

**VILLAGE OF MORELAND HILLS**  
CUYAHOGA COUNTY, OHIO

**REGULAR AUDIT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2024**



OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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Village Council  
Village of Moreland Hills  
4350 S.O.M. Center Road  
Moreland Hills, Ohio 44022

We have reviewed the *Independent Auditor's Report* of the Village of Moreland Hills, Cuyahoga 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 Village of Moreland Hills is responsible for compliance with these laws and regulations.

KEITH FABER  
Ohio Auditor of State

A handwritten signature in black ink that reads 'Tiffany L. Ridenbaugh'.

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

**August 19, 2025**

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**VILLAGE OF MORELAND HILLS  
CUYAHOGA COUNTY, OHIO**

TABLE OF CONTENTS

Independent Auditor’s Report .....	1 - 3
Management’s Discussion and Analysis .....	5 - 11
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position - Cash Basis.....	12
Statement of Activities - Cash Basis.....	13
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis	
Governmental Funds.....	14
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis	
Governmental Funds.....	15
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and	
Actual - Budget Basis	
General Fund.....	16
Police and Fire Levy Fund.....	17
Streets Construction, Maintenance and Repair Fund.....	18
Notes to the Basic Financial Statements.....	19 - 43
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 <i>Government Auditing Standards</i> .....	44 - 45

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## Independent Auditor's Report

Village of Moreland Hills  
Cuyahoga County  
4350 S.O.M. Center Road  
Moreland Hills, Ohio 44022

To the Members of the Village Council:

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

#### *Opinions*

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Moreland Hills, Cuyahoga County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Village of Moreland Hills' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Moreland Hills, as of December 31, 2024, and the respective changes in cash basis financial position, thereof and the respective budgetary comparisons for the General Fund, the Police and Fire Levy Fund and the Streets Construction, Maintenance and Repair Fund for the year then ended in accordance with the cash basis of accounting described in Note 2.

#### *Basis for Opinions*

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

#### *Emphasis of Matter*

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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



***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2025, on our consideration of the Village of Moreland Hills' 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 Village of Moreland Hills' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Moreland Hills' internal control over financial reporting and compliance.

*Julian & Grube, Inc.*

Julian & Grube, Inc.  
April 25, 2025

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**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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This discussion and analysis of the financial performance of the Village of Moreland Hills, Cuyahoga County, Ohio (the Village), provides an overall review of the Village's financial activities for the year ended December 31, 2024, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

**Highlights**

Key highlights for 2024 are as follows:

- The fund balance of governmental funds increased by approximately \$2,329,000 during 2024. Of the Village's governmental funds, the general fund showed an increase of approximately \$3,290,000.
- The Village's general receipts are primarily income and property taxes. These receipts represent, respectively, 46.30 percent and 24.04 percent of the total cash received for governmental activities during 2024. Income tax receipts in 2024 increased by approximately 23.03 percent due to fluctuations in earnings reported by individual taxpayers. Property tax receipts increased marginally by 1.11 percent due to an increase in assessed values.

**Using the Basic Financial Statements**

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

**Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the Village as a whole.

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

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

**Basis of Accounting**

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

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

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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**Reporting the Village as a Whole**

The statement of net position and the statement of activities reflect how the Village did financially during 2024 within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the Village at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net position and the statement of activities, the Village's funds are expressed as the following:

**Governmental Activities** – The Village's basic services are reported here, including police, fire and streets. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Village's Most Significant Funds**

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are classified as governmental.

**Governmental Funds** – Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental funds are the general fund, the police and fire levy and streets construction, maintenance and repair special revenue fund and the waste water treatment plant expansion capital projects fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

**The Village as a Whole**

Table 1 provides a summary of the Village's net position for 2024 compared to 2023 on a cash basis:

Table 1  
Net Position

	Governmental Activities		
	2024	2023	Change
<b>Assets</b>			
Cash and Cash Equivalents	\$17,639,916	\$15,311,181	\$2,328,735
<b>Net Position</b>			
Restricted:			
Capital Projects	\$1,251,324	\$1,490,338	(\$239,014)
Debt Service	110,278	105,839	4,439
Other Purposes	2,740,809	3,174,601	(433,792)
Unrestricted	13,537,505	10,540,403	2,997,102
<i>Total Net Position</i>	<i>\$17,639,916</i>	<i>\$15,311,181</i>	<i>\$2,328,735</i>

Net position of the governmental activities increased by \$2,328,735 during 2024. This is primarily due to receipts outpacing disbursements during the year. The decrease in charges for services is due to additional funds received from law enforcement activities in the prior year. The increase in operating grants and contributions relates to grants received related to street improvements.

Table 2 reflects the changes in net position for 2024 compared to 2023 and corresponds to the statement of activities.

Table 2  
Change in Net Position

	Governmental Activities		
	2024	2023	Change
<b>Receipts</b>			
Program Receipts:			
Charges for Services	\$812,727	\$968,273	(\$155,546)
Operating Grants and Contributions	892,045	858,283	33,762
Capital Grants	0	186,173	(186,173)
Total Program Receipts	\$1,704,772	\$2,012,729	(\$307,957)

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

Table 2  
Change in Net Position

	Governmental Activities		
	2024	2023	Change
<b>Receipts (continued)</b>			
General Receipts:			
Property Taxes	\$2,925,147	\$2,893,085	\$32,062
Income Taxes	5,633,680	4,578,932	1,054,748
Grants and Entitlements Not			
Restricted to Specific Programs	186,064	188,193	(2,129)
Investment Earnings/Interest	977,457	744,556	232,901
OPWC Loan Issued	33,549	0	33,549
Sale of Capital Assets	95,972	184,025	(88,053)
Miscellaneous	610,642	500,158	110,484
Total General Receipts	10,462,511	9,088,949	1,373,562
Total Receipts	12,167,283	11,101,678	1,065,605
<b>Program Disbursements</b>			
Security of Persons and Property	2,767,383	2,758,936	(8,447)
Public Health Services	25,129	22,876	(2,253)
Community Environment	121,377	108,560	(12,817)
Basic Utility Services	1,883,995	1,923,140	39,145
Transportation	1,988,345	2,253,204	264,859
General Government	2,238,872	2,063,621	(175,251)
Capital Outlay	692,886	251,925	(440,961)
Principal Retirement	96,246	94,086	(2,160)
Interest	24,315	26,354	2,039
Total Disbursements	9,838,548	9,502,702	(335,846)
Change in Net Position	2,328,735	1,598,976	729,759
Net Position Beginning of Year	15,311,181	13,712,205	1,598,976
Net Position End of Year	\$17,639,916	\$15,311,181	\$2,328,735

Program receipts represented 14.01 percent of total receipts during 2024 compared to 18.13 percent in 2023. Program receipts are primarily comprised of charges for services and special assessments against properties for maintenance and expansion of infrastructure and revenues from restricted intergovernmental receipts such as motor vehicle license and gas tax money and grants. During 2024, the Village had a decrease in capital grants due to the ODOT and OPWC grants received in the prior year related to the retaining wall project along South Woodland Road (S.R. 87).

General receipts represent 85.99 percent of the Village's total receipts during 2024, compared to 81.87 percent during 2023. Local municipal income tax and property tax revenues comprise the largest portion of general receipts. General receipts increased in 2024 due to an increase in income tax revenues as well as investment earnings/interest revenue. The large uptick in investment earnings/interest revenue can be attributed to the interest rates improving for investment purposes.

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

Disbursements for general government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, auditor, treasurer, and income tax collections, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, the Village tries to limit these costs. Security of persons and property are the costs of police and fire protection; public health services are County health department fees; community environment activities are the costs of maintaining the Village community activities; and transportation is the cost of maintaining the roads and sewers.

**Governmental Activities**

The statement of activities lists the major services provided by the Village along with a column identifying the costs of providing these services. Typically, the largest program disbursements for governmental activities are for security of persons and property, which accounted for 28.13 percent of all cash disbursements for 2024. Transportation disbursements accounted for 20.20 of total cash disbursement for 2024. Transportation primarily is for upkeep of infrastructure including roads and sewers. General government and basic utility services also represent significant disbursements accounting for 22.76 percent and 19.15 percent of total cash disbursements for 2024, respectively. The next three columns of the statement, entitled "Program Cash Receipts", identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The "Net Receipts (Disbursements) and Changes in Net Position" column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service, which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the statement.

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Security of Persons and Property	\$2,767,383	\$2,758,936	(\$2,604,779)	(\$2,472,489)
Public Health Services	25,129	22,876	(23,634)	(21,361)
Community Environment	121,377	108,560	(114,156)	(101,369)
Basic Utility Services	1,883,995	1,923,140	(1,357,387)	(1,385,238)
Transportation	1,988,345	2,253,204	(1,184,354)	(1,539,604)
General Government	2,238,872	2,063,621	(2,036,019)	(1,783,720)
Capital Outlay	692,886	251,925	(692,886)	(65,752)
Principal Retirement	96,246	94,086	(96,246)	(94,086)
Interest	24,315	26,354	(24,315)	(26,354)
<b>Total Disbursements</b>	<b>\$9,838,548</b>	<b>\$9,502,702</b>	<b>(\$8,133,776)</b>	<b>(\$7,489,973)</b>

**The Village's Funds**

Total governmental funds had receipts of \$12,037,762 and disbursements of \$9,838,548 for 2024. The operations of the Village remained consistent with the preceding fiscal years. During 2024, total receipts and disbursements increased. The Village is carefully monitoring disbursements to ensure that they remain in line with revenues. The general fund showed an increase of fund balance from 2023 to 2024 due, in part, to an increase in income tax receipts as well as a decrease in transfers to other governmental funds compared to the prior year. Additionally, interest income was higher by over 25 percent compared to 2023 due to higher interest rates. This increase was offset by an increase in general government and capital outlay disbursements. The

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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police and fire levy special revenue fund showed a decrease in fund balance due to a decrease in transfers from the general fund when compared to the prior year. During the year, the streets construction, maintenance and repair special revenue had a decrease in fund balance due a decrease in transportation disbursements as well as a decrease in transfers from the general fund. The waste water treatment plant expansion fund reflected a decrease in fund balance from 2023 to 2024 due to an increase to a decrease in capital outlay disbursements compared to the prior year.

**General Fund Budgeting Highlights**

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

During 2024, the Village amended its general fund appropriations several times to reflect changing circumstances. Including other financing uses, final disbursements were budgeted at \$9,268,095, while actual disbursements were \$8,348,368, which includes year-end encumbrances. Although actual receipts exceeded expectations, actual disbursements were reduced. The Village spent significantly less than budgeted as demonstrated by the large reported positive variance. Original budgeted disbursements were slightly lower than the final budgeted disbursements. Actual disbursements were \$214,727 less than final budgeted disbursements due to certain projects being delayed considering the higher than expected material pricing.

**Capital Assets and Debt Administration**

**Capital Assets**

The Village maintains a listing of its capital assets and infrastructure. These records are not required to be presented in the financial statements.

**Outstanding Debt**

At December 31, 2024, the Village's outstanding debt was \$1,058,069, comprising of general obligation bonds, Ohio Public Works Commission loans and police pension loan. For further information regarding the Village's debt, refer to Note 10 to the basic financial statements.

**Current Issues**

The Village continues to be among the area's wealthiest suburbs as reflected in high full value per capita and income measures well above the State and national averages. The Village's moderate tax base is expected to grow at historical rates of around 2 percent. During 2018 the taxpayers approved an additional 3 Mill Levy to support the operations of the Police Department and for the provision of Fire and EMS Services. Together the previous 3 mill levy and the newly approved levy are expected to generate approximately \$1.9 million annually. The Village continues to strive for ways and means to make optimum utilization of available resources. Over the years the Village has joined consortiums and Council of Governments while setting up reserves from surplus balances including an equipment replacement reserve to be used in the event of an economic downturn and to replace major equipment and vehicles. Based on prudent management, financially conservative budgeting practices and maintaining adequate reserves, the Village's financial operations are expected to remain steady despite the current inflationary measures in the economy.



**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Prashant Shah, CPA, Treasurer, Village of Moreland Hills, 4350 S.O.M. Center Road, Moreland Hills, Ohio 44022.

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2024*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$17,639,916
<b>Net Position</b>	
Restricted for:	
Capital Projects	\$1,251,324
Debt Service	110,278
Other Purposes	2,740,809
Unrestricted	13,537,505
<i>Total Net Position</i>	\$17,639,916

See accompanying notes to the basic financial statements

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2024*

	<u>Program Cash Receipts</u>			Net Receipts (Disbursements) and Changes in Net Position
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities</b>				
Current:				
Security of Persons and Property	\$2,767,383	\$27,917	\$134,687	(\$2,604,779)
Public Health Services	25,129	1,495	0	(23,634)
Community Environment	121,377	7,221	0	(114,156)
Basic Utility Services	1,883,995	526,608	0	(1,357,387)
Transportation	1,988,345	57,671	746,320	(1,184,354)
General Government	2,238,872	191,815	11,038	(2,036,019)
Capital Outlay	692,886	0	0	(692,886)
Debt Service:				
Principal Retirement	96,246	0	0	(96,246)
Interest	24,315	0	0	(24,315)
<i>Total Governmental Activities</i>	<u>\$9,838,548</u>	<u>\$812,727</u>	<u>\$892,045</u>	<u>(8,133,776)</u>

**General Receipts**

Property Taxes Levied for:	
General Purposes	1,149,991
Other Purposes	1,775,156
Income Taxes Levied for:	
General Purposes	5,633,680
Grants and Entitlements not	
Restricted to Specific Programs	186,064
Investment Earnings/Interest	977,457
OPWC Loan Issued	33,549
Sale of Assets	95,972
Miscellaneous	610,642
<i>Total General Receipts</i>	<u>10,462,511</u>
Change in Net Position	2,328,735
<i>Net Position Beginning of Year</i>	<u>15,311,181</u>
<i>Net Position End of Year</i>	<u>\$17,639,916</u>

See accompanying notes to the basic financial statements

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2024*

	General	Police and Fire Levy	Streets Construction, Maintenance and Repair	Waste Water Treatment Plant Expansion	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$13,721,600	\$465,380	\$999,708	\$1,229,207	\$1,224,021	\$17,639,916
<b>Fund Balances</b>						
Restricted	\$232,492	\$465,380	\$999,708	\$1,229,207	\$1,175,624	\$4,102,411
Committed	0	0	0	0	48,397	48,397
Assigned	4,583,067	0	0	0	0	4,583,067
Unassigned	8,906,041	0	0	0	0	8,906,041
<i>Total Fund Balances</i>	<u>\$13,721,600</u>	<u>\$465,380</u>	<u>\$999,708</u>	<u>\$1,229,207</u>	<u>\$1,224,021</u>	<u>\$17,639,916</u>

See accompanying notes to the basic financial statements

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2024*

	General	Police and Fire Levy	Streets Construction, Maintenance and Repair	Waste Water Treatment Plant Expansion	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>						
Municipal Income Taxes	\$5,633,680	\$0	\$0	\$0	\$0	\$5,633,680
Property and Other Local Taxes	1,149,991	1,695,447	0	0	79,709	2,925,147
Charges for Services	13,126	0	0	0	14,675	27,801
Fees, Licenses and Permits	240,888	0	0	92,640	0	333,528
Fines, Forfeitures and Settlements	0	0	40,824	0	27,917	68,741
Intergovernmental	186,064	124,051	699,261	0	58,195	1,067,571
Special Assessments	0	0	0	112,745	269,912	382,657
Contributions and Donations	0	0	0	0	10,538	10,538
Investment Earnings/Interest	894,274	0	56,962	0	26,221	977,457
Miscellaneous	494,045	116,597	0	0	0	610,642
<i>Total Receipts</i>	<u>8,612,068</u>	<u>1,936,095</u>	<u>797,047</u>	<u>205,385</u>	<u>487,167</u>	<u>12,037,762</u>
<b>Disbursements</b>						
Current:						
Security of Persons and Property	0	2,136,520	0	0	630,863	2,767,383
Public Health Services	25,129	0	0	0	0	25,129
Community Environment	121,377	0	0	0	0	121,377
Basic Utility Services	1,663,629	0	0	0	220,366	1,883,995
Transportation	283,188	0	1,571,769	0	133,388	1,988,345
General Government	2,176,539	0	0	0	62,333	2,238,872
Capital Outlay	0	0	0	437,228	255,658	692,886
Debt Service:						
Principal Retirement	0	0	0	0	96,246	96,246
Interest	0	0	0	0	24,315	24,315
<i>Total Disbursements</i>	<u>4,269,862</u>	<u>2,136,520</u>	<u>1,571,769</u>	<u>437,228</u>	<u>1,423,169</u>	<u>9,838,548</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,342,206</u>	<u>(200,425)</u>	<u>(774,722)</u>	<u>(231,843)</u>	<u>(936,002)</u>	<u>2,199,214</u>
<b>Other Financing Sources (Uses)</b>						
OPWC Loan Issued	0	0	33,549	0	0	33,549
Sale of Assets	75,750	20,222	0	0	0	95,972
Advances In	207,230	0	0	0	0	207,230
Advances Out	0	0	0	0	(207,230)	(207,230)
Transfers In	0	100,000	600,000	0	635,000	1,335,000
Transfers Out	(1,335,000)	0	0	0	0	(1,335,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,052,020)</u>	<u>120,222</u>	<u>633,549</u>	<u>0</u>	<u>427,770</u>	<u>129,521</u>
<i>Net Change in Fund Balances</i>	<u>3,290,186</u>	<u>(80,203)</u>	<u>(141,173)</u>	<u>(231,843)</u>	<u>(508,232)</u>	<u>2,328,735</u>
<i>Fund Balance Beginning of Year</i>	<u>10,431,414</u>	<u>545,583</u>	<u>1,140,881</u>	<u>1,461,050</u>	<u>1,732,253</u>	<u>15,311,181</u>
<i>Fund Balance End of Year</i>	<u>\$13,721,600</u>	<u>\$465,380</u>	<u>\$999,708</u>	<u>\$1,229,207</u>	<u>\$1,224,021</u>	<u>\$17,639,916</u>

See accompanying notes to the basic financial statements

**Village of Moreland Hills Ohio**  
**Cuyahoga County**  
*Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Receipts</b>				
Municipal Income Taxes	\$4,170,000	\$4,170,000	\$5,633,680	\$1,463,680
Property and Other Local Taxes	1,115,722	1,115,722	1,149,991	34,269
Charges for Services	11,522	11,522	13,126	1,604
Fees, Licenses and Permits	247,625	247,625	240,888	(6,737)
Intergovernmental	189,382	189,578	186,064	(3,514)
Interest	400,000	400,000	894,274	494,274
Miscellaneous	422,853	422,853	494,045	71,192
<i>Total Receipts</i>	<u>6,557,104</u>	<u>6,557,300</u>	<u>8,612,068</u>	<u>2,054,768</u>
<b>Disbursements</b>				
Current:				
Public Health Services	25,000	25,150	25,129	21
Community Environment	207,114	207,114	129,235	77,879
Basic Utility Services	1,762,642	1,826,642	1,791,734	34,908
Transportation	278,128	297,628	286,580	11,048
General Government	4,725,561	4,871,561	4,780,690	90,871
<i>Total Disbursements</i>	<u>6,998,445</u>	<u>7,228,095</u>	<u>7,013,368</u>	<u>214,727</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(441,341)</u>	<u>(670,795)</u>	<u>1,598,700</u>	<u>2,269,495</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	0	0	75,750	75,750
Advances In	207,230	207,230	207,230	0
Transfers Out	(2,040,000)	(2,040,000)	(1,335,000)	705,000
<i>Total Other Financing Sources (Uses)</i>	<u>(1,832,770)</u>	<u>(1,832,770)</u>	<u>(1,052,020)</u>	<u>780,750</u>
<i>Net Change in Fund Balance</i>	(2,274,111)	(2,503,565)	546,680	3,050,245
<i>Fund Balance Beginning of Year</i>	7,555,004	7,555,004	7,555,004	0
Prior Year Encumbrances Appropriated	2,876,410	2,876,410	2,876,410	0
<i>Fund Balance End of Year</i>	<u>\$8,157,303</u>	<u>\$7,927,849</u>	<u>\$10,978,094</u>	<u>\$3,050,245</u>

See accompanying notes to the basic financial statements

**Village of Moreland Hills Ohio**  
**Cuyahoga County**  
*Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual - Budget Basis*  
*Police and Fire Levy Fund*  
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$1,676,083	\$1,676,083	\$1,695,447	\$19,364
Intergovernmental	95,000	95,000	124,051	29,051
Miscellaneous	11,185	11,185	116,597	105,412
<i>Total Receipts</i>	1,782,268	1,782,268	1,936,095	153,827
<b>Disbursements</b>				
Current:				
Security of Persons and Property	2,324,187	2,295,187	2,170,069	125,118
<i>Excess of Receipts Over (Under) Disbursements</i>	(541,919)	(512,919)	(233,974)	278,945
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	0	0	20,222	20,222
Transfers In	300,000	300,000	100,000	(200,000)
<i>Total Other Financing Sources (Uses)</i>	300,000	300,000	120,222	(179,778)
<i>Net Change in Fund Balance</i>	(241,919)	(212,919)	(113,752)	99,167
<i>Fund Balance Beginning of Year</i>	494,249	494,249	494,249	0
Prior Year Encumbrances Appropriated	51,334	51,334	51,334	0
<i>Fund Balance End of Year</i>	\$303,664	\$332,664	\$431,831	\$99,167

See accompanying notes to the basic financial statements

**Village of Moreland Hills Ohio**  
**Cuyahoga County**  
*Statement of Receipts, Disbursements and Changes  
in Fund Balance - Budget and Actual - Budget Basis  
Streets Construction, Maintenance and Repair Fund  
For the Year Ended December 31, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Receipts</b>				
Fines, Forfeitures and Settlements	\$30,000	\$30,000	\$40,824	\$10,824
Intergovernmental	275,358	275,358	699,261	423,903
Interest	15,000	15,000	56,962	41,962
Miscellaneous	781,033	781,033	0	(781,033)
<i>Total Receipts</i>	1,101,391	1,101,391	797,047	(304,344)
<b>Disbursements</b>				
Current:				
Transportation	2,872,269	2,172,269	1,732,013	440,256
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,770,878)	(1,070,878)	(934,966)	135,912
<b>Other Financing Sources (Uses)</b>				
OPWC Loan Issued	0	0	33,549	33,549
Transfers In	1,000,000	1,000,000	600,000	(400,000)
<i>Total Other Financing Sources (Uses)</i>	1,000,000	1,000,000	633,549	(366,451)
<i>Net Change in Fund Balance</i>	(770,878)	(70,878)	(301,417)	(230,539)
<i>Fund Balance Beginning of Year</i>	408,673	408,673	408,673	0
Prior Year Encumbrances Appropriated	732,208	732,208	732,208	0
<i>Fund Balance End of Year</i>	\$370,003	\$1,070,003	\$839,464	(\$230,539)

See accompanying notes to the basic financial statements



**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 1 – Description of the Village and Reporting Entity**

The Village of Moreland Hills (the Village), Cuyahoga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member council elected at large for four year terms. The Mayor is elected to a four-year term.

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

***Primary Government***

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The primary government of the Village of Moreland Hills provides general governmental services, including road maintenance, police service, sanitary/storm sewer facilities, building inspections, and zoning. The Village contracts with the Chagrin Falls Suburban Volunteer Fireman’s Association to provide fire protection and ambulance services.

***Jointly Governed Organizations***

The Village participates in six jointly governed organizations. Note 13 to the financial statements provides additional information for these entities. These organizations are:

Chagrin Valley Dispatch Council – The Chagrin Valley Dispatch Council (CVDC) is a council of governments that oversees police, fire, and emergency dispatch services. CVDC gives each participating community a voice in how the dispatch services are operated.

Chagrin/Southeast Council of Governments – The Chagrin/Southeast Council of Governments is a council of governments that oversees the handling of hazardous materials in the region.

Northeast Ohio Public Energy Council – The Northeast Ohio Public Energy Council is a regional council of governments formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity.

Suburban Water Regional Council of Governments – The Suburban Water Regional Council of Governments is a council of governments formed to represent municipal corporation members in communications, understandings, uniform approaches and exchange of information.

Valley Enforcement Regional Council of Governments – The Valley Enforcement Regional Council of Governments is a council of governments formed to foster cooperation among political subdivisions through sharing of facilities for their common benefit.

Regional Income Tax Agency – The Regional Income Tax Agency is a regional council of government formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection of income taxes on behalf of each member.

The Village’s management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

***Basis of Presentation***

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

***Government-Wide Financial Statements*** The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Village that are governmental in nature and those that are considered business-type. The Village does not have any business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

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

***Fund Accounting***

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

***Governmental Funds***

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

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

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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***Police and Fire Levy Fund*** The police and fire levy special revenue fund is used to account for and report revenues from real estate tax, homestead and rollback and personal property tax money restricted for police, fire, and emergency medical services for the Village.

***Streets Construction, Maintenance and Repair Fund*** The streets construction, maintenance and repair special revenue fund accounts for and reports the portion of the State gasoline tax and motor vehicle license registration fees restricted for maintenance and repair of streets within the Village.

***Waste Water Treatment Plant Expansion Fund*** The waste water treatment plant expansion capital projects fund accounts for and reports a portion of special assessments committed by Council for the purpose of improving, constructing, and purchasing those items necessary to enhance the operation of the Village's waste water systems and pump stations.

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

***Basis of Accounting***

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

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

***Budgetary Process***

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

The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established by Village Council at the fund, department, and within each, the amounts appropriated for personal services, other operations, capital and non-governmental for all funds.

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

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

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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***Cash and Investments***

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

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

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 earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the general fund during 2024 was \$894,274, which includes \$133,937 assigned from other Village funds.

***Inventory and Prepaid Items***

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

***Capital Assets***

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

***Interfund Receivables/Payables***

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

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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***Accumulated Leave***

For 2024, GASB Statement No. 101, *Compensated Absences*, was effective. GASB 101 defines compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have set payment schedule. The Village does not offer noncash settlements.

Village employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

***Employer Contributions to Cost-Sharing Pension Plans***

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

***Long-Term Obligations***

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

***Leases and SBITA***

The Village is the lessor/lessee (as defined by GASB 87) in various leases related to land and other equipment under noncancelable leases. Lease receivables/deferred inflow of resources and intangible right to use asset/lease payables are not reflected under the Village's cash basis of accounting. Lease revenue/disbursements are recognized when they are received/paid.

The Village has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription assets/liabilities are not reflected under the Village's cash basis of accounting. Subscription disbursements are recognized when they are paid.

***Settlement Monies***

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. Subsequently, settlements have been reached with other distributors. For 2024, distributions of \$1,570 are reflected as fines, forfeitures and settlement revenue in the Drug Trafficking Special Revenue Fund in the accompanying financial statements. Settlement monies are not reflected as a receivable under the Village's cash basis of accounting.

***Net Position***

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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restricted for other purposes include resources restricted for street and state highway improvements, police operations, guaranteed deposits and federal and state grants restricted to cash disbursements for specified purposes.

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

***Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute. State statute authorizes the fiscal officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Council assigned fund balance for 2025 operations.

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

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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

***Internal Activity***

Transfers between governmental funds are eliminated on the government-wide financial statements. Internal allocations of overhead disbursements from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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

***New Accounting Pronouncements***

For 2024, GASB Statement No. 100, *Accounting Changes and Error Corrections* was effective. This GASB pronouncement had no effect on beginning net position/fund balance as the Village had no accounting changes or error corrections related to 2024. See *Accumulated leave* section of Note 2 for discussion of the implementation of GASB Statement No. 101, *Compensated Absences*.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund, police and fire levy fund and streets construction, maintenance and repair fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances and are treated as cash disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance (cash basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General	Police and Fire Levy	Streets Construction, Maintenance and Repair
Cash Basis	\$3,290,186	(\$80,203)	(\$141,173)
Encumbrances	(2,743,506)	(33,549)	(160,244)
Budget Basis	\$546,680	(\$113,752)	(\$301,417)

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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#### **Note 4 – Deposits and Investments**

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

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40



**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

---

percent of the interim monies available for investment at any one time if training requirements have been met; and

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

### ***Investments***

As of December 31, 2024, the Village had \$17,510,856 measured at net asset value per share with an average maturity of 27.2 days.

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

***Credit Risk*** The Village has no investment policy dealing with investment credit risk beyond the requirements in State statutes. The Star Ohio investment carried a rating of AAAM by Standards & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization.

### **Note 5 – Income Taxes**

The Village levies a 1 percent income tax whose proceeds are placed into the general fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The Regional Income Tax Agency Administers and collects income taxes for the Village. Payments are remitted monthly net of collection fees of approximately 3.0 percent.

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 6 – Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2024 for real and public utility property taxes represents collections of the 2023 taxes.

2024 real property taxes are levied after October 1, 2024 on the assessed values as of January 1, 2024, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are collected in and intended to finance 2025.

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

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

The full tax rate for all Village operations for the year ended December 31, 2024, was \$10.30 per \$1,000 of assessed value. The assessed values of real property and public utility personal property upon which 2024 property tax receipts were based are as follows:

	2024
Real Property	\$292,829,510
Other Real Estate	6,804,990
Public Utility Property	3,674,690
Total Assessed Value	\$303,309,190

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

**Note 7 – Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024 and 2023, the Village contracted with Wichert Insurance for various types of insurance coverage as follows:

Type of Coverage	2024 Coverage	2023 Coverage	Deductible
Wichert Insurance:			
Blanket Property and Contents, Replacement	\$14,747,735	\$12,760,873	\$1,000
General Liability	2,000,000	2,000,000	0
Automobile Liability	1,000,000	1,000,000	500
Public Officials Liability	1,000,000	1,000,000	5,000
Police Professional Liability	1,000,000	1,000,000	25,000
Employee Benefits	1,000,000	3,000,000	1,000
Inland Marine	806,957	697,133	500
Umbrella Excess Liability	10,000,000	10,000,000	0

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

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

The Village's employee health care is provided by Medical Mutual of Ohio. The Village pays a monthly premium for single, married, and family coverage.

### **Note 8 - Defined Benefit Pension Plans**

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

#### ***Ohio Public Employees Retirement System (OPERS)***

Plan Description – Village employees, other than full-time police, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan.

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

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

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	State and Local	
	Traditional	Combined
<b>2024 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
 <b>2024 Actual Contribution Rates</b>		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
 Total Employer	 14.0 %	 14.0 %
 Employee	 10.0 %	 10.0 %

\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2024, The Village’s contractually required contribution was \$201,102 for the traditional plan, none for the combined plan and \$22,742 for the member-directed plan.

***Ohio Police & Fire Pension Fund (OP&F)***

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

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

---

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

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

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

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

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

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

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

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

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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

Employer contribution rates are expressed as a percentage of covered payroll. The Village’s contractually required contribution to OP&F was \$256,840 for 2024.

In addition to current contributions, the Village pays installments on a specific liability the Village incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2024, the specific liability of the Village was \$46,377 payable in semi-annual payments through the year 2035.

***Social Security***

Two Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2024.

**Note 9 – Defined Benefit OPEB Plans**

***Ohio Public Employees Retirement System (OPERS)***

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. 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. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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

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

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

**Age 65 or older Retirees** Minimum of 20 years of qualifying service credit

**Age 60 to 64 Retirees** Based on the following age-and-service criteria:

**Group A** 30 years of total service with at least 20 years of qualified health care service credit;

**Group B** 31 years of total service credit with at least 20 years of qualified health care service credit;

**Group C** 32 years of total service cred with at least 20 years of qualified health care service credit.

**Age 59 or younger** Based on the following age-and-service criteria:

**Group A** 30 years of qualified health care service credit;

**Group B** 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52;

**Group C** 32 years of qualified health care service credit and at least page 55.

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

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

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
<b>Age and Service Requirements</b> <i>December 1, 2014 or Prior</i>	<b>Age and Service Requirements</b> <i>December 1, 2014 or Prior</i>	<b>Age and Service Requirements</b> <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<b>January 1, 2015 through</b> <i>December 31, 2021</i>	<b>January 1, 2015 through</b> <i>December 31, 2021</i>	<b>January 1, 2015 through</b> <i>December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit



**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

---

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

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

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

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

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

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

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

---

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. 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. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Village's contractually required contribution was \$3,790 for 2024.

***Ohio Police & Fire Pension Fund (OP&F)***

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

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

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

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The Village's contractually required contribution to OP&F was \$6,759 for 2024.

**Note 10 – Long-Term Obligations**

Debt Issue	Rate	Original Issue Amount	Date of Maturity
<i>Governmental Activities</i>			
<i>From Direct Placement/Direct Borrowings:</i>			
2018 General Obligation Bonds	3.13 %	\$1,036,000	12/1/2033
2007 OPWC Loan	1.00	252,719	7/1/2027
2009 OPWC Loan	0.00	121,865	1/1/2030
2013 OPWC Loan	1.00	55,293	1/1/2034
2022 OPWC Loan	0.00	200,000	7/1/2042
2024 OPWC Loan	0.00	33,549	7/1/2044
Police Pension	4.25	110,811	5/15/2035

  

	Balance 12/31/23	Increase	Decrease	Balance 12/31/24	Amounts Due In One Year
<b>Governmental Activities</b>					
<i>From Direct Borrowings/Direct Placements:</i>					
2018 General Obligation Bonds	\$750,000	\$0	(\$64,000)	\$686,000	\$66,000
2007 OPWC Loan	61,336	0	(13,393)	47,943	13,527
2009 OPWC Loan	42,654	0	(6,093)	36,561	6,093
2013 OPWC Loan	30,399	0	(2,760)	27,639	2,788
2022 OPWC Loan	190,000	0	(10,000)	180,000	10,000
2024 OPWC Loan	0	33,549	0	33,549	1,677
<i>Total OPWC Loans</i>	<u>324,389</u>	<u>33,549</u>	<u>(32,246)</u>	<u>325,692</u>	<u>34,085</u>
Police Pension	49,836	0	(3,459)	46,377	3,608
<i>Total Governmental Activities</i>	<u>\$1,124,225</u>	<u>\$33,549</u>	<u>(\$99,705)</u>	<u>\$1,058,069</u>	<u>\$103,693</u>

The general obligation bonds are supported by the full faith and credit of the Village and are payable from unvoted property tax receipts to the extent that other resources are not available. On December 27, 2018, the Village issued general obligation bonds through direct placement in the amount of \$1,036,000 at an interest rate of 3.13 percent. The bonds were issued for capital improvements including upgrades to both the police department and the Village hall building. The bonds were issued for a fifteen year period with final maturity during 2033. The bonds will be retired from the general obligation bond retirement fund.

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

The Village currently has five loans through the Ohio Public Works Commission (OPWC). The first loan from 2007 relates to the Bentleyville Road water main replacement. The loan will be repaid in semiannual installments, including interest, over 20 years. The 2009 OPWC loan relates to the Chagrin Boulevard slope stabilization. This loan will also be repaid in semiannual installments over 20 years. The 2009 OPWC loan is free of interest. The 2013 OPWC loan relates to the Jackson Valley wastewater treatment plant improvements. This loan will be repaid in semiannual installments, including interest, over 20 years. The 2022 OPWC loan relates to the South Woodland Road slide area. This loan will be repaid in semiannual installments over 20 years. The 2022 OPWC loan is free of interest. The 2024 OPWC loan relates to the Chagrin River Road resurfacing. The loan will be repaid in semiannual installments over 20 years. The 2024 OPWC loan is free of interest. The loans will be repaid from property tax receipts. The loans will be repaid out of the general obligation bond retirement fund.

The Village's outstanding OPWC loans from direct borrowings related to governmental activities of \$325,692 contain provisions that in the event of default (1) OPWC may apply fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's Office for collection, and as provided by law, OPWC may require that such payment be taken from the Village's share of county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

The police pension liability relates to the liability the Village incurred when the State of Ohio established the statewide pension system for police and fire in 1967. This liability will be repaid in semiannual installments, including interest, over 68 years. The liability will be repaid out of the general fund and are recorded as functional disbursements on the financial statements.

The following is a summary of the Village's future annual principal and interest requirements for debt:

Year	Direct Borrowing					
	2018 General Obligation Bonds		OPWC Loans		Police Pension	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$66,000	\$21,472	\$34,085	\$715	\$3,608	\$1,933
2026	69,000	19,406	34,249	552	3,762	1,778
2027	71,000	17,246	34,415	386	3,924	1,617
2028	73,000	15,024	27,595	220	4,093	1,448
2029	76,000	12,739	20,672	156	4,268	1,272
2030-2034	331,000	26,323	77,900	338	24,254	3,448
2035-2039	0	0	58,388	0	2,468	52
2040-2044	0	0	38,388	0	0	0
Totals	<u>\$686,000</u>	<u>\$112,210</u>	<u>\$325,692</u>	<u>\$2,367</u>	<u>\$46,377</u>	<u>\$11,548</u>

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2024 was an overall debt margin of \$31,847,465 and an unvoted debt margin of \$16,106,283.

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 11 – Interfund Transfers and Advances**

***Interfund Transfers***

During 2024, the Village made the following transfers:

Transfers To	<u>Transfers From</u> General Fund
Police and Fire Levy	\$100,000
Streets Construction, Maintenance and Repair	600,000
Other Governmental Funds	635,000
Total	<b>\$1,335,000</b>

The above mentioned transfers from/to were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations. The general fund transfers to the above funds were made to provide additional resources for current operations and capital improvements.

***Interfund Advances***

Other governmental funds made advances to the general fund in the amount of \$207,230. This advance was made to return the advance from the general fund in a prior year. As of December 31, 2024, \$71,770 of advances remain outstanding between the general fund and other governmental funds.

**Note 12 – Fund Balances**

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

Fund Balances	General	Police and Fire Levy	Streets Construction, Maintenance and Repair	Waste Water Treatment Plant Expansion	Other Governmental Funds	Total
<u>Restricted to:</u>						
Construction Deposits	\$232,492	\$0	\$0	\$0	\$0	\$232,492
Road Improvements	0	0	999,708	0	385,134	1,384,842
Police Operations	0	465,380	0	0	0	465,380
Drug and Alcohol Education and Enforcement	0	0	0	0	187,216	187,216
Police Pension	0	0	0	0	13,210	13,210
Community Diversion Program	0	0	0	0	8,667	8,667
Law Enforcement Trust	0	0	0	0	114,122	114,122
R U OK	0	0	0	0	1,000	1,000
FEMA	0	0	0	0	500	500
Debt Service	0	0	0	0	110,278	110,278
Sewage Treatment System	0	0	0	0	333,380	333,380
Capital Improvement	0	0	0	0	22,117	22,117
WWTP Expansion	0	0	0	1,229,207	0	1,229,207
<i>Total Restricted</i>	<b>\$232,492</b>	<b>\$465,380</b>	<b>\$999,708</b>	<b>\$1,229,207</b>	<b>\$1,175,624</b>	<b>\$4,102,411</b>

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

Fund Balances	General	Police and Fire Levy	Streets Construction, Maintenance and Repair	Waste Water Treatment Plant Expansion	Other Governmental Funds	Total
<u>Committed to:</u>						
Water Maintenance and Repair	\$0	\$0	\$0	\$0	\$5,497	\$5,497
Property Improvement and Additions	0	0	0	0	22,491	22,491
Other Capital Projects	0	0	0	0	20,409	20,409
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>48,397</u>	<u>48,397</u>
<u>Assigned to:</u>						
2025 Operations	1,839,561	0	0	0	0	1,839,561
Purchases on Order	2,743,506	0	0	0	0	2,743,506
<i>Total Assigned</i>	<u>4,583,067</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,583,067</u>
Unassigned	8,906,041	0	0	0	0	8,906,041
Total Fund Balances	<u>\$13,721,600</u>	<u>\$465,380</u>	<u>\$999,708</u>	<u>\$1,229,207</u>	<u>\$1,224,021</u>	<u>\$17,639,916</u>

In addition to the above fund balance constraints, the Village has a General Fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the Village established a budget stabilization by resolution to provide options to respond to unexpected issues and afford a buffer against shocks and other forms of risk such as revenue volatility, unexpected infrastructure failure, or disaster situations. Expenditures of a recurring nature are not addressed through the use of this arrangement. The Village Council authorized the funding of this arrangement as resources become available in the General Fund. The balance in the reserve at December 31, 2024, is \$2,558,883. The fund balance should not exceed 30 percent of the General Fund average revenues.

**Note 13 – Jointly Governed Organizations**

***Chagrin Valley Dispatch Council***

The Village is a member of the Chagrin Valley Dispatch Council (CVDC), a jointly governed organization. CVDC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. CVDC was formed to promote cooperative arrangements and coordinate action in matters relating to the dispatch of public safety services and the operation of a communications center. During 2024, the Village contributed \$190,787 to CVDC for dispatch services and other emergency related fees (Reverse 911). Financial information can be obtained by contacting the City of Brecksville, 9069 Brecksville Road, Brecksville, Ohio, 44141.

***Chagrin/Southeast Council of Governments***

The Village is a member of the Chagrin/Southeast Council of Governments (the Council). The Council operates the Chagrin/Southeast HazMat Response Team (the Team). The Team was formed in 1990 to assist local fire departments in responding to incidents involving industrial chemicals. The Council has established two subsidiary organizations, the West Shore Hazardous Materials Committee which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team. During 2024, the Village contributed \$3,500 to the Council. Financial information can be obtained by contacting the Village of Glenwillow, 29555 Pettibone Road, Glenwillow, Ohio, 44139.

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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***Northeast Ohio Public Energy Council***

The Village is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised over 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities. NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. During 2024, the Village contributed \$61,716 to NOPEC. Financial information can be obtained by contacting NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

***Suburban Water Regional Council of Governments***

The Village is a member of the Suburban Water Regional Council of Governments (SWRCOG). The organization is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. SWRCOG was formed to represent municipal corporation members in communications, understandings, uniform approaches and exchange of information between the council and the Village of Moreland Hills with respect to water service, system and local operations, rates, maintenance and capital improvements. There are no dues or fees assessed against the members of the council. SWRCOG consists of 70 communities. SWRCOG's Board is comprised of 18 trustees elected from nine regional groups. The Board oversees and manages the operation of SWRCOG. The degree of control exercised by each community is limited to its representation in SWRCOG and on the Board. The Village did not make any payments to SWRCOG during 2024. Financial information can be obtained by contacting the Office of the Executive Secretary of the Cuyahoga County Mayors and City Managers Association, 10107 Brecksville Road, Brecksville, Ohio 44141.

***Valley Enforcement Regional Council of Governments***

The Village is a member of Valley Enforcement Regional Council of Governments (VERCOG), a jointly governed organization. VERCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group ("VEG"), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment. VERCOG is currently comprised of fifteen communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four or more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purposes. During 2024, the Village contributed \$11,000 to VERCOG. Financial information can be obtained by contacting the City of Pepper Pike, 28000 Shaker Blvd., Pepper Pike, Ohio, 44124.

***Regional Income Tax Agency***

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is

**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2024, the total retainer withheld by RITA was \$156,877. This is the maximum amount that can be charged however it is subject to revision after RITA reconciles total retainer for the entire agency and could result in a small refund back to the Village.

**Note 14 – Related Party Transactions**

The Village contracted with Chagrin Valley Engineering, Ltd. to provide services in connection with the construction of public improvements. The Village Engineer is an employee of Chagrin Valley Engineering, Ltd. During 2024, the Village paid \$232,099 to Chagrin Valley Engineering, Ltd.

**Note 15 – Encumbrances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year or soon thereafter were as follows:

General	\$2,743,506
Police and Fire Levy	33,549
Streets Construction, Maintenance and Repair	160,244
WWTP Expansion	2,948
Other Governmental Funds	<u>362,338</u>
Total	<u>\$3,302,585</u>

**Note 16 – Contingent Liabilities**

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

**Note 17 – Asset Retirement Obligations**

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Ohio Revised Code Section 6111.44 requires the Village to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the Village would be responsible to address any public safety issues associated with their waste water treatment facilities. Due to the Village's application of the cash basis of accounting, this long-term obligation is not reported as a liability in the financial statements.



**Village of Moreland Hills, Ohio**  
**Cuyahoga County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 18 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Village expended the remaining available COVID-19 funding consistent with the applicable program guidelines.

**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***

Village of Moreland Hills  
Cuyahoga County  
4350 S.O.M. Center Road  
Moreland Hills, Ohio 44022

To the Members of the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Moreland Hills, Cuyahoga County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Village of Moreland Hills' basic financial statements and have issued our report thereon dated April 25, 2025, wherein we noted the Village of Moreland Hills uses a special purpose framework other than generally accepted accounting principles.

***Report on Internal Control over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

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

Village of Moreland Hills

Cuyahoga 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*

***Purpose of This Report***

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc." The signature is written in black ink and is positioned above the printed name of the firm.

Julian & Grube, Inc.

April 25, 2025

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# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF MORELAND HILLS**

**CUYAHOGA COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/2/2025**

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](http://www.ohioauditor.gov)