ 7,625,584	\$ 36,884,376

Note 12 – Contingent Liabilities

The Village is currently not a defendant in any lawsuits seeking damages or injunctive relief from the Village. There are no open claims pending with the Village's insurance carrier.

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.

Village of Evendale, Ohio
Hamilton County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. During 2023, the Village received COVID-19 funding totaling \$154,475 for first responders' wellness and retention. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
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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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the modified cash-basis 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, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated August 12, 2024, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio
August 12, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF EVENDALE

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/20/2024

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

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