

**VILLAGE OF SILVERTON  
HAMILTON COUNTY**



**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2022**



OHIO AUDITOR OF STATE  
KEITH FABER



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Village Manager and Members of Village Council  
Village of Silverton  
6943 Montgomery Road  
Silverton, Ohio 45236

We have reviewed the *Independent Auditor's Report* of the Village of Silverton, Hamilton County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

May 15, 2023

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**VILLAGE OF SILVERTON  
HAMILTON COUNTY  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**INDEPENDENT AUDITOR'S REPORT**

Village Manager and  
Members of Village Council  
Village of Silverton  
Hamilton County, Ohio

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Silverton, Ohio, (the Village) as of and for the year ended December 31, 2022, 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 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, 2022, and the respective changes in modified cash-basis financial position for the year then ended in accordance with the accounting basis described in Note 2.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 a Matter-Basis of Accounting***

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 these financial statements in accordance with the modified cash accounting basis described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, 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.

*Plattensburg & Associates, Inc.*

Plattensburg & Associates, Inc.  
Cincinnati, Ohio  
March 31, 2023



**Village of Silverton**  
Hamilton County  
Statement of Net Position - Modified Cash Basis  
December 31, 2022

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Investments	<u>\$2,604,029</u>
Total Assets	<u><u>\$2,604,029</u></u>
Net Position	
Restricted for:	
Capital Projects	\$394,586
Other Purposes	318,222
Unrestricted	<u>1,891,221</u>
Total Net Position	<u><u>\$2,604,029</u></u>

See accompanying notes to the basic financial statements

**Village of Silverton**  
Hamilton County  
Statement of Activities - Modified Cash Basis  
For the Year Ended December 31, 2022

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities					
Current:					
Security of Persons and Property	\$890,617	\$0	\$0	\$0	(\$890,617)
Leisure Time Activities	14,820	0	0	0	(\$14,820)
Community Environment	38,034	26,207	0	0	(\$11,827)
Basic Utility Services	1,787	358,481	0	0	\$356,694
Transportation	496,144	99,328	242,162	3,240	(\$151,414)
General Government	1,228,995	5,565	0	0	(\$1,223,430)
Intergovernmental	50,000	0	0	0	(\$50,000)
Capital Outlay	387,647	0	0	0	(\$387,647)
Debt Service:					
Principal Retirement	372,608	0	0	0	(\$372,608)
Interest and Fiscal Charges	41,809	0	0	0	(\$41,809)
<b>Total Governmental Activities</b>	<u>3,522,461</u>	<u>489,581</u>	<u>242,162</u>	<u>3,240</u>	<u>(2,787,478)</u>
General Receipts:					
Property Taxes Levied for:					
General Purposes					603,039
TIF Reveues					201,878
Other Local Taxes					184,727
Income Taxes					2,087,980
Grants and Entitlements not Restricted to Specific Programs					575,484
Earnings on Investments					9,020
Miscellaneous					27,262
Total General Receipts					<u>3,689,390</u>
Change in Net Position					901,912
Net Position Beginning of Year					<u>1,702,117</u>
Net Position End of Year					<u>\$2,604,029</u>

See accompanying notes to the basic financial statements

**Village of Silverton**  
 Hamilton County  
 Statement of Assets and Fund Balances - Modified Cash Basis  
 Governmental Funds  
 December 31, 2022

	General	Street Maintenance	Debt Service	OPWC	TIF	Capital Improvements	Jobs	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>									
Equity in Pooled Cash and Investments	\$1,681,785	\$192,690	\$209,436	\$60,802	\$80,980	\$87,731	\$50,596	\$240,009	\$2,604,029
<b>Total Assets</b>	<b>\$1,681,785</b>	<b>\$192,690</b>	<b>\$209,436</b>	<b>\$60,802</b>	<b>\$80,980</b>	<b>\$87,731</b>	<b>\$50,596</b>	<b>\$240,009</b>	<b>\$2,604,029</b>
<b>Fund Balances</b>									
Restricted	\$0	\$192,690	\$0	\$60,802	\$80,980	\$87,731	\$50,596	\$183,448	\$656,247
Committed	0	0	0	0	0	0	0	56,561	56,561
Assigned	175,873	0	209,436	0	0	0	0	0	385,309
Unassigned (Deficit)	1,505,912	0	0	0	0	0	0	0	1,505,912
<b>Total Fund Balances</b>	<b>\$1,681,785</b>	<b>\$192,690</b>	<b>\$209,436</b>	<b>\$60,802</b>	<b>\$80,980</b>	<b>\$87,731</b>	<b>\$50,596</b>	<b>\$240,009</b>	<b>\$2,604,029</b>

See accompanying notes to the basic financial statements

**Village of Silverton**  
Hamilton County  
Statement of Receipts, Disbursements and Changes in Fund Balances - Modified Cash Basis  
Governmental Funds  
For the Year Ended December 31, 2022

	General	Street Maintenance	Debt Service	OPWC	TIF	Capital Improvements	Jobs	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>									
Municipal Income Taxes	\$2,087,980	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,087,980
Property Taxes	603,039	0	0	0	0	0	0	0	603,039
Other Local Taxes	58,182	87,554	0	0	0	0	0	4,060	149,796
Intergovernmental	163,046	255,956	0	0	201,878	190,000	0	308,006	1,118,886
Special Assessments	1,149	0	0	0	0	3,240	0	0	4,389
Charges for Services	358,481	35,010	0	0	0	0	0	1,000	394,491
Fines, Licenses and Permits	29,040	0	0	0	0	0	0	470	29,510
Earnings on Investments	8,501	402	0	0	0	0	0	117	9,020
Miscellaneous	19,584	0	7,678	0	0	0	0	0	27,262
<b>Total Receipts</b>	<b>3,329,002</b>	<b>378,922</b>	<b>7,678</b>	<b>0</b>	<b>201,878</b>	<b>193,240</b>	<b>0</b>	<b>313,653</b>	<b>4,424,373</b>
<b>Disbursements</b>									
<b>Current:</b>									
Security of Persons and Property	890,617	0	0	0	0	0	0	0	890,617
Leisure Time Activities	6,028	0	0	0	0	0	0	8,792	14,820
Community Environment	38,034	0	0	0	0	0	0	0	38,034
Basic Utility Services	0	0	0	0	0	0	0	1,787	1,787
Transportation	79,478	406,444	0	0	0	0	0	10,222	496,144
General Government	1,216,948	0	0	0	9,109	188	0	2,750	1,228,995
Intergovernmental	0	0	0	0	0	0	0	50,000	50,000
Capital Outlay	0	0	0	23,955	0	103,180	57,083	203,429	387,647
<b>Debt Service:</b>									
Principal Retirement	0	0	372,608	0	0	0	0	0	372,608
Interest and Fiscal Charges	0	0	41,809	0	0	0	0	0	41,809
<b>Total Disbursements</b>	<b>2,231,105</b>	<b>406,444</b>	<b>414,417</b>	<b>23,955</b>	<b>9,109</b>	<b>103,368</b>	<b>57,083</b>	<b>276,980</b>	<b>3,522,461</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>1,097,897</b>	<b>(27,522)</b>	<b>(406,739)</b>	<b>(23,955)</b>	<b>192,769</b>	<b>89,872</b>	<b>(57,083)</b>	<b>36,673</b>	<b>901,912</b>
<b>Other Financing Sources (Uses)</b>									
Transfers In	0	80,000	399,128	0	0	0	90,500	284,000	853,628
Transfers Out	(796,791)	0	0	0	(56,837)	0	0	0	(853,628)
Advances In	362,579	0	0	0	0	0	0	0	362,579
Advances Out	0	0	0	0	(125,000)	(40,000)	0	(197,579)	(362,579)
<b>Total Other Financing Sources (Uses)</b>	<b>(434,212)</b>	<b>80,000</b>	<b>399,128</b>	<b>0</b>	<b>(181,837)</b>	<b>(40,000)</b>	<b>90,500</b>	<b>86,421</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>663,685</b>	<b>52,478</b>	<b>(7,611)</b>	<b>(23,955)</b>	<b>10,932</b>	<b>49,872</b>	<b>33,417</b>	<b>123,094</b>	<b>901,912</b>
<b>Fund Balances Beginning of Year</b>	<b>1,018,100</b>	<b>140,212</b>	<b>217,047</b>	<b>84,757</b>	<b>70,048</b>	<b>37,859</b>	<b>17,179</b>	<b>116,915</b>	<b>1,702,117</b>
<b>Fund Balances End of Year</b>	<b>\$1,681,785</b>	<b>\$192,690</b>	<b>\$209,436</b>	<b>\$60,802</b>	<b>\$80,980</b>	<b>\$87,731</b>	<b>\$50,596</b>	<b>\$240,009</b>	<b>\$2,604,029</b>

See accompanying notes to the basic financial statements

**Village of Silverton**  
Hamilton County  
Statement of Fiduciary Net Position - Modified Cash Basis  
Fiduciary Funds  
December 31, 2022

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	<u>Custodial Funds</u>
Assets	
Equity in Pooled Cash and Investments	<u>\$40,263</u>
Total Assets	<u><u>\$40,263</u></u>
Net Position	
Restricted for:	
Individuals, Organizations and Other Governments	<u>\$40,263</u>
Total Net Position	<u><u>\$40,263</u></u>

See accompanying notes to the basic financial statements

**Village of Silverton**  
Hamilton County  
Statement of Changes in Fiduciary Net Position - Modified  
Cash Basis  
Fiduciary Funds  
For the Year Ended December 31, 2022

	<u>Custodial Funds</u>
Additions	
Amounts Received as Fiscal Agent	\$2,946
Other Amounts Collected for Distribution	1,580
Total Additions	4,526
Deductions	
Distributions as Fiscal Agent	8,909
Distributions to Other Governments	1,535
Total Deductions	10,444
Change in Net Position	(5,918)
Net Position Beginning of Year	46,181
Net Position End of Year	\$40,263

See accompanying notes to the basic financial statements

**Village of Silverton**  
Hamilton County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2022

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**Note 1 - Reporting Entity**

The Village of Silverton (the Village) is a chartered municipal corporation established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The municipal government is known as a Council/Manager form of government. Legislative power is vested in a six-member council elected at large for four-year terms, with the mayor's position elected as a separate position. The Council has appointed a Village Manager who serves as the chief executive officer.

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 provides the following services to its citizens: parks and recreation, planning, zoning, street maintenance and repairs, and solid waste disposal. The council establishes policies and goals and approves the budget. The Village Manager is responsible for administering the budget and implementing the policies and goals through the operation and control of these activities.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

The Village participates in a joint venture: the Deer Park-Silverton Joint Fire District. This organization is presented in Note 14 to the financial statements.

The Village participates in a public entity risk pool: the Ohio Plan Risk Management, Inc. This organization is presented in Note 15 to the financial statements.

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 generally accepted accounting principles (GAAP) in the United States of America. 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.

**Village of Silverton**  
Hamilton County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2022

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**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 activity of the internal service fund is eliminated to avoid “doubling up” receipts and disbursements. 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 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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**Fund Accounting**

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

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

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

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

**Debt Service** The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest debt obligations.

**Ohio Public Works Improvement (OPWC) Fund** The OPWC Fund accounts for all OPWC loan and grant projects.

**Stewart Road Tax Increment Financing (TIF) Fund** The TIF Fund accounts for the TIF agreement established for Stewart Road proximate to BMW and Mini Showrooms. The TIF was created for 10 years.



**Village of Silverton**  
Hamilton County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2022

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**Capital Improvements Fund** The Capital Improvements Fund accounts for and reports other capital improvements, including facilities and road improvements. Revenues principally come from General Fund transfers.

**Job Creation, Redevelopment and Growth (Jobs) Fund** The Jobs Fund accounts for and reports on economic development related projects in this fund.

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. The Village only has custodial funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust. The Village's custodial funds account for amounts collected and distributed on behalf of another government or organization. The Village's custodial funds include the Silverton Block Watch, Mayor's Court, and Silverton Community Improvement Corporation.

***Basis of Accounting***

The Village's financial statements are prepared using the modified cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned. Disbursements are recorded when cash is paid rather than when a liability is incurred.

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 the 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 the Village Council at the fund level for all funds with personal services identified. More detailed appropriation allocations may be made by the Finance Director or Village Manager if the allocations are within the Council's appropriated amounts.

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

**Village of Silverton**  
Hamilton County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2022

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reported as the final budgeted amounts represent the final appropriation amounts passed by the 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 Investments”. The Village’s Mayor’s Court has its own checking accounts for collection and distribution of court fines and forfeitures.

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 2022, the Village invested in a money market fund, U.S. Treasury Bills, U.S. Government Agency Notes, and Commercial Paper. Investments are reported at cost.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund, Street Maintenance Fund, and Other Governmental Funds during 2022 were \$8,501, \$402, and \$117, respectively.

***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.

***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 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

***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.

**Village of Silverton**  
Hamilton County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2022

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***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 streets and highways, recycling, common areas and other items. None were restricted by enabling legislation. 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.

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) of Village Council. Those committed amounts cannot be used for any other purpose unless the Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution) 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 the 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 Village Council or a Village official delegated that authority by ordinance, or by State Statute. The Finance Director may assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

**Unassigned** The 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.

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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.

***Interfund Transactions***

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.

***Leases***

For 2022, GASB Statement No. 87, Leases was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The Village is the lessor (as defined by GASB 87) in various leases related to building and parking lot under noncancelable leases.

In May of 2018, the Village of Silverton moved to their new town hall location of 6943 Montgomery Road.

In 2018, the Village finalized a Master Development Agreement with Highgrain Brewing Company (Highgrain) to lease the prior Municipal Building at 6860 Plainfield Road and to loan \$275,000 to Highgrain to create and or to preserve jobs in the Village. The lease is for a ten-year period. A security deposit of \$25,000 was received and shall be held for securing the performance of the lease. No receivables are reflected in the financial statements. Of the \$275,000 loan, \$100,000 was granted in 2018 and \$175,000 was granted in 2019. Highgrain at their sole expense constructed at 6860 Plainfield Road, a high-quality tap room, brewery and restaurant, together with all fixtures and improvements. Highgrain opened in May of 2019.

Lease receivables/payables are not reflected under the Village's modified cash basis of accounting. Lease revenue/disbursements are recognized when they are received/paid.

**Note 3 – Deposits and Investments**

The investment and deposit of Village monies are governed by the Ohio Revised Code. Additionally, the Village adopted an investment policy in 2022 which also governs investments. Monies held by the Village are classified by State statute 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 the Village 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

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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 by 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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided 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;
4. Bonds and other obligations of the State of Ohio, and, with certain limitations including 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.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, if investments in securities described in this division are made only through eligible institutions; and
7. The State Treasurer's investment pool (STAR Ohio).

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

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

At year end, the Village had \$600 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

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***Deposits***

Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions have the option of participating in OPCS or collateralizing utilizing the specific pledge method.

The Village's financial institute participates in the 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. OPCS requires the total market value of the securities pledged to be 50 percent of the deposits being secured or a rate set by the Treasurer of State. The Village currently has total market value of securities pledged at 105 percent as of December 31, 2022. At year end, none of the Village's bank balance of \$1,276,281 was exposed to custodial credit.

***Investments***

The fair value of these investments is not materially different from measurement value. As of December 31, 2022, the Village had the following investments:

<b>Investment Type</b>	<b>Maturity</b>	<b>Measurement Value</b>	<b><u>Investment Maturities (In Years)</u></b>	
			<b>0-2 Years</b>	<b>3 Years</b>
Money Market Fund	n/a	3,904.99	3,904.99	
U.S. Government Agency Notes	7/19/2023	59,988.78	59,988.78	
U.S. Government Agency Notes	10/12/2023	99,950.00	99,950.00	
U.S. Government Agency Notes	12/4/2023	99,877.00	99,877.00	
U.S. Government Agency Notes	2/26/2024	79,714.80	79,714.80	
U.S. Government Agency Notes	3/1/2024	19,983.80	19,983.80	
U.S. Government Agency Notes	5/20/2024	100,020.00	100,020.00	
U.S. Government Agency Notes	10/20/2025	49,987.50		49,987.50
U.S. Treasury Notes	2/28/2023	99,875.00	99,875.00	
U.S. Treasury Notes	10/15/2023	79,803.12	79,803.12	
U.S. Treasury Notes	11/15/2023	99,855.47	99,855.47	
U.S. Treasury Notes	4/15/2024	99,996.09	99,996.09	
U.S. Treasury Notes	4/30/2024	98,675.78	98,675.78	
U.S. Government Agency Discount Notes	6/30/2023	146,458.58	146,458.58	
Commercial Paper	1/18/2023	98,315.00	98,315.00	
Commercial Paper	2/27/2023	107,806.69	107,806.69	
Commercial Paper	4/18/2023	97,232.50	97,232.50	
<b>Total Investments</b>		<b>\$1,441,445</b>	<b>\$1,391,457</b>	<b>\$49,988</b>

**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 states that the maximum maturity for any investment is limited to a final stated maturity of five years. This policy is in line with State statute that also requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and that an investment must be purchased with the expectation that it will be held to maturity.

**Credit Risk** It is the Village's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The Village's investments in US Treasury Notes, Federal Home Loan

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Bank, Federal Home Loan Mortgage, and Federal Farm Credit Bank were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. The Village's investments in Commercial Paper were rated A-1+ and A-1 by Standard & Poor's and P-1 by Moody's Investors Service. The money market fund was rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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

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

**Concentration of Credit Risk** The Village places no limit on the amount it may invest in any one issuer. The Village has invested approximately .27 percent in money market fund, 35.35 percent U.S. Government Agency Notes, 33.18 percent in U.S. Treasury Bills, 10.16 percent in U.S. Government Agency Discount Notes, and 21.04 percent in Commercial Paper.

#### **Note 4 – Income Taxes**

The Village levies a 1.25 percent income tax on substantially all income earned in the Village. In addition, the residents of the Village are required to pay income tax on income earned outside of the Village. The Village does not allow a credit for income taxes paid to another municipality.

Employers within the Village are required to withhold income tax on employee compensation and remit the tax to the Village monthly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Beginning in 2018, employers, upon their election, may file one municipal net profit tax return through the Ohio Business Gateway for processing by the Ohio Department of Taxation. The Ohio Department of Taxation handles all administrative functions for those centrally filed returns and distributes payments to the Village. The proceeds were allocated to the General Fund.

#### **Note 5 - Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

Real property taxes for 2022 are levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes for 2022 are collected in and intended to finance 2023.

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. Public utility property taxes for 2022 which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

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The full tax rate for all Village operations for the year ended December 31, 2022, was \$8.15 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

Real Property	\$91,933,530
Public Utility Personal Property	<u>6,200,940</u>
Total	<u><u>\$98,134,470</u></u>

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.

**Note 6 – Tax Abatements**

For purposes of GASB Statement No 77, the definition of a tax abatement is the following: a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. (GASB 77, paragraph 4) See paragraphs 7 and 8 of GASB 77 for specific information related to disclosures of tax abatements.

The Village passed Ordinances 08-2378, 16-3506, and 16-3507 for Silverton’s Community Reinvestment Area (CRA), which implemented sections 3735.65 to 3735.70 of the Ohio Revised Code regarding designation of CRA’s, which encourages economic stability, maintain real property values, and generates new employment opportunities in the Village. There are no recapture provisions, no commitments made in exchange for the abatement, except for remodeling of the property. There is nothing that will be received, or due from other governments in association with the abated taxes and no other associated commitments were made by the abated government.

The Village has fifteen properties abated for 2022.

<u>Property Address</u>	<u>Tax Year Abated</u>	<u>Amount Abated in</u> <u>2022</u>
6628 Stoll	2022	\$ 736.98
6952 Plainfield	2022	\$ 142.25
6826 Park	2022	\$ 965.16
3941 Elm	2022	\$ 769.21
3946 Fordham	2022	\$ 624.84
6007 Lillian	2022	\$ 929.70
6005 Lillian	2022	\$ 727.33
6082 Hedge	2022	\$ 1,497.20
6064 Hedge	2022	\$ 1,583.44
6042 Hedge	2022	\$ 1,373.03
6045 Hedge	2022	\$ 1,612.77
6067 Hedge	2022	\$ 1,129.97
6983 Hedge	2022	\$ 1,101.74
6847 Stewart	2022	\$ 154,092.55
3733 South Berkley	2022	<u>\$ 889.81</u>
Total		\$168,175.98

The Village had no tax abatement agreements with other governments which would reduce the Village’s tax revenues.



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**Note 7 - Interfund Transfers**

During 2022 the following transfers were made by the Village:

	Transfers In	Transfers Out
General Fund	\$0	\$796,791
Street Maintenance Fund	80,000	0
Debt Service Fund	399,128	0
TIF Fund	0	56,837
Jobs Fund	90,500	0
Other Governmental Funds	284,000	0
<b>Total</b>	<b>\$853,628</b>	<b>\$853,628</b>

Transfers 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, except as noted below.

The General Fund and the TIF Funds made transfers to the Debt Service Fund to be used to make debt service payments for the year. The General Fund made transfers to the Street Maintenance Fund, OPWC Fund, Capital Improvements Fund, and Other Governmental Funds to provide additional resources for current operations, capital improvements, and other Village operations. The General Fund also made a transfer to the Debt Service Fund following a new policy approved by the Council establishing a debt reserve policy.

During 2022 the following advances were made by the Village:

	Advances In	Advances Out
General Fund	\$362,579	\$0
TIF Fund	0	125,000
Capital Improvement Fund	0	40,000
Other Governmental Funds	0	197,579
<b>Total</b>	<b>\$362,579</b>	<b>\$362,579</b>

A remaining outstanding interfund balance at December 31, 2022, consists of \$410,000 in the TIF Fund, that provided capital to pay the LLK Verdict in 2019. The advance will be repaid over several years to the General Fund.

**Note 8 - 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. The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM). See Note 15 for further information regarding the Plan.

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating local governments is calculated as one experience and a common premium is applied to all local governments in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for all local governments in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangements ensure that each participant shares equally in the overall performance of the GRP.

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The Village manages employee health benefits on a self-funded insurance basis. The employee health benefit plan provides basic health coverage through United Health Care (UHC), the third-party administrator (TPA) of the program, which reviews and processes or disallows the claims. Jefferson Health Plan (JHP) releases the claims payments to the providers as a consortium outside UHC. JHP is a jointly governed organization established as a joint insurance pool. The Village is a member of the Center for Local Government Benefits Pool (CLGBP) which is a member of JHP. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$150,000 per employee per year. The 2022 monthly employee plus one and single premiums were \$1,187.23 and \$637.01. The TPA charges the Village an administration fee of \$36.82 per employee per month.

**Note 9 - Defined Benefit Pension Plans**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - Village employees 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. The combined plan is a combined cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. While members (e.g., Village employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan and combined plans. 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 and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b>	<b>Traditional Plan Formula:</b>	<b>Traditional Plan Formula:</b>
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b>	<b>Combined Plan Formula:</b>	<b>Combined Plan Formula:</b>
1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b>	<b>Traditional Plan Formula:</b>	<b>Traditional Plan Formula:</b>
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, currently law provides for a 3 percent simple COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement

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benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefits (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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>
<b>2022 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
<b>2022 Actual Contribution Rates</b>			
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>

- \* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- \*\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- \*\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- \*\*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was \$84,494.53 for the year 2022.

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***Plan Description – Social Security***

One Village employee contributes to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contribute 6.2 percent of their gross salaries. The Village contributes an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2022.

**Note 10 – Postemployment Benefits**

***Ohio Public Employee 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, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees can select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are

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eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

**Funding Policy** - The Ohio Revised Code provides 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 and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, 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 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for retirees or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$10,578 for 2022.

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**Note 11 – Long-Term Obligations**

The changes in the Village’s long-term obligations during 2022 were as follows:

	Balance <u>12/31/21</u>	Issued	Retired	Balance <u>12/31/22</u>
<b>General Obligation Bonds</b>				
2010 Building Acquisition Bonds	\$130,000	\$0	(\$15,000)	\$115,000
2016 Road Improvement Bonds	265,000	0	(50,000)	215,000
2017 Building Acquisition Bonds	<u>955,000</u>	<u>0</u>	<u>(125,000)</u>	<u>830,000</u>
Total General Obligation Bonds	<u>1,350,000</u>	<u>0</u>	<u>(190,000)</u>	<u>1,160,000</u>
<b>Other Long-Term Obligations</b>				
2019 Direct Loan Various				
Purpose Bonds	<u>207,000</u>	<u>0</u>	<u>(23,000)</u>	<u>184,000</u>
OPWC Loans from Direct Borrowing				
Fire Hydrant	32,627	0	(10,876)	21,751
Stoll Lane	91,092	0	(22,773)	68,319
E. Gatewood Lane	32,781	0	(8,195)	24,586
Sampson Lane	77,090	0	(12,848)	64,242
Plainfield Road	164,961	0	(25,379)	139,582
Belkenton and Grace Lane	72,849	0	(8,571)	64,278
East Avenue	72,246	0	(5,327)	71,919
Sibley Avenue	174,402	0	(11,252)	163,150
South Broadlawn Avenue	126,228	0	(8,144)	118,084
Norton Avenue	171,645	0	(10,097)	161,548
Park Avenue	213,750	0	(11,875)	201,875
Kenton Avenue	169,169	0	(8,904)	160,265
Elwynne Drive	<u>376,541</u>	<u>0</u>	<u>(15,369)</u>	<u>361,172</u>
Total OPWC	<u>1,780,381</u>	<u>0</u>	<u>(159,610)</u>	<u>1,620,771</u>
Total Other Long-Term Obligations	<u>1,982,381</u>	<u>0</u>	<u>(182,610)</u>	<u>1,804,771</u>
Total General Obligation Bonds and Other Long-Term Obligations	<u>\$3,337,381</u>	<u>0</u>	<u>(\$372,610)</u>	<u>\$2,964,771</u>

On April 12, 2010, the Village issued Building Acquisition Bonds in the amount of \$930,000. The bonds were issued at an interest rate of 4.74 percent through 2029. On February 2, 2011, the Village partially defeased the 2010 Building Acquisition Bonds. This was a consequence of the sale of the building acquired with the bonds, plus the adjoining parking lot parcels on December 9, 2010. The amount that was defeased was \$605,000.

On May 24, 2016, the Village issued Road Improvement General Obligation Bonds in the amount of \$500,000. The bonds were issued at an interest rate of 2.58 percent through 2026.

On October 17, 2017, the Village issued Building Acquisition and Renovation Bonds in the amount of \$1,500,000. The bonds were issued at an interest rate of 2.24 percent through 2031.

On November 19, 2019, the Village issued Direct Loan Various Purpose Bonds in the amount of \$250,000. The 2019 Various Purpose Bonds were issued for building improvements, a municipal vehicle, and roadway improvements. The bonds were issued at an interest rate of 3.2 percent through 2029. The Direct Loan does not contain a default provision nor a default rate.

In October 2001, the Village entered into a project loan agreement with the Ohio Public Works Commission (OPWC) for fire hydrant replacements. The original loan amount was \$217,518, payable over 20 years, without interest. The Village is

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responsible for the OPWC fire hydrant loan payments; however, due to terms pertaining to the Deer Park-Silverton Joint Fire District, the Village of Deer Park is reimbursing the Village 70.61 percent of the loan payments.

During 2021, the Village received the remainder of \$228,868 from OPWC for Elwynne Drive and finalized the loan agreement for a total loan of \$384,225. This loan will be payable without interest for over 25 years with equal payments made in January and July each year. Beginning in July of 2021, the first payment due was \$7,684 and the final payment will occur in January of 2046.

The following loan agreements were entered into with OPWC in previous years for the purpose of various road projects listed below. All are payable without interest to be repaid over 20 years.

	<u>Year</u>	<u>Original Amount</u>	<u>Length of Loan in Years</u>
OPWC Loans			
Stoll Lane	2004	\$455,461	20
E. Gatewood Lane	2004	163,903	20
Sampson Lane	2006	256,966	20
Plainfield Road	2007	507,572	20
Belkenton and Grace Lane	2009	171,411	20
East Avenue	2010	133,182	20
Sibley Avenue	2016	225,035	20
South Broadlawn Avenue	2016	162,875	20
North Avenue	2017	201,935	20
Park Avenue	2019	237,500	20
Kenton Avenue	2020	178,072	20
Elwynne Drive	2021	384,225	25

The Village's outstanding OPWC Loans of \$1,620,771 all contain a provision that in an event of default, the amount of such default shall bear interest thereafter at the rate of 8 percent per annum until the date of payment, and outstanding amounts become immediately due. Also, the State may direct the county treasurer to pay the outstanding amount from portion of the local government fund that would otherwise be appropriated to the Village.

Principal and interest requirements to retire general obligation bonds and direct loan as well as principal requirements for the OPWC loans outstanding at December 31, 2022, were as follows:

<u>Year</u>	<u>General Obligation Bonds</u>		<u>Direct Loan</u>		<u>OPWC</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2023	\$150,000	\$30,461	\$24,000	\$5,888	\$159,609
2024	160,000	26,516	25,000	5,120	159,609
2025	160,000	22,216	25,000	4,320	148,733
2026	160,000	17,817	26,000	3,520	117,765
2027-2031	530,000	39,217	84,000	5,440	435,749
2032-2036	0	0	0	0	352,172
2037-2046	0	0	0	0	247,134
Total	<u>\$1,160,000</u>	<u>\$136,227</u>	<u>\$184,000</u>	<u>\$24,288</u>	<u>\$1,620,771</u>



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**Note 12 – Fund Balances**

Fund balance is classified as non-spendable, 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	Street Maintenance	Debt Service	OPWC	TIF	Capital Improvement	Jobs	Other Governmental	Total Governmental Funds
<b>Restricted for:</b>									
Street									
Maintenance	\$0	\$192,690	\$0	\$0	\$0	\$0	\$0	\$0	\$192,690
State Highway	0	0	0	0	0	0	0	38,108	38,108
Housing									
Stabilization	0	0	0	0	0	0	0	53,703	53,703
Recycling	0	0	0	0	0	0	0	15,741	15,741
American Rescue Plan									
Opioid Settlement								1,978	1,978
GCCU Commons	0	0	0	0	0	0	0	1,015	1,015
Mayor's Court								11,173	11,173
Special Projects	0	0	0	0	0	0	0	3,388	3,388
Drug Offender	0	0	0	0	0	0	0	426	426
OPWC	0	0	0	60,802	0	0	0	0	60,802
TIF	0	0	0	0	80,980	0	0	0	80,980
Capital									
Improvements	0	0	0	0	0	87,731	0	0	87,731
Park									
Improvements	0	0	0	0	0	0	0	57,916	57,916
Jobs Fund	0		0	0	0	0	50,596	0	50,596
<b>Committed to:</b>									
Capital									
Equipment	0	0	0	0	0	0	0	56,561	56,561
<b>Assigned to:</b>									
Debt Service	0	0	209,436	0	0	0	0	0	209,436
Year 2023	175,873	0	0	0	0	0	0	0	175,873
<b>Unassigned</b>	1,505,912	0	0	0	0	0	0	0	1,505,912
	\$1,681,785	\$192,690	\$209,436	\$60,802	\$80,980	\$87,371	\$50,596	\$432,699	\$2,604,029

**Note 13 – Contingent Liabilities**

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

**Note 14 – Joint Governed Organizations**

The Village is a member of the Deer Park-Silverton Joint Fire District (DPSJFD), which is a joint venture between the Village of Silverton and the City of Deer Park. The DPSJFD was created to provide fire protection services to the residents of the two governments.

The DPSJFD Board of Trustees consists of eight trustees, with each government appointing four of the trustees. The Village's ability to affect operations is limited to its representation on the Board. The funding for the operation of the DPSJFD is provided by tax revenues from a continuing levy approved by the electorate of both governments. There is no explicit and measurable equity interest in the DPSJFD. The DPSJFD has not accumulated significant financial resources or is experiencing fiscal distress that may cause additional burden to the Village.

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**Note 15 – Public Entity Risk Pool**

The Village belongs to the Ohio Plan Risk Management, Inc. (the "Plan"), a non-assessable, non-profit providing a formalized, jointly administered self-insurance risk management program and other administrative services to 769 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the casualty and the property portions the Plan retains. The Plan retains the first \$250,000 of casualty losses and the lesser of 65% or \$650,000 of property losses. The Plan is also participating in a property primary excess of loss treaty. This treaty reimburses the Plan 65% for losses between \$200,000 and \$1,000,000. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2021 (the latest information available):

	<b>2021</b>
Assets	\$21,777,439
Liabilities	(\$15,037,383)
Members' Equity	\$6,740,056

You can read the complete audited financial statements for The Ohio Plan Risk Management at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The GRP's business and affairs are conducted by a twenty-six-member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**Note 16 – Implementation of New Accounting Principles**

For fiscal year 2022, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases and related guidance from (GASB) Implementation Guide No. 2019-3, GASB Statement No. 91, Conduit Debt Obligations, GASB Statement No. 93, Replacement of Interbank Offered Rates, and GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.

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GASB Statement No. 87 sets out to improve the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of GASB Statement No. 87 did not have an effect on the financial statements of the Village.

The primary objectives of GASB Statement No. 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the Village.

The objective of GASB Statement No. 93 is to address that some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Also, Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. Those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of *reference rate*, as it is used in Statement 53, as amended

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The implementation of GASB

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Statement No. 93 did not have an effect on the financial statements of the Village.

The primary objectives of GASB Statement No. 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the Village.

**Note 17 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the coronavirus pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency continues. During 2022, the Village received coronavirus funding. The financial impact of the coronavirus pandemic and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2022, the Village received American Rescue Act funding. The Village was awarded \$495,158 and received \$249,556 in 2022.

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

Village Manager and  
Members of Village Council  
Village of Silverton  
Hamilton County, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Silverton, Ohio (the Village), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 31, 2023, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 have not been 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plattensburg & Associates, Inc.*

Plattensburg & Associates, Inc.  
Cincinnati, Ohio  
March 31, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF SILVERTON**

**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 5/25/2023**

88 East Broad 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](http://www.ohioauditor.gov)