

CITY OF DEER PARK
HAMILTON COUNTY, OHIO

REGULAR AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2024



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City Council
City of Deer Park
7777 Blue Ash Road
Deer Park, Ohio 45236

We have reviewed the *Independent Auditor's Report* of the City of Deer Park, Hamilton County, prepared by Julian & Grube, Inc., for the audit period January 1, 2024 through December 31, 2024. 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 City of Deer Park is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 20, 2025

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**CITY OF DEER PARK
HAMILTON COUNTY, OHIO**

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Independent Auditor's Report

City of Deer Park
Hamilton County
7777 Blue Ash Road
Deer Park, Ohio 45236

To the Members of the City Council and Mayor:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deer Park, Hamilton County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Deer Park'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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deer Park, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 City of Deer Park 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 City of Deer Park'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 City of Deer Park'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 City of Deer Park'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.

City of Deer Park
Hamilton County
Independent Auditor's Report

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2025 on our consideration of the City of Deer Park's internal control over financial reporting and on 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 City of Deer Park'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 City of Deer Park's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 13, 2025

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City of Deer Park
Hamilton County, Ohio
Management's Discussion and Analysis
(*Unaudited*)
For the Year Ended December 31, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Deer Park's *Management's Discussion and Analysis* of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2024.

FINANCIAL HIGHLIGHTS

- The City's total net position increased \$4,882,447 to \$12,041,979. Net position of governmental activities increased \$4,810,680, while net position of business-type activities increased by \$71,467.
- The General Fund reported a decrease in fund balance of \$782,825.
- Business-type operations reflected operating income of \$71,467.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Deer Park's (the "City") financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. These statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

Government-Wide Financial Statements-
Statement of Net Position and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Position and the Statement of Activities.

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net position and the change in net position. This change in net position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City,

City of Deer Park
Hamilton County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2024

nonfinancial information such as changes in the City's tax base, the condition of the City's capital assets and the reputation of the public schools will also need to be evaluated.

In the Statement of Net Position and the Statement of Activities, the City presents both governmental activities and business-type activities and divides the activities between the two.

- **Governmental Activities** - Most of the City's services are reported here including police, street maintenance, parks and recreation, and general and administrative. Income taxes, property taxes, intergovernmental revenue, charges for services, and interest finance most of these activities.
- **Business-Type Activities** - These services include waste collection and disposal. Service fees for these operations are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and other funds may be established by the City, with approval of the Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds include the General Fund, Road Levy Fund, Plainfield and Blue Ash Road Capital Project Fund, Street Maintenance Fund, and Oakwood Avenue Improvement Capital Project Fund.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation.

City of Deer Park
Hamilton County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2024

Proprietary Funds: When the City charges citizens for the service it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds: The City is the fiscal agent for two custodial funds. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Statement of Net Position, Statement of Activities, and fund financial statements.

THE CITY AS A WHOLE

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2024 compared to 2023.

TABLE 1 - NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other Assets	\$ 5,863,273	\$ 6,829,248	\$ 361,446	\$ 286,633	\$ 6,224,719	\$ 7,115,881
Long-Term Assets	13,586,194	8,638,929	16,310	18,652	13,602,504	8,657,581
Total Assets	19,449,467	15,468,177	377,756	305,285	19,827,223	15,773,462
Deferred Outflows of Resources	1,427,035	1,689,085	22,674	34,286	1,449,709	1,723,371
Liabilities						
Current and Other Liabilities	633,961	1,423,927	83,794	84,347	717,755	1,508,274
Long-Term Liabilities	6,641,762	6,852,775	67,091	76,566	6,708,853	6,929,341
Total Liabilities	7,275,723	8,276,702	150,885	160,913	7,426,608	8,437,615
Deferred Inflows of Resources	1,806,431	1,897,192	1,914	2,494	1,808,345	1,899,686
Net Position						
Net Investment in Capital						
Assets	10,998,886	6,285,561	14,264	18,652	11,013,150	6,304,213
Restricted	1,840,902	1,647,321	-	-	1,840,902	1,647,321
Unrestricted	(1,045,440)	(949,514)	233,367	157,512	(812,073)	(792,002)
Total Net Position	\$11,794,348	\$ 6,983,368	\$ 247,631	\$ 176,164	\$12,041,979	\$ 7,159,532

City of Deer Park
Hamilton County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2024

Total net position, of the City as a whole, increased \$4,882,447. Net position of the City's governmental activities increased \$4,810,980 and the net position of the City's business-type activities increased \$71,467.

The City had a deficit unrestricted net position balance of \$812,073 which was the result of the City recording its share of the net pension and OPEB liabilities/(asset) as required by GASB's 68 and 75.

Current and other assets decreased from 2024 to 2023 as the City used its cash and other short-term resources to move forward with significant capital improvements to Plainfield and Blue Ash Roads, Oakwood Avenue, and Chamberlin Park. The construction of these projects also resulted in additional capital assets, which contributed to long-term assets increasing significantly in 2024 compared to 2023. These improvements were significantly funded from grants from other governments.

Current liabilities decreased in 2024 compared to 2023, as the City had received cash deposits at December 31, 2023, connected to grant awards that had not yet been spent, or earned, and therefore were reported as unearned revenue at year end.

Long-term liabilities decreased from 2023 to 2024 as the City made scheduled debt services payment on its outstanding debt. Additionally, the City's net Pension and OPEB liabilities decreased in 2024 compared to 2023.

Governmental Activities

Property taxes and the 1.5% income tax are the largest sources of revenue for the City. Revenues generated by these taxes represent approximately 79% of the City's governmental activities general revenues. The balance of general revenues is mostly comprised of other intergovernmental revenue sources such as the State of Ohio's Local Government Fund distribution and other taxes collected by the State and distributed to the City.

City of Deer Park
Hamilton County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2024

The change in net position for 2024 and 2023 is outlined in Table 2.

TABLE 2 - CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 274,209	\$ 201,602	\$ 662,054	\$ 633,720	\$ 936,263	\$ 835,322
Operating Grants and Contributions	297,123	172,348	-	-	297,123	172,348
Capital Grants and Contributions	<u>4,669,995</u>	<u>2,654,903</u>	<u>-</u>	<u>-</u>	<u>4,669,995</u>	<u>2,654,903</u>
Total Program Revenues	<u>5,241,327</u>	<u>3,028,853</u>	<u>662,054</u>	<u>633,720</u>	<u>5,903,381</u>	<u>3,662,573</u>
General Revenues						
Income Taxes	2,192,991	1,899,234	-	-	2,192,991	1,899,234
Property Taxes	1,373,874	1,253,025	-	-	1,373,874	1,253,025
Unrestricted Contributions	823,858	816,844	-	-	823,858	816,844
Investment Earnings	119,094	100,244	-	-	119,094	100,244
Total General Revenues	<u>4,509,817</u>	<u>4,069,347</u>	<u>-</u>	<u>-</u>	<u>4,509,817</u>	<u>4,069,347</u>
Total Revenues	<u>9,751,144</u>	<u>7,098,200</u>	<u>662,054</u>	<u>633,720</u>	<u>10,413,198</u>	<u>7,731,920</u>
Program Expenses						
General Government	1,922,074	1,554,889	-	-	1,922,074	1,554,889
Public Safety	1,761,286	1,661,893	-	-	1,761,286	1,661,893
Transportation and Streets	1,078,435	1,979,626	-	-	1,078,435	1,979,626
Leisure Time Activities	122,113	169,070	-	-	122,113	169,070
Community Development	5,007	11,767	-	-	5,007	11,767
Interest and Fiscal Charges	51,249	74,418	-	-	51,249	74,418
Waste Collection and Disposal	-	-	<u>590,587</u>	<u>616,625</u>	<u>590,587</u>	<u>616,625</u>
Total Expenses	<u>4,940,164</u>	<u>5,451,663</u>	<u>590,587</u>	<u>616,625</u>	<u>5,530,751</u>	<u>6,068,288</u>
Increase in Net Position	<u>4,810,980</u>	<u>1,646,537</u>	<u>71,467</u>	<u>17,095</u>	<u>4,882,447</u>	<u>1,663,632</u>
Net Position Beginning of Year	<u>6,983,368</u>	<u>5,336,831</u>	<u>176,164</u>	<u>159,069</u>	<u>7,159,532</u>	<u>5,495,900</u>
Net Position End of Year	<u>\$ 11,794,348</u>	<u>\$ 6,983,368</u>	<u>\$ 247,631</u>	<u>\$ 176,164</u>	<u>\$ 12,041,979</u>	<u>\$ 7,159,532</u>

When looking at the sources of income to support operations, it should be noted that charges for services are only 3% of revenue, while 37% of revenue is derived from income and property taxes. The City substantially relies on these taxes to fund the services it provides to businesses and citizens.

Significant changes for 2024 compared to 2023 include capital grants and contributions increasing significantly in 2024 as the City received support for Chamberlin Park improvements and Plainfield and Blue Ash Roads and Oakwood Avenue improvements from other local governments. Additionally, with the Wentworth development project drawing more residents into the City, income tax collections for 2024 were higher than in 2023. Transportation and streets expenses decreased in 2024 as the City allocated

City of Deer Park
Hamilton County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2024

resources away from maintenance of roadways to construction of roadways, the construction of which is capitalized as opposed to expensed.

Business-Type Activities

The City's business-type activity includes waste collection and disposal. This program had operating revenues of \$662,054 and operating expenses of \$590,587 for 2024. Business activities receive no support from tax revenues. The business activities net position at the end of the year was \$247,631 which increased \$71,467 during 2024 as charges for services outpaced operating expenses. The City had one business-type (enterprise) fund that was a major fund – the Waste Collection and Disposal fund.

THE CITY'S FUNDS

Information about the City's major governmental funds begins with the Balance Sheet – Governmental Funds and Statement of Revenues Expenditures and Changes in Fund Balances – Governmental Funds. These funds are reported using the modified accrual basis of accounting.

All governmental funds had revenues of \$9,645,871 and expenditures of \$10,110,076.

Total fund balance decreased for 2024 compared to 2023 by \$364,229 as a result of the City utilizing current resources to move forward with roadway improvements.

The City has five major governmental funds – the General Fund, Road Levy Fund, Plainfield and Blue Ash Road Capital Project Fund, Street Maintenance Fund, and Oakwood Improvement Capital Project Fund. Assets of the five major funds comprised 82 % of governmental fund total assets.

Budgetary Activity and Actual Results

The City adopts annual appropriated budgets for its funds. The schedules comparing the City's original and final budget and actual results are included in the Required Supplementary Information for the General Fund, Road Levy Fund, and Street Maintenance Fund.

During 2024, there were no major revisions to the General fund budget, other than to supplement for transfers out that were used for roadway projects accounted for in other funds. Actual revenues were 29% over the final budget and actual expenditures plus encumbrances were 6% under final budget amounts.

City of Deer Park
Hamilton County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

TABLE 3 - Net Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 468,528	\$ 468,528	\$ -	\$ -	\$ 468,528	\$ 468,528
Buildings and Improvements	2,120,622	1,521,140	-	-	2,120,622	1,521,140
Equipment	436,717	380,498	14,264	18,652	450,981	399,150
Infrastructure	5,070,900	5,250,822	-	-	5,070,900	5,250,822
Construction in process	5,448,427	1,017,941	-	-	5,448,427	1,017,941
 Total Net Capital Assets	 \$ 13,545,194	 \$ 8,638,929	 \$ 14,264	 \$ 18,652	 \$ 13,559,458	 \$ 8,657,581

Additional information regarding capital assets can be found in the Notes to the Basic Financial Statements.

Debt

At December 31, 2024, the City had \$2,157,207 in un-voted general obligation bonds.

Table 4 - Outstanding Debt at Year End

Governmental Activities	2024		2023	
Current Interest Bonds				
Municipal Building	\$ 875,000		\$ 1,035,000	
Series 2021 Infrastructure	925,000		975,000	
Loan	357,207		292,570	
 Total Debt	 \$ 2,157,207		 \$ 2,302,570	

Additional information regarding debt can be found in the Notes to the Basic Financial Statements.

City of Deer Park
Hamilton County, Ohio
Management's Discussion and Analysis
(Unaudited)
For the Year Ended December 31, 2024

FINANCIAL POSITION

The City continues to seek ways to improve the quality and quantity of services we provide to our residents. Furthermore, we are committed to providing our residents with full disclosure of the financial position of the City.

While we are currently in stable financial condition, we are not immune to the tough economic conditions that are facing our economy as a whole. We are carefully watching the activity in the General and Waste Collection Funds and will take actions necessary to keep our funds, and City as a whole, on stable financial ground.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our residents, taxpayers, creditors and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City of Deer Park, 7777 Blue Ash Road, Deer Park, Ohio 45236.

City of Deer Park
Hamilton County, Ohio
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 2,270,315	\$ 309,268	\$ 2,579,583
Receivables (net of allowance for doubtful accounts)			
Taxes-Real & Personal Property	1,421,755	-	1,421,755
Taxes-Income	743,000	-	743,000
Payments in Lieu of Taxes	36,000	-	36,000
Accounts	5,213	52,178	57,391
Intergovernmental	1,386,990	-	1,386,990
Net OPEB Asset	41,000	2,046	43,046
Nondepreciable Capital Assets	5,916,955	-	5,916,955
Depreciable Capital Assets, Net	<u>7,628,239</u>	<u>14,264</u>	<u>7,642,503</u>
Total Assets	<u>19,449,467</u>	<u>377,756</u>	<u>19,827,223</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	54,410	-	54,410
Pension	1,225,980	20,918	1,246,898
OPEB	<u>146,645</u>	<u>1,756</u>	<u>148,401</u>
Total Deferred Outflows of Resources	<u>1,427,035</u>	<u>22,674</u>	<u>1,449,709</u>
Liabilities			
Accounts Payable	495,536	83,794	579,330
Accrued Wages and Benefits	101,160	-	101,160
Accrued Interest Payable	32,174	-	32,174
Unearned Revenue	5,091	-	5,091
Long-Term Liabilities:			
Due Within One Year	396,874	-	396,874
Net Pension Liability	4,006,114	67,091	4,073,205
Net OPEB Liability	206,613	-	206,613
Other Amounts Due in More Than One Year	<u>2,032,161</u>	<u>-</u>	<u>2,032,161</u>
Total Liabilities	<u>7,275,723</u>	<u>150,885</u>	<u>7,426,608</u>
Deferred Inflows of Resources			
Property Taxes Levied for Next Year	1,345,000	-	1,345,000
Payments in Lieu of Taxes Levied for Next Year	36,000	-	36,000
Pension	198,069	675	198,744
OPEB	<u>227,362</u>	<u>1,239</u>	<u>228,601</u>
Total Deferred Inflows of Resources	<u>1,806,431</u>	<u>1,914</u>	<u>1,808,345</u>
Net Position			
Net Investment in Capital Assets	10,998,886	14,264	11,013,150
Restricted for			
Public Safety	127,887	-	127,887
Roads	1,683,348	-	1,683,348
Recycling	5,270	-	5,270
Storm Water	23,581	-	23,581
Culture and Recreation	816	-	816
Unrestricted	<u>(1,045,440)</u>	<u>233,367</u>	<u>(812,073)</u>
Total Net Position	<u>\$ 11,794,348</u>	<u>\$ 247,631</u>	<u>\$ 12,041,979</u>

See accompanying notes to the basic financial statements

City of Deer Park
Hamilton County, Ohio
Statement of Activities
For the Year Ended December 31, 2024

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Reporting Entity Total
Governmental Activities:							
General Government	\$ 1,922,074	\$ 205,345	\$ 163,308	\$ -	\$ (1,553,421)	\$ -	\$ (1,553,421)
Public Safety	1,761,286	68,864	47,863	-	(1,644,559)	-	(1,644,559)
Leisure Time Activities	122,113	-	85,952	575,417	539,256	-	539,256
Community Development	5,007	-	-	-	(5,007)	-	(5,007)
Transportation and Street Repair	1,078,435	-	-	4,094,578	3,016,143	-	3,016,143
Interest and Fiscal Charges	51,249	-	-	-	(51,249)	-	(51,249)
Total Governmental Activities	4,940,164	274,209	297,123	4,669,995	301,163	-	301,163
Business Type Activities:							
Waste Collection and Disposal	590,587	662,054	-	-	-	71,467	71,467
Totals	\$ 5,530,751	\$ 936,263	\$ 297,123	\$ 4,669,995	\$ 301,163	\$ 71,467	\$ 372,630

General Revenues			
Income Taxes	\$ 2,192,991	\$ -	\$ 2,192,991
Property Taxes Levied for:			
General Purposes	1,126,273	-	1,126,273
Public Works	221,078	-	221,078
Public Safety	26,523	-	26,523
Unrestricted Contributions	823,858	-	823,858
Investment Earnings	119,094	-	119,094
Total General Revenues	4,509,817	-	4,509,817
Change in Net Position	4,810,980	71,467	4,882,447
Net Position Beginning of Year	6,983,368	176,164	7,159,532
Net Position End of Year	\$ 11,794,348	\$ 247,631	\$ 12,041,979

See accompanying notes to the basic financial statements

City of Deer Park
Hamilton County, Ohio
Balance Sheet
Governmental Funds
December 31, 2024

	General Fund	Road Levy Fund	Plainfield and Blue Ash Road Fund	Street Maintenance Fund	Oakwood Avenue Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 914,247	\$ 135,206	\$ -	\$ 469,641	\$ 30,001	\$ 721,220	\$ 2,270,315
Receivables:							
Due From Other Funds	78,066	438,469	-	-	-	-	516,535
Taxes - Real and Personal Property	1,157,621	236,544	-	-	-	27,590	1,421,755
Taxes - Income	743,000	-	-	-	-	-	743,000
Payments In Lieu of Taxes	-	-	-	-	-	36,000	36,000
Accounts	5,213	-	-	-	-	-	5,213
Intergovernmental	126,446	3,000	181,478	164,080	649,427	262,559	1,386,990
Total Assets	\$ 3,024,593	\$ 813,219	\$ 181,478	\$ 633,721	\$ 679,428	\$ 1,047,369	\$ 6,379,808
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Due to Other Funds	\$ -	\$ -	\$ 420,149	\$ -	\$ -	\$ 96,386	\$ 516,535
Accounts Payable	58,888	33,220	990	51,979	349,077	1,382	495,536
Accrued Wages and Benefits	101,160	-	-	-	-	-	101,160
Unearned Revenue	-	-	-	-	-	5,091	5,091
Total Liabilities	160,048	33,220	421,139	51,979	349,077	102,859	1,118,322
Deferred Inflows of Resources							
Property Taxes Levied for Next Year	1,095,000	224,000	-	-	-	26,000	1,345,000
Unavailable Property Taxes	62,621	12,544	-	-	-	1,590	76,755
Unavailable Income Taxes	507,000	-	-	-	-	-	507,000
Unavailable Payments In Lieu of Taxes	-	-	-	-	-	36,000	36,000
Unavailable Intergovernmental Revenue and Other	99,000	3,000	-	105,500	-	14,800	222,300
Total Deferred Inflows of Resources	1,763,621	239,544	-	105,500	-	78,390	2,187,055
Fund Balances							
Nonspendable	78,066	438,469	-	-	-	-	516,535
Restricted:							
Public Safety	-	-	-	-	-	124,297	124,297
Roads	-	101,986	-	476,242	330,351	202,456	1,111,035
Recycling	-	-	-	-	-	5,270	5,270
Recreation	-	-	-	-	-	24,680	24,680
Storm Water	-	-	-	-	-	23,581	23,581
Committed:							
Capital Projects	-	-	-	-	-	539,877	539,877
Recreation	-	-	-	-	-	31,976	31,976
Assigned:							
Following Year's Budget	856,620	-	-	-	-	-	856,620
Unassigned	166,238	-	(239,661)	-	-	(86,017)	(159,440)
Total Fund Balances	1,100,924	540,455	(239,661)	476,242	330,351	866,120	3,074,431
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,024,593	\$ 813,219	\$ 181,478	\$ 633,721	\$ 679,428	\$ 1,047,369	\$ 6,379,808

See accompanying notes to the basic financial statements

City of Deer Park
 Hamilton County, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2024

Total Governmental Fund Balances	\$ 3,074,431
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	468,528
Construction in Progress	5,448,427
Other Capital Assets	11,354,165
Accumulated depreciation	<u>(3,725,926)</u>
	13,545,194

Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows in the funds.

Income Taxes	507,000
Delinquent Property Taxes	76,755
Intergovernmental and Other Revenues	<u>222,300</u>
	806,055

In the statement of net position interest payable is accrued when incurred whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.

Accrued Interest Payable	<u>(32,174)</u>
	(32,174)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

OPWC Note Payable	(32,238)
Bonds	(1,800,000)
Loan	(357,207)
Compensated Absences	(177,394)
Premium on Bonds	<u>(62,196)</u>
	(2,429,035)

The net pension/OPEB liabilities (asset) are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows of resources are not reported in the governmental funds:

Deferred Outflows - Pension	1,225,980
Deferred Outflows - OPEB	146,645
Deferred Inflows - Pension	(198,069)
Deferred Inflows - OPEB	(227,362)
Net Pension Liability	(4,006,114)
Net OPEB Asset	41,000
Net OPEB Liability	<u>(206,613)</u>
	(3,224,533)

Deferred charges on debt refundings are expended in the fund level financial statements but are accrued and amortized over the life of the bonds in the government-wide financial statements.

	54,410
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Net Position of Governmental Activities	<u>\$ 11,794,348</u>
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City of Deer Park
 Hamilton County, Ohio
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2024

	General Fund	Road Levy Fund	Plainfield and Blue Ash Road Fund	Street Maintenance Fund	Oakwood Avenue Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 3,194,023	\$ 216,817	\$ -	\$ -	\$ -	\$ 60,652	\$ 3,471,492
Charges for Services	144,734	-	-	-	-	2,656	147,390
Contributions and Donations	11,161	-	-	-	-	22	11,183
Fines, Licenses & Permits	67,168	-	-	-	-	36,242	103,410
Investment Earnings	119,094	-	-	-	-	-	119,094
Intergovernmental	336,831	76,764	2,225,909	382,877	1,868,669	804,074	5,695,124
Other Revenues	3,168	-	-	-	-	95,010	98,178
Total Revenues	3,876,179	293,581	2,225,909	382,877	1,868,669	998,656	9,645,871
Expenditures							
Current:							
General Government	1,784,503	-	-	-	-	163,308	1,947,811
Public Safety	1,675,313	-	-	-	-	2,771	1,678,084
Leisure Time Activities	30,514	-	-	-	-	708,719	739,233
Community Development	5,007	-	-	-	-	-	5,007
Transportation and Street Repair	8,166	556,943	2,465,570	367,405	1,922,080	28,630	5,348,794
Capital Outlay	-	-	-	1,945	-	68,893	70,838
Debt Service							
Principal Retirement	167,162	35,339	-	-	-	50,000	252,501
Interest and Fiscal Charges	34,075	9,358	-	-	-	24,375	67,808
Total Expenditures	3,704,740	601,640	2,465,570	369,350	1,922,080	1,046,696	10,110,076
Excess (Deficiency) of Revenues Over (Under) Expenditures	171,439	(308,059)	(239,661)	13,527	(53,411)	(48,040)	(464,205)
Other Financing Sources (Uses)							
Transfers In	-	-	-	-	383,762	570,502	954,264
Transfers Out	(954,264)	-	-	-	-	-	(954,264)
Proceeds from Loan	-	99,976	-	-	-	-	99,976
Total Other Financing Sources (Uses)	(954,264)	99,976	-	-	383,762	570,502	99,976
Net Change in Fund Balances	(782,825)	(208,083)	(239,661)	13,527	330,351	522,462	(364,229)
Fund Balances at Beginning of Year, As Previously Presented	1,883,749	748,538	-	-	-	806,373	3,438,660
Change Within Financial Reporting Entity:							
Nonmajor to Major Fund - See Note 18	-	-	-	462,715	-	(462,715)	-
Fund Balances at Beginning of Year, As Adjusted	1,883,749	748,538	-	462,715	-	343,658	3,438,660
Fund Balances at End of Year	\$ 1,100,924	\$ 540,455	\$ (239,661)	\$ 476,242	\$ 330,351	\$ 866,120	\$ 3,074,431

See accompanying notes to the basic financial statements

City of Deer Park
 Hamilton County, Ohio
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ (364,229)										
Amounts reported for governmental activities in the statement of activities are different because:											
Capital outlays are reported as expenditures in the governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded (subceeded) depreciation expense in the current period.	4,906,265										
Because some revenues will not be collected for several months after the City's year-end, they are not considered "available" revenues and are reported as deferred inflows in the governmental funds.											
<table style="width: 100%;"> <tr> <td style="width: 70%;">Income Taxes</td><td style="width: 30%; text-align: right;">66,000</td></tr> <tr> <td>Delinquent Property Taxes</td><td style="text-align: right;">29,373</td></tr> <tr> <td>Intergovernmental and Other Revenues</td><td style="text-align: right;"><u>9,900</u></td></tr> <tr> <td></td><td style="text-align: right; border-top: 1px solid black;">105,273</td></tr> </table>		Income Taxes	66,000	Delinquent Property Taxes	29,373	Intergovernmental and Other Revenues	<u>9,900</u>		105,273		
Income Taxes	66,000										
Delinquent Property Taxes	29,373										
Intergovernmental and Other Revenues	<u>9,900</u>										
	105,273										
Governmental funds report premiums, discounts, and bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities.											
<table style="width: 100%;"> <tr> <td style="width: 70%;">Amortization of Deferred Charge on Refunding</td><td style="width: 30%; text-align: right;">(10,881)</td></tr> <tr> <td>Amortization of Bond Premiums</td><td style="text-align: right;"><u>14,493</u></td></tr> <tr> <td></td><td style="text-align: right; border-top: 1px solid black;">3,612</td></tr> </table>		Amortization of Deferred Charge on Refunding	(10,881)	Amortization of Bond Premiums	<u>14,493</u>		3,612				
Amortization of Deferred Charge on Refunding	(10,881)										
Amortization of Bond Premiums	<u>14,493</u>										
	3,612										
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.											
<table style="width: 100%;"> <tr> <td style="width: 70%;">Proceeds from Loan</td><td style="width: 30%; text-align: right;">(99,976)</td></tr> <tr> <td>Payments on OPWC Note Payable</td><td style="text-align: right;">7,162</td></tr> <tr> <td>Payments on Loan</td><td style="text-align: right;">35,339</td></tr> <tr> <td>Bond Principal Retirement</td><td style="text-align: right;"><u>210,000</u></td></tr> <tr> <td></td><td style="text-align: right; border-top: 1px solid black;">152,525</td></tr> </table>		Proceeds from Loan	(99,976)	Payments on OPWC Note Payable	7,162	Payments on Loan	35,339	Bond Principal Retirement	<u>210,000</u>		152,525
Proceeds from Loan	(99,976)										
Payments on OPWC Note Payable	7,162										
Payments on Loan	35,339										
Bond Principal Retirement	<u>210,000</u>										
	152,525										
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.											
	12,947										
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	3,861										
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.											
<table style="width: 100%;"> <tr> <td style="width: 70%;">Pension</td><td style="width: 30%; text-align: right;">316,259</td></tr> <tr> <td>OPEB</td><td style="text-align: right;"><u>5,207</u></td></tr> <tr> <td></td><td style="text-align: right; border-top: 1px solid black;">321,466</td></tr> </table>		Pension	316,259	OPEB	<u>5,207</u>		321,466				
Pension	316,259										
OPEB	<u>5,207</u>										
	321,466										
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/(asset) are reported as expense in the statement of activities.											
<table style="width: 100%;"> <tr> <td style="width: 70%;">Pension</td><td style="width: 30%; text-align: right;">(338,332)</td></tr> <tr> <td>OPEB</td><td style="text-align: right;"><u>7,592</u></td></tr> <tr> <td></td><td style="text-align: right; border-top: 1px solid black;">(330,740)</td></tr> </table>		Pension	(338,332)	OPEB	<u>7,592</u>		(330,740)				
Pension	(338,332)										
OPEB	<u>7,592</u>										
	(330,740)										
Change in Net Position of Governmental Activities	<u><u>\$ 4,810,980</u></u>										

See accompanying notes to the basic financial statements

City of Deer Park
 Hamilton County, Ohio
 Statement of Net Position - Proprietary Fund
 December 31, 2024

	<u>Waste Collection and Disposal</u>
Assets	
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 309,268
Receivables:	
Accounts	52,178
Total Current Assets	<u>361,446</u>
Net OPEB Asset	2,046
Depreciable Capital Assets, Net	<u>14,264</u>
Total NonCurrent Assets	<u>16,310</u>
Total Assets	<u>377,756</u>
Deferred Outflows of Resources:	
Pension	20,918
OPEB	1,756
Total Deferred Outflows of Resources	<u>22,674</u>
Liabilities	
Accounts Payable	83,794
Long-Term Liabilities:	
Net Pension Liability	<u>67,091</u>
Total Liabilities	<u>150,885</u>
Deferred Inflows of Resources:	
Pension	675
OPEB	1,239
Total Deferred Inflows of Resources	<u>1,914</u>
Net Position	
Investment in Capital Assets	14,264
Unrestricted	<u>233,367</u>
Total Net Position	<u>\$ 247,631</u>

City of Deer Park
 Hamilton County, Ohio
 Statement of Revenues,
 Expenses and Changes in Fund Net Position - Proprietary Fund
 For the Year Ended December 31, 2024

Waste Collection and Disposal	
Operating Revenues	
Charges for Services	<u>\$ 662,054</u>
Total Operating Revenues	<u>662,054</u>
Operating Expenses	
Contractual Services	586,199
Depreciation	<u>4,388</u>
Total Operating Expenses	<u>590,587</u>
Operating Income/Change in Net Position	71,467
Net Position Beginning of Year	<u>176,164</u>
Net Position End of Year	<u>\$ 247,631</u>

City of Deer Park
 Hamilton County, Ohio
 Statement of Cash Flows - Proprietary Fund
 For the Year Ended December 31, 2024

	<u>Waste Collection and Disposal</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 712,473
Payments to Suppliers	<u>(587,241)</u>
Net Cash Provided by Operating Activities	<u>125,232</u>
Net Change in Cash and Cash Equivalents	<u>125,232</u>
Cash and Cash Equivalents Beginning of Year	<u>184,036</u>
Cash and Cash Equivalents End of Year	<u>\$ 309,268</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 71,467
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	4,388
Decrease in Accounts Receivable	50,419
Decrease in Deferred Outflows - Pension	9,146
Decrease in Deferred Outflows - OPEB	2,466
Increase in Net OPEB Asset	(2,046)
Decrease in Accrued Liabilities	(553)
Decrease in Deferred Inflows - Pension	(1,287)
Increase in Deferred Inflows - OPEB	707
Decrease in Net Pension Liability	(8,050)
Decrease in Net OPEB Liability	<u>(1,425)</u>
Net Cash Provided by Operating Activities	<u>\$ 125,232</u>

City of Deer Park
 Hamilton County, Ohio
 Statement of Fiduciary Net Position - Fiduciary Funds
 December 31, 2024

	<u>Custodial</u>
Assets	
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 165,958
Accounts Receivable	<u>93,900</u>
Total Assets	<u><u>259,858</u></u>
Liabilities	
Due to Other Governments	<u>101,348</u>
Total Liabilities	<u><u>101,348</u></u>
Net Position	
Restricted for Other Governments	<u>158,510</u>
Total Net Position	<u><u>\$ 158,510</u></u>

City of Deer Park
 Hamilton County, Ohio
 Statement of Changes in Fiduciary Net Position - Fiduciary Funds
 For the Year Ended December 31, 2024

	<u>Custodial</u>
Additions	
Fines Collected for Other Governments	\$ 21,510
Special Assessments	307,070
Income Taxes Collected for Other Governments	<u>1,189,219</u>
Total Additions	<u>1,517,799</u>
Deductions	
Distribution of Income Taxes	1,127,089
Distributions to State, Local Governments, and Others	30,454
Special Assessment Debt Principal and Interest	<u>298,126</u>
Total Deductions	<u>1,455,669</u>
Net Increase (Decrease) in Fiduciary Net Position	62,130
Net Position Beginning of Year	<u>96,380</u>
Net Position End of Year	<u>\$ 158,510</u>

City of Deer Park
Hamilton County, Ohio
Notes To The Basic Financial Statements
For The Year Ended December 31, 2024

Note 1 - Description of the City and Reporting Entity

The City of Deer Park, Ohio (the “City”) was incorporated in 1912 and became a city in 1952. The City was originally created as a municipal corporation under the laws of the State of Ohio. In the November 2020 election, the City’s electorate approved a charter under which the City of Deer Park now operates.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City, this includes; public services, public safety, recreation and development.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. The City has one blended component unit – The Park Board. The Park Board is a legally separate, non-profit organization that serves as an agent for the City’s parks. The City’s mayor appoints the five members of the Park Board. The Park Board is presented in the other governmental funds column of the modified accrual financial statements.

The City participates in a joint venture. A joint venture is a legal entity or other organization that results from a contractual agreement 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 responsibility.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the City’s accounting policies are described below.

A. Basis of Presentation

The City’s basic financial statements consist of government-wide 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.

City of Deer Park
Hamilton County, Ohio
Notes To The Basic Financial Statements
For The Year Ended December 31, 2024

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The effect of interfund activity has been removed from these statements; however, any effects from interfund services provided and used are not eliminated in the process of consolidation.

The statement of net position presents the financial condition of the governmental activities and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program or grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City 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 City at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The City 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. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

City of Deer Park
Hamilton County, Ohio
Notes To The Basic Financial Statements
For The Year Ended December 31, 2024

General Fund

The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Road Levy Fund

The road levy fund accounts for financial resources received from the City's road levy and expended for roadway maintenance and improvements.

Plainfield and Blue Ash Road Fund

The Plainfield and Blue Ash Road capital project fund accounts for financial resources that are connected to improvements in the vicinity of Plainfield and Blue Ash Roads.

Street Maintenance Fund

The Street Maintenance special revenue fund accounts for financial resources that are restricted for roadway maintenance and improvements in the City.

Oakwood Avenue Improvement Fund

The Oakwood Avenue Improvement capital project fund accounts for financial resources that are connected to improvements in the vicinity of Oakwood Avenue.

Proprietary Funds

Proprietary fund reporting focuses on changes in net position, financial position and cash flows.

Proprietary funds are classified as either enterprise or internal service. The City does not have an Internal service fund.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the City's major enterprise fund:

Waste Collection and Disposal Fund

This fund accounts for the collection and disposal of waste to the residents and commercial users located within the City.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for a proprietary fund. The City maintains a Mayor's Court custodial fund (which accounts for funds that flow through the Mayor's Court office), a Property Assessed Clean Energy (PACE) custodial fund (which accounts for special assessments that are used to make debt principal and interest payments, for which the City has no obligation or liability, beyond the amount of special assessments collected), and a Joint Economic Development Zone (JEDZ) custodial fund (used to account for the

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collection and distribution of the JEDZ income taxes and other various activities in accordance with the JEDZ agreement).

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the *economic resources measurement focus*. All assets and all liabilities (and deferred outflows and inflows of resources) associated with the operation of the City are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Fund Financial Statements

All governmental funds are accounted for using a flow of *current financial resources measurement focus*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet (as well as deferred outflows and inflows of resources). The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, payments in lieu of taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a

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modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the City, these revenues are charges for services for waste collection and disposal services. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in the pension and OPEB footnotes.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, other taxes, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

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E. Equity in Pooled Cash, Cash Equivalents, and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash, Cash Equivalents and Investments" on the statement of net position and the governmental fund balance sheet. For purposes of the statement of cash flows and for presentation on the statement of net position/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

During 2024, the City invested in the State Treasury Asset Reserve of Ohio (STAROhio). STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAROhio at the net asset value (NAV) per share provided by STAROhio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Interest is distributed according to Ohio statutes. Interest revenue credited to the general fund during 2024 amounted to \$119,094.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed. The City had no prepaids at December 31, 2024.

G. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. Capital assets generally result from expenditures in the governmental funds. These assets are reported in the statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary fund are reported both in the business-type column of the government-wide statement of net position and in the respective proprietary fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of one thousand dollars. The City's infrastructure consists of curbs, sidewalks, storm sewers and streets. The City is not required to report infrastructure before December 31, 2003 since it is considered a Phase 3 Government. Improvements are capitalized;

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the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure are estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	40 years
Infrastructure	20 to 35 years
Machinery and Equipment	5 to 20 years

H. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 101, *Compensated Absences*.

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is more likely than not that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using employee wage rates at fiscal year-end taking into consideration any limits specified in the City's termination policy. Using the *more likely than not* approach, the City recorded a liability for all accumulated unused sick time for all employees.

For governmental funds, the current portion of unpaid compensated absences is the amount normally due for payment during the current year.

The entire compensated absence liability is reported on the government-wide statement of net position.

I. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

J. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a

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timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability/(asset) should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

K. Classification of Fund Balance

In accordance with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," the City's fund balance is divided into five classifications based primarily on the extent to which the City must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable - The City classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. The "not in spendable form" includes items that are not expected to be converted to cash and the long-term portion of interfund receivables.

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

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

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the City's Council or by State Statute.

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

The City 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.

L. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, plus capital-related deferred outflows of resources, less the outstanding

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balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

M. Interfund Activity

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Transfers are reported as “Other Financing Sources and Uses” in the governmental funds, as “Transfers In” by the recipient fund and “Transfers Out” by the disbursing fund on the fund financial statements. These transfers are consolidated on the government-wide statements.
- Long-term interfund loans are classified as “Due to/From Other Funds” and are equally offset by a nonspendable fund balance account which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental activities columns of the statement of net position.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City.

N. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

O. Unearned Revenue

Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied. At December 31, 2024 this includes grant revenue received before all eligibility requirements have been met.

Note 3 - Deposits and Investments

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

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

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Inactive deposits are public deposits that the City has identified as not required for use within the current five year period of designation of depositories. Inactive deposits may be deposited or invested only as certificates of deposit maturing no 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 needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States Treasury notes, bills, bonds, notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities 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, and government national mortgage association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above, provided that 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 that the term of the agreement must not exceed thirty days;
- Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
- Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio);
- Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed forty percent of the interim monies available for investment at any one time if training requirements have been met.

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

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matched to a specific obligation or debt of the City, and must be purchased with the expectation it will be held to maturity. 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.

The carrying amount of the City's cash and investments totaled \$2,745,541 at December 31, 2024 as summarized below:

Deposits With Financial Institutions	\$ 1,000,264
STAROhio	<u>1,745,277</u>
Total Cash and Investments	<u>\$ 2,745,541</u>

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$329,910 of the City's bank balance of \$1,020,338 was exposed to custodial credit risk because it was uninsured and potentially uncollateralized. Although all statutory requirements for the deposit of money have been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

- Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

All of the City's financial institutions participate in the Ohio Pooled Collateral System (OPCS) and were approved for a collateral floor at 85 percent resulting in the uninsured and uncollateralized balances.

Investments

As of December 31, 2024, the City had \$1,745,277 invested in STAROhio. STAROhio investments mature in 12 months or less.

Interest Rate Risk: The City does not have an investment policy other than State statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that investment must be purchased with the expectation that it will be held to maturity.

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Credit Risk: The City's investment in STAROhio was rated AAA by Standard & Poor's. State statute only addresses credit risk by limiting the investments that may be purchased to those offered by specifically identified issuers.

Concentration of Credit Risk: The City places no limit on the amount it may be invested in any one issuer. Of the City's total investments, 100% is in STAROhio.

Note 4 - Receivables

Receivables at December 31, 2024 consisted primarily of municipal income taxes, property and other taxes, payments in lieu of taxes, intergovernmental receivables arising from entitlements and accounts receivable.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Real property taxes collected in 2024 were levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35% of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2024 public utility property taxes which became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

The assessed values of real and personal property upon which 2024 property tax receipts were based are as follows:

Real Property – Residential & Agricultural	\$ 134,825,840
Real Property – Commercial, Industrial & Other	18,797,420
Public Utility (Personal Property)	<u>10,254,690</u>
Total Valuation	<u>\$ 163,877,950</u>

Real property taxes are payable annually or semi-annually. If paid annually, the 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.

The County Treasurer collects property taxes on behalf of all taxing Districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2024 and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, they were not levied to finance 2024 operations. The receivable is therefore offset by deferred inflows of resources.

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Note 5 – Income Taxes

The City levies a 1.5% income tax on wages, salaries, commissions and other compensation in addition to net profits of business activity. The tax applies to all income earned within the City plus income earned by residents who earned income outside the City.

Employers within the City withhold income tax on employee compensation and remit at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly based on an annual declaration and file an annual tax return.

Note 6 - Risk Management

The City 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 City carries commercial general liability insurance against risks and all other risks of loss, including workers' compensation and employee health and accident insurance. More information about the City's health insurance program is detailed in Note 15. For 2024, 2023 and 2022 settlement amounts did not exceed insurance coverage limits and there has been no significant reduction in insurance coverage from 2023.

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Note 7 - Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>1/1/2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/2024</u>
Governmental Activities				
Capital Assets, not Being Depreciated:				
Land	\$ 468,528	\$ -	\$ -	\$ 468,528
Construction in Progress	1,017,941	4,486,635	56,149	5,448,427
	<u>1,486,469</u>	<u>4,486,635</u>	<u>56,149</u>	<u>5,916,955</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	2,878,010	693,752	-	3,571,762
Machinery and Equipment	1,200,151	125,994	-	1,326,145
Infrastructure	6,456,258	-	-	6,456,258
	<u>10,534,419</u>	<u>819,746</u>	<u>-</u>	<u>11,354,165</u>
Total Assets at Historical Cost	<u>12,020,888</u>	<u>5,306,381</u>	<u>56,149</u>	<u>17,271,120</u>
Less Accumulated Depreciation:				
Buildings and Improvements	1,356,870	94,270	-	1,451,140
Machinery and Equipment	819,653	69,775	-	889,428
Infrastructure	1,205,436	179,922	-	1,385,358
	<u>3,381,959</u>	<u>343,967</u>	<u>-</u>	<u>3,725,926</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,638,929</u>	<u>\$ 4,962,414</u>	<u>\$ 56,149</u>	<u>\$ 13,545,194</u>
Business-Type Activities				
Capital Assets, being depreciated:				
Machinery and Equipment	\$ 130,950	\$ -	\$ -	\$ 130,950
Total Assets at Historical Cost	<u>\$ 130,950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,950</u>
Less Accumulated Depreciation:				
Machinery and Equipment	112,298	4,388	-	116,686
Total Accumulated Depreciation	<u>112,298</u>	<u>4,388</u>	<u>-</u>	<u>116,686</u>
Business-Type Activities Capital Assets, Net	<u>\$ 18,652</u>	<u>\$ (4,388)</u>	<u>\$ -</u>	<u>\$ 14,264</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 76,359
Public Safety	19,473
Leisure Time Activities	21,238
Transportation and Street Repair	226,897
	<u>\$ 343,967</u>

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Note 8 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the City during 2024 follows:

	Amount			Amount		Amounts Due in One Year
	Outstanding 1/1/2024	Additions	Deletions	Outstanding 12/31/2024		
Governmental Activities						
Unvoted General Obligation Bonds						
Current Interest Bonds						
Interest Varies from 2.00% to 3.50%						
Series 2012 Municipal Building	\$ 1,035,000	\$ -	\$ 160,000	\$ 875,000	\$ 165,000	
Series 2021 Infrastructure - 2.50%	975,000	-	50,000	925,000	75,000	
Direct Borrowing - SIB Loan - 3.00%	292,570	99,976	35,339	357,207	50,557	
Premium	76,689	-	14,493	62,196	-	
Total Long-Term Bond - Principal	<u>2,379,259</u>	<u>99,976</u>	<u>259,832</u>	<u>2,219,403</u>	<u>290,557</u>	
Other Long-Term Obligations						
Direct Borrowing - OPWC Note Payable	39,400	-	7,162	32,238	7,162	
Compensated Absences	181,255	117,648	121,509	177,394	99,155	
Total Other Long-Term Obligations	<u>220,655</u>	<u>117,648</u>	<u>128,671</u>	<u>209,632</u>	<u>106,317</u>	
Total Governmental Activities	<u>\$ 2,599,914</u>	<u>\$ 217,624</u>	<u>\$ 388,503</u>	<u>\$ 2,429,035</u>	<u>\$ 396,874</u>	

The municipal building bonds were issued in 2012 to refinance the outstanding debt related to the City's municipal building.

The Series 2021 infrastructure bonds were issued to finance improvements connected with the City's Wentworth development project.

The State Infrastructure Bank Loan (SIB) was issued in 2023 and 2024 and the City is drawing loan proceeds as the project continues to finance a portion of a multi-use path that was constructed in the City.

The note payable to the Ohio Public Works Commission is due in semi-annual installments of \$3,581. The terms of the note agreement state that it is interest free. The final payment on the note is due in January 2029.

Compensated absences will be paid from the fund from which the employee is paid. Historically, this is the General Fund.

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Principal and interest requirements to retire the long-term debt obligations at December 31, 2024, are as follows:

Year Ending December 31	Series 2012 Bonds			Series 2021 Bonds		
	Principal	Interest		Principal	Interest	
2025	\$ 165,000	\$ 29,115		\$ 75,000	\$ 23,125	
2026	165,000	24,000		125,000	21,250	
2027	175,000	18,638		145,000	18,125	
2028	180,000	12,950		140,000	14,500	
2029	190,000	6,650		150,000	11,000	
2030-2031	-	-		290,000	10,875	
Total	\$ 875,000	\$ 91,353		\$ 925,000	\$ 98,875	
Year Ending December 31	SIB Loan			Total		
	Principal	Interest		Principal	Interest	
2025	\$ 50,557	\$ 11,210		\$ 290,557	\$ 63,450	
2026	52,085	9,708		342,085	54,958	
2027	53,659	8,161		373,659	44,924	
2028	55,281	6,567		375,281	34,017	
2029	56,952	4,925		396,952	22,575	
2030-2031	88,673	4,199		378,673	15,074	
Total	\$ 357,207	\$ 44,770		\$ 2,157,207	\$ 234,998	

Principal and interest requirements to retire the OPWC note payable at December 31, 2024, are as follows:

Year Ending December 31	Principal	Interest
2025	\$ 7,162	\$ -
2026	7,162	-
2027	7,162	-
2028	7,162	-
2029	3,590	-
Total	\$ 32,238	\$ -

Note 9 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

City employees, other than police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: the Traditional Pension Plan, a defined benefit plan; the Combined Plan, a hybrid defined benefit/defined contribution plan; and the Member-Directed Plan, a defined contribution plan. Effective January 1, 2022 the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS. While members (e.g. City employees) may elect the member-directed plan, and previously could elect the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group.

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The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information):

Group A	Group B	Group C
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
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2020, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2024 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	*	**
2024 Actual Contribution Rates			
Employer:			
Pension	14.0%	18.1%	18.1%
Post-employment Health Care Benefits	0.0%	0.0%	0.0%
Total Employer	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$127,260 for 2024. Of this amount, \$10,605 is reported as a liability at December 31, 2024.

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

City full-time police participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164. Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

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

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

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

	<u>Police</u>	<u>Firefighters</u>
2024 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2024 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50%	0.50%
 Total Employer	 <u>19.50%</u>	 <u>24.00%</u>
 Employee	 12.25%	 12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$195,046 for 2024. Of this amount, \$16,254 is reported as a liability at December 31, 2024.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	\$ 1,339,222	\$ 2,733,983	\$ 4,073,205
Proportion of the Net Pension Liability			
Current Measurement Date	0.005115%	0.028298%	
Prior Measurement Date	0.005107%	0.027331%	
Change in Proportionate Share	<u>0.000008%</u>	<u>0.000967%</u>	
Pension Expense	\$ 123,224	\$ 220,964	\$ 344,188

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 270,312	\$ 282,356	\$ 552,668
Changes in employer proportion and differences between contributions and proportionate share of contributions	6,497	76,606	83,103
Differences between expected and actual experience	21,888	87,768	109,656
Change in Assumptions	-	179,165	179,165
Entity contributions subsequent to the measurement date	127,260	195,046	322,306
Total Deferred Outflows of Resources	\$ 425,957	\$ 820,941	\$ 1,246,898
 Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 32,014	\$ 32,014
Change in Assumptions	-	40,100	40,100
Changes in employer proportion and differences between contributions and proportionate share of contributions	12,923	113,707	126,630
Total Deferred Inflows of Resources	\$ 12,923	\$ 185,821	\$ 198,744

The City reported \$322,306 as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2025	\$ 59,148	\$ 96,902	\$ 156,050
2026	92,619	122,266	214,885
2027	172,498	203,747	376,245
2028	(38,491)	(11,289)	(49,780)
2029	28,448	28,448	28,448
Total	\$ 285,774	\$ 440,074	\$ 725,848

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are

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subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

	<u>Current Measurement Period</u>	<u>Prior Measurement Period</u>
Measurement and Valuation Date	December 31, 2023	December 31, 2022
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (includes wage inflation at 2.75%)	2.75% to 10.75% (includes wage inflation at 2.75%)
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3.00% simple Post-1/7/2013 Retirees: 3.00% simple through 2024, then 2.05% simple	Pre-1/7/2013 Retirees: 3.00% simple Post-1/7/2013 Retirees: 3.00% simple through 2023, then 2.05% simple

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

The discount rate used to measure the total pension liability was 6.9% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a longterm objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation

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percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2% for 2023.

The following table presents the net pension liability or asset calculated using the discount rate of 6.9%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	Current		
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)	\$ 2,108,147	\$ 1,339,222	\$ 699,527

Actuarial Assumptions – OPF

The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new

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estimates are made about the future. A comprehensive experience study was performed during 2022 by OP&F's actuary and completed as of December 31, 2021. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.03 years at December 31, 2023.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

	Current Measurement Date	Prior Measurement Date
Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption		
Experience Study Date	5 Year Period Ended December 31, 2021	5 Year Period Ended December 31, 2021
Investment Rate of Return	7.50%	7.50%
Cost of Living Increases	2.20% Per Year Simple	2.20% Per Year Simple
Salary Increases	3.75% to 10.50%	3.75% to 10.50%
Payroll Growth	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.5%	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.5%

Healthy Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

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Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The long-term expected rate of return on pension plan investments was determined using a buildingblock method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60%	4.10%
Non-US Equity	12.40%	4.90%
Private Markets	10.00%	7.30%
Core Fixed Income*	25.00%	2.40%
High Yield Fixed Income	7.00%	4.10%
Private Credit	5.00%	6.80%
U.S Inflation Linked Bonds*	15.00%	2.10%
Midstream Energy Infrastructure	5.00%	5.80%
Real Assets	8.00%	6.00%
Gold	5.00%	3.50%
Private Real Estate	12.00%	5.40%
Commodities	2.00%	3.50%
	125.00%	

Note: Assumptions are geometric

* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be

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computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payment of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Net pension liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 6.50 percent, or one percentage point higher, 8.50 percent, than the current rate:

	Current		
	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$ 3,621,357	\$ 2,733,983	\$ 1,996,035

Note 10 – Postemployment Benefits

Net OPEB Liability/(Asset)

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/(asset). Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The

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retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan, a defined benefit plan; the Combined Plan, a hybrid defined benefit/defined contribution plan; and the Member-Directed Plan, a defined contribution plan. Effective January 1, 2022 the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill 33 which allows for the consolidation of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS.

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 to qualifying benefit recipients of both the Traditional Pension and Combined plans. This trust is also used to fund health care for Member-Directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other post employment benefit (OPEB) as described in GASB Statement No. 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 requiring 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.

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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0 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. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. For 2023, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan and the employer contribution as a percent of covered payroll deposited for the Combined Plan and Member-Directed Plan health care programs in 2023 was 2.0% and 4.0%, respectively

The City's contractually required contribution was \$0 for 2024.

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

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees.

On January 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model replaced the self-insured group health care plan that had been in place. OP&F has contracted with a vendor who can assist eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24.0 percent of covered payroll for police employer units and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 and 24.0 percent of covered payroll for police employer units and fire employer units, respectively. Active members do not make contributions to the OPEB plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2024, the portion of the employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$5,207 for 2024. Of this amount, \$434 is reported as a liability at December 31, 2024.

OPEB Assets and Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2023 and was determined by rolling forward the total OPEB liability as of January 1, 2023 to December 31, 2023. The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability/(Asset):	\$ (43,046)	\$ 206,613	\$ 163,567
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.004769%	0.028298%	
Prior Measurement Date	0.004757%	0.027331%	
Change in Proportionate Share	<u>0.000012%</u>	<u>0.000967%</u>	
 OPEB Expense	 \$ (6,213)	 \$ 5,386	 \$ (827)

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

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$ 25,851	\$ 13,856	\$ 39,707
Changes in employer proportion and differences between contributions and proportionate share of contributions	-	6,058	6,058
Differences between expected and actual experience	-	10,303	10,303
Change in Assumptions	11,082	76,044	87,126
Contributions subsequent to the measurement date	-	5,207	5,207
Total Deferred Outflows of Resources	\$ 36,933	\$ 111,468	\$ 148,401
 Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 6,127	\$ 39,243	\$ 45,370
Change in Assumptions	18,504	130,437	148,941
Changes in employer proportion and differences between contributions and proportionate share of contributions	1,470	32,820	34,290
Total Deferred Inflows of Resources	\$ 26,101	\$ 202,500	\$ 228,601

\$5,207 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (or an increase in the net OPEB asset) in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2025	(2,189)	(12,503)	(14,692)
2026	1,627	(13,387)	(11,760)
2027	20,123	(8,590)	11,533
2028	(8,729)	(19,690)	(28,419)
2029	-	(20,026)	(20,026)
Thereafter	-	(22,043)	(22,043)
Total	\$ 10,832	\$ (96,239)	\$ (85,407)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include

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assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members.

The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	Current Measurement Period	Prior Measurement Period
Actuarial Valuation Date	December 31, 2022	December 31, 2021
Rolled-Forward Measurement Date	December 31, 2023	December 31, 2022
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Single Discount Rate	5.70%	5.22%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	3.77%	4.05%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes Wage Inflation at 2.75%)	2.75% to 10.75% (Includes Wage Inflation at 2.75%)
Health Care Cost Trend Rate	5.50% Initial, 3.50% Ultimate in 2038	5.50% Initial, 3.50% Ultimate in 2036

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

A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care

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fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average
		Long-Term Expected
Fixed Income	37.00%	2.82%
Domestic Equities	25.00%	4.27%
Real Estate Investment Trusts	5.00%	4.68%
International Equities	25.00%	5.16%
Risk Parity	3.00%	4.38%
Other investments	5.00%	2.43%
 Total	 <u>100.00%</u>	

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

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70 percent, as well as what the City's proportionate

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share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
City's proportionate share of the net OPEB liability (asset)	\$ 23,654	\$ (43,046)	\$ (98,289)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	1% Decrease	Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	\$ (44,829)	\$ (43,046)	\$ (41,013)

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

Actuarial Assumptions – OP&F

The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

	Current Measurement Date	Prior Measurement Date
Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption		
Experience Study Date	5 Year Period Ended December 31, 2021	5 Year Period Ended December 31, 2021
Investment Rate of Return	7.50%	7.50%
Cost of Living Adjustments	2.20% Simple Per Year	2.20% Simple Per Year
Salary Increases	3.50% to 10.50%	3.75% to 10.50%
Payroll Growth	3.25%	3.25%
Projected Depletion Year of		
OPEB Assets	2038	2036
Single Discount Rate	4.07%	4.27%
Municipal Bond Rate	3.38%	3.65%

Healthy Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

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The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60%	4.10%
Non-US Equity	12.40%	4.90%
Private Markets	10.00%	7.30%
Core Fixed Income*	25.00%	2.40%
High Yield Fixed Income	7.00%	4.10%
Private Credit	5.00%	6.80%
U.S Inflation Linked Bonds*	15.00%	2.10%
Midstream Energy Infrastructure	5.00%	5.80%
Real Assets	8.00%	6.00%
Gold	5.00%	3.50%
Private Real Estate	12.00%	5.40%
Commodities	2.00%	3.50%
	125.00%	

Note: Assumptions are geometric

* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

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Net OPEB liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.07 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 3.07 percent, or one percentage point higher, 5.07 percent, than the current rate:

	Current		
	1% Decrease (3.07%)	Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$ 254,489	\$ 206,613	\$ 166,291

Note 11 – Interfund Activity

During 2024 transfers were used to move unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds, in accordance with budgetary authorizations.

During 2024, advances were used to advance funds from the Road Levy Fund to other capital project funds that were being used to construct various roadway projects in the City.

At December 31, 2024, The General Fund had an open advance of \$78,066 to the St. John's Connector Fund (nonmajor governmental fund) and the Road Levy Fund had open advances of \$420,149 and \$18,320, from the Plainfield and Blue Ash Road Fund and the Blue Ash Road Improvement Fund (nonmajor governmental fund), respectively.

Note 12 – Joint Venture

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

The Fire District Board of Trustees consists of eight trustees, with each City appointing four of the trustees. The City's ability to effect operations is limited to its representation on the Board.

The funding for the operation of the Fire District is provided by tax revenues from a continuing levy approved by the electorate of both cities. There is no explicit and measurable equity interest in the fire District. The City has an ongoing financial responsibility, because the continued existence of the joint venture depends on the City's contributions. The Joint Fire District is not accumulating significant financial resources or experiencing fiscal distress that may cause additional burden to the City.

Note 13 – Contingent Liabilities

At times, the City may be a party to legal proceedings seeking damages. The City's management is of the opinion that the ultimate disposition of the various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by grantor agencies or their representatives. Any disallowed claims, including amounts

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For The Year Ended December 31, 2024

already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial

Note 14 – Compliance and Accountability

At year-end, the City had a modified-accrual-based-deficit balance in the St. John's Connector Fund, Blue Ash Road Improvement Fund and in the Plainfield and Blue Ash Road Fund. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The City was in noncompliance with ORC 5705.41(D).

Note 15 – Jefferson Health Plan

The City is a member of the Center for Local Government Benefits Pool (CLGBP) which is a member of the Jefferson Health Plan (JHP). JHP is a jointly governed organization established as a joint insurance pool. As of December 31, 2024, JHP had over 100 members. JHP provides medical, dental and prescription benefit coverage.

JHP is governed by a nine-member board of trustees elected from all members. The board is responsible for the business and financial affairs of the JHP. Member contributions are calculated annually to produce a sufficient sum of money within the self-insurance pool to fund administrative expenses and to create adequate reserves for claims. The City has no explicit and measurable equity interest in JHP and no ongoing financial responsibility to JHP.

Note 16 – Joint Economic Development Zone

The City participates in a Joint Economic Development Zone (JEDZ) with Sycamore Township. The purpose of the JEDZ is to facilitate economic development and improve the welfare of people in the area of the JEDZ.

Under the terms of the JEDZ with Sycamore Township, the City of Deer Park receives 10% of the net income tax revenues collected and is entitled to an administrative fee from the JEDZ to cover the cost of collecting the income taxes. The JEDZ related activity is included as a Custodial Fund within the City's financial statements.

Note 17 – Tax Abatements

The City does not have any tax abatements that are required to be disclosed in accordance with GASB Statement No. 77.

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Note 18 – Change in Accounting Principles

For 2024, GASB Statement No. 100, *Accounting Changes and Error Corrections*, and GASB Statement No. 101, *Compensated Absences*, were effective.

GASB 100 effected beginning fund balances on the *Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds* as the City had a change within the reporting entity as the Street Maintenance Fund moved from a nonmajor fund to a major fund based on the quantitative thresholds for major funds. This change was displayed separately on the *Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds*.

GASB 101 had no effect on beginning net position/fund balance as the City's methodology for recording compensated absences was already in compliance with *the more likely than not* guidance that was formalized under GASB 101 for determining when to report compensated absences.

REQUIRED SUPPLEMENTARY INFORMATION

City of Deer Park
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Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Taxes	\$ 2,400,000	\$ 2,400,000	\$ 3,151,023	\$ 751,023
Charges for Services	80,000	80,000	152,743	72,743
Fees, Licenses, and Permits	40,000	40,000	37,202	(2,798)
Fines and Forfeitures	5,000	5,000	31,941	26,941
Intergovernmental	173,000	173,000	333,136	160,136
Interest	10,010	10,010	119,094	109,084
Other	-	-	14,329	14,329
Total Revenues	2,708,010	2,708,010	3,839,468	1,131,458
Expenditures				
Current:				
General Government	1,844,932	1,838,532	1,775,611	62,921
Public Safety	1,567,472	1,689,359	1,655,647	33,712
Leisure Time Activities	54,400	67,900	18,760	49,140
Transportation and Street Repair	151,960	13,960	4,680	9,280
Economic Development	52,500	61,000	5,007	55,993
Debt Service:				
Principal Retirement and Interest	7,163	208,074	201,237	6,837
Total Expenditures	3,678,427	3,878,825	3,660,942	217,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	(970,417)	(1,170,815)	178,526	1,349,341
Other Financing Sources (Uses)				
Transfers Out	(215,922)	(954,264)	(954,264)	-
Total Other Financing Uses	(215,922)	(954,264)	(954,264)	-
Net Change in Fund Balance	(1,186,339)	(2,125,079)	(775,738)	1,349,341
Fund Balance at Beginning of Year	1,689,985	1,689,985	1,689,985	-
Fund Balance at End of Year	\$ 503,646	\$ (435,094)	\$ 914,247	\$ 1,349,341

See accompanying notes to the required supplementary information.

City of Deer Park
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 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Road Levy Fund
 For the Year Ended December 31, 2024

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Taxes	\$ 224,000	\$ 224,000	\$ 216,817	\$ (7,183)
Intergovernmental	6,000	6,000	76,764	70,764
Total Revenues	230,000	230,000	293,581	63,581
Expenditures				
Current:				
Transportation and Street Repair	200,000	430,303	523,723	(93,420)
Debt Service:				
Principal Retirement and Interest	-	44,697	44,697	-
Total Expenditures	200,000	475,000	568,420	(93,420)
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,000	(245,000)	(274,839)	(29,839)
Other Financing Sources (Uses)				
Proceeds from Loan	-	-	99,976	99,976
Advances Out	-	(438,469)	(438,469)	-
Total Other Financing Uses	-	(438,469)	(338,493)	99,976
Net Change in Fund Balance	30,000	(683,469)	(613,332)	70,137
Fund Balance at Beginning of Year	748,538	748,538	748,538	-
Fund Balance at End of Year	\$ 778,538	\$ 65,069	\$ 135,206	\$ 70,137

See accompanying notes to the required supplementary information.

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Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 480,000	\$ 480,000	\$ 380,182	\$ (99,818)
Total Revenues	480,000	480,000	380,182	(99,818)
Expenditures				
Current:				
Transportation and Street Repair	513,064	547,064	321,780	225,284
Capital Outlay	-	2,000	1,945	55
Total Expenditures	513,064	549,064	323,725	225,339
Net Change in Fund Balance	(33,064)	(69,064)	56,457	125,521
Fund Balance at Beginning of Year	413,184	413,184	413,184	-
Fund Balance at End of Year	\$ 380,120	\$ 344,120	\$ 469,641	\$ 125,521

See accompanying notes to the required supplementary information.

City of Deer Park
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Ten Years

	2024	2023	2022	2021	2020
Entity's Proportion of the Net Pension Liability	0.0051150%	0.0051070%	0.0055500%	0.0055310%	0.0051400%
Entity's Proportionate Share of the Net Pension Liability	\$ 1,339,222	\$ 1,508,634	\$ 482,861	\$ 819,013	\$ 1,016,037
Entity's Covered Payroll	\$ 872,329	\$ 785,846	\$ 741,818	\$ 811,300	\$ 700,942
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	153.52%	191.98%	65.09%	100.95%	144.95%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%
	2019	2018	2017	2016	2015
Entity's Proportion of the Net Pension Liability	0.0050150%	0.0048600%	0.0052693%	0.0051191%	0.0051970%
Entity's Proportionate Share of the Net Pension Liability	\$ 1,373,438	\$ 762,434	\$ 1,196,577	\$ 886,694	\$ 626,819
Entity's Covered Payroll	\$ 668,891	\$ 656,953	\$ 694,495	\$ 662,086	\$ 643,063
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	205.33%	116.06%	172.29%	133.92%	97.47%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%

Amounts presented as of the Entity's measurement date which is the prior fiscal year end.

Notes to Schedule:

Change in Assumptions - In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

In 2019, a reduction of the discount rate was made from 7.5% to 7.2%.

Change in Assumptions - In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in the wage inflation rate from 3.25% to 2.75%, and transition from the RP-2014 mortality tables to the MP-2020 mortality tables.

City of Deer Park
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Ten Years

	2024	2023	2022	2021	2020
Entity's Proportion of the Net Pension Liability	0.0282980%	0.0273310%	0.0293430%	0.0296810%	0.0303800%
Entity's Proportionate Share of the Net Pension Liability	\$ 2,733,983	\$ 2,596,211	\$ 1,833,186	\$ 2,023,362	\$ 2,046,555
Entity's Covered Payroll	\$ 889,426	\$ 823,484	\$ 833,702	\$ 806,334	\$ 802,515
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	307.39%	315.27%	219.89%	250.93%	255.02%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	63.63%	62.90%	75.03%	70.65%	69.89%
	2019	2018	2017	2016	2015
Entity's Proportion of the Net Pension Liability	0.0317110%	0.0317420%	0.0330100%	0.0321079%	0.0320366%
Entity's Proportionate Share of the Net Pension Liability	\$ 2,588,441	\$ 1,948,148	\$ 2,090,822	\$ 2,065,521	\$ 1,659,629
Entity's Covered Payroll	\$ 806,037	\$ 745,972	\$ 788,602	\$ 814,688	\$ 673,819
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	321.13%	261.16%	265.13%	253.54%	246.30%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	63.07%	70.91%	68.36%	66.77%	72.20%

Amounts presented as of the Entity's measurement date which is the prior fiscal year end.

Notes to Schedule:

Change in Assumptions - In 2018, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2016. Significant changes included a reduction of the discount rate from 8.25% to 8.0%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

Change in Assumptions - In 2022, significant changes included a reduction of the discount rate from 8.00% to 7.50%.

City of Deer Park
 Required Supplementary Information
 Schedule of City Contributions - Pension
 Ohio Public Employees Retirement System - Traditional Plan
 Last Ten Years

	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ 127,260	\$ 122,126	\$ 110,235	\$ 112,949	\$ 108,734
Contributions in Relation to the Contractually Required Contribution	<u>(127,260)</u>	<u>(122,126)</u>	<u>(110,235)</u>	<u>(112,949)</u>	<u>(108,734)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 908,996	\$ 872,329	\$ 785,846	\$ 741,818	\$ 811,300
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%
	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 100,552	\$ 97,425	\$ 73,994	\$ 104,105	\$ 89,470
Contributions in Relation to the Contractually Required Contribution	<u>(100,552)</u>	<u>(97,425)</u>	<u>(73,994)</u>	<u>(104,105)</u>	<u>(89,470)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 700,942	\$ 668,891	\$ 656,953	\$ 694,495	\$ 662,086
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	12.00%

City of Deer Park
 Required Supplementary Information
 Schedule of City Contributions - Pension
 Ohio Police and Fire Pension Fund
 Last Ten Years

	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ 195,046	\$ 168,929	\$ 156,404	\$ 158,345	\$ 153,147
Contributions in Relation to the Contractually Required Contribution	(195,046)	(168,929)	(156,404)	(158,345)	(153,147)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 1,026,938	\$ 889,426	\$ 823,484	\$ 833,702	\$ 806,334
Contributions as a Percentage of Covered Payroll	19.00%	19.00%	19.00%	19.00%	19.00%
	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 152,421	\$ 156,790	\$ 146,079	\$ 143,572	\$ 140,360
Contributions in Relation to the Contractually Required Contribution	(152,421)	(156,790)	(146,079)	(143,572)	(140,360)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 802,515	\$ 806,037	\$ 745,972	\$ 788,602	\$ 814,688
Contributions as a Percentage of Covered Payroll	19.00%	19.00%	19.00%	19.00%	19.00%

City of Deer Park
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability/(Asset)
Ohio Public Employees Retirement System
Last Eight Years *

	2024	2023	2022	2021	2020
Entity's Proportion of the Net OPEB Liability/(Asset)	0.0047690%	0.0047570%	0.0051650%	0.0051510%	0.0047870%
Entity's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (43,046)	\$ 29,991	\$ (161,781)	\$ (91,768)	\$ 661,242
Entity's Covered Payroll	\$ 872,329	\$ 785,846	\$ 741,818	\$ 811,300	\$ 700,942
Entity's Proportionate Share of the Net OPEB Liability/ (Asset) as a Percentage of its Covered Payroll	-4.93%	3.82%	-21.81%	-11.31%	94.34%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability/(Asset)	107.76%	94.79%	128.23%	115.57%	47.80%
	2019	2018	2017		
Entity's Proportion of the Net OPEB Liability/(Asset)	0.0046700%	0.0045550%	0.0049510%		
Entity's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 608,825	\$ 494,681	\$ 500,038		
Entity's Covered Payroll	\$ 668,891	\$ 656,953	\$ 694,495		
Entity's Proportionate Share of the Net OPEB Liability/ (Asset) as a Percentage of its Covered Payroll	91.02%	75.30%	72.00%		
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability/(Asset)	46.33%	54.14%	54.04%		

* Information prior to 2017 is not available.

Amounts presented as of the Entity's measurement date which is the prior fiscal year end.

Notes to Schedule:

Change in Assumptions - In 2018, the single discount rate changed from 4.23% to 3.85%.

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

In 2020, the single discount rate changed from 3.96% to 3.16%. The municipal bond rate changed from 3.71% to 2.75%, and the health care cost trend rate changed from 10.0% to 10.5%.

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

In 2022, The municipal bond rate changed from 2.00% to 1.84%, and the health care cost trend rate changed from 8.5% initial, 3.50% ultimate in 2035 to 5.5% initial, 3.50% ultimate in 2034.

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

In 2024, the single discount rate changed from 5.22% to 5.70%, the municipal bond rate changed from 4.05% to 3.77%, and the health care cost trend rate changed from 5.50% initial, 3.50% ultimate in 2036 to 5.50% initial, 3.50% ultimate in 2038.

City of Deer Park
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net OPEB Liability
 Ohio Police and Fire Pension Fund
 Last Eight Years *

	2024	2023	2022	2021	2020
Entity's Proportion of the Net OPEB Liability	0.0282980%	0.0273310%	0.0293430%	0.0296810%	0.0303800%
Entity's Proportionate Share of the Net OPEB Liability	\$ 206,613	\$ 194,591	\$ 321,625	\$ 314,472	\$ 300,085
Entity's Covered Payroll	\$ 889,426	\$ 823,484	\$ 833,702	\$ 806,334	\$ 802,515
Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	23.23%	23.63%	38.58%	39.00%	37.39%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	51.90%	52.59%	46.86%	45.42%	47.08%

	2019	2018	2017
Entity's Proportion of the Net OPEB Liability	0.0317110%	0.0317420%	0.0330100%
Entity's Proportionate Share of the Net OPEB Liability	\$ 288,776	\$ 1,798,455	\$ 1,566,912
Entity's Covered Payroll	\$ 806,037	\$ 745,972	\$ 788,602
Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	35.83%	241.09%	198.69%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	46.57%	14.13%	15.96%

* Information prior to 2017 is not available.

Amounts presented as of the Entity's measurement date which is the prior fiscal year end.

Notes to Schedule:

Change in Assumptions - In 2018, the single discount rate changed from 3.79% to 3.24%.

In 2019, the single discount rate changed from 3.24% to 4.66%.

Change in Benefit Terms - Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model, depositing stipends into health reimbursement accounts that retirees will use to be reimbursed for health care expenses.

In 2020, the single discount rate changed from 4.66% to 3.56%.

In 2021, the single discount rate changed from 3.56% to 2.96%.

Change in Assumptions - In 2022, significant changes included a reduction of the discount rate from 8.00% to 7.50%.

Change in Assumptions - In 2023, significant changes included an increase in the single discount rate to 4.27% from 2.84%, and an increase in the municipal bond rate to 3.65% from 2.05%.

Change in Assumptions - In 2024, significant changes included a decrease in the single discount rate to 4.07% from 4.27%, and a decrease in the municipal bond rate to 3.38% from 3.65%.

City of Deer Park
 Required Supplementary Information
 Schedule of City Contributions - OPEB
 Ohio Public Employees Retirement System
 Last Nine Years *

	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	- -	- -	- -	- -	- -
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 908,996	\$ 872,329	\$ 785,846	\$ 741,818	\$ 811,300
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
	2019	2018	2017	2016	
Contractually Required Contribution	\$ -	\$ -	\$ 5,002	\$ 15,097	
Contributions in Relation to the Contractually Required Contribution	- -	- -	<u>(5,002)</u>	<u>(15,097)</u>	
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Entity Covered Payroll	\$ 700,942	\$ 668,891	\$ 656,953	\$ 694,495	
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.76%	2.17%	

* Information prior to 2016 is not available.

City of Deer Park
 Required Supplementary Information
 Schedule of City Contributions - OPEB
 Ohio Police and Fire Pension Fund
 Last Ten Years

	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ 5,207	\$ 4,509	\$ 4,175	\$ 4,227	\$ 4,088
Contributions in Relation to the Contractually Required Contribution	<u>(5,207)</u>	<u>(4,509)</u>	<u>(4,175)</u>	<u>(4,227)</u>	<u>(4,088)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 1,026,938	\$ 889,426	\$ 823,484	\$ 833,702	\$ 806,334
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%
	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 4,069	\$ 4,185	\$ 3,899	\$ 3,833	\$ 3,650
Contributions in Relation to the Contractually Required Contribution	<u>(4,069)</u>	<u>(4,185)</u>	<u>(3,899)</u>	<u>(3,833)</u>	<u>(3,650)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 802,515	\$ 806,037	\$ 745,972	\$ 788,602	\$ 814,688
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%

City of Deer Park
Hamilton County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2024

Note 1 - Summary of Significant Accounting Policies

A. Budgets

An annual appropriated budget is legally required to be prepared for all funds of the City, except for the custodial funds. The Council passes appropriations for each department within each fund and for personal services within each department. The following are the procedures used by the City in establishing the budgetary data reported in the Schedules of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual.

Tax Budget A tax budget of estimated revenues and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 15 of each year for the period January 1 to December 31 of the following year.

Estimated Resources The County Budget Commission determines if the tax budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources that states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate of estimated resources can be further amended during the year if the Council agrees that an estimate needs to be either increased or decreased. The amounts reported in the budgetary schedules as final reflect the amounts in the final amended official certificate of estimated resources issued during 2024.

Appropriations A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year, for the period January 1 to December 31. The appropriation resolution may be supplemented during the year by action of the Council, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The amounts reported as the original budgeted amounts in the budgetary schedules reflect the first appropriated budget that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the schedules of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Lapsing of Appropriations At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

Encumbrances As part of formal budgetary control purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

City of Deer Park
Hamilton County, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2024

Budgetary Basis of Accounting While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for each major governmental fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis schedules for the City's General Fund, Road Levy Fund, and Street Maintenance Fund.

	General Fund	Road Levy Fund	Street Maintenance Fund
GAAP Basis	\$ (782,825)	\$ (208,083)	\$ 13,527
Adjustments:			
Revenue Accruals	(36,711)	-	(2,695)
Expenditure Accruals	43,798	33,220	45,625
Advances Out	<u>-</u>	<u>(438,469)</u>	<u>-</u>
 Budget Basis	 \$ (775,738)	 \$ (613,332)	 \$ 56,457

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

City of Deer Park
Hamilton County
7777 Blue Ash Road
Deer Park, Ohio 45236

To the Members of Council and Mayor:

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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deer Park, Hamilton County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Deer Park's basic financial statements, and have issued our report thereon dated June 13, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Deer Park'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 City of Deer Park's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Deer Park'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 City of Deer Park'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

City of Deer Park
Hamilton County
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Deer Park'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2024-002.

City of Deer Park 's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Deer Park's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City of Deer Park's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 City of Deer Park'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 City of Deer Park's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 13, 2025

**CITY OF DEER PARK
HAMILTON COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2024**

**FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number	2024-001
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Significant Deficiency – Community Center and Shelter Rentals

The City offers a community center and shelter rentals to the citizens of Deer Park and citizens of the surrounding communities. The citizens are required to fill out an application and provide a deposit when renting one of the shelters.

During our testing of rental receipts and inquiry of the City, we found certain rental applications were not being filled out, deposit checks were not being deposited with the City's financial institution, or there was no evidence of a deposit being made. This matter has been referred to the Auditor of State's office.

By not properly filling out applications, depositing deposit checks with the City's financial institution, or ensuring a deposit was made, the City is at risk of theft or lost revenue.

We recommend the City adopt new policies and procedures to ensure all rental applications and deposits are being properly accounted. This will aid the City in their review of receipts and ensure completeness with all associated transactions.

Client Response: The City has adopted new policies and procedures to ensure completeness of all community center and shelter rental transactions.

Finding Number	2024-002
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Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

In addition, amounts of less than \$3,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

The City had approximately 57% of expenditures that were not timely certified, which primarily consisted of those expenditures that were greater than \$3,000 and not affirmed by the tax authority within 30 days from the receipt of a "then and now" certificate to approve payment by resolution or ordinance.

Without timely certification, or a properly executed "then and now" certificate, the City may expend more money than available in the treasury, in the process of collections or in the funds appropriated. It may also result in unnecessary purchases.

We recommend that all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. In addition, expenditures that are not timely certified and exceed \$3,000 should have a properly executed "then and now" certificate approved by the City Council. The Finance Department should consider sending an annual reminder that employees should re-familiarize themselves with this requirement.

Client Response: The City is continually trying to improve its ordering and purchasing process.

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF DEER PARK

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 12/2/2025

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

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