

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO**

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Miami Township
Clermont County, Ohio
Statement of Net Position - Modified Cash Basis
December 31, 2019

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Investments	\$ 23,747,948
<i>Total Assets</i>	<u>\$ 23,747,948</u>
Net Position	
Restricted for:	
Other Purposes	\$ 17,645,507
Unrestricted	<u>6,102,441</u>
<i>Total Net Position</i>	<u>\$ 23,747,948</u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2019

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Position</u>
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General Government	\$ 5,262,231	\$ 95,161	\$ -	\$ (5,167,070)
Public Safety	17,147,412	1,649,024	696,184	(14,802,204)
Public Works	2,856,083	39,416	853,020	(1,963,647)
Human Services	57,332	46,637	-	(10,695)
Conservation-Recreation	1,349,635	258,418	-	(1,091,217)
Capital Outlay	1,298,034	-	-	(1,298,034)
Debt Service:				
Principal Retirement	831,536	-	-	(831,536)
Interest and Fiscal Charges	284,055	-	-	(284,055)
<i>Total Governmental Activities</i>	<u>\$ 29,086,318</u>	<u>\$ 2,088,656</u>	<u>\$ 1,549,204</u>	<u>(25,448,458)</u>
General Receipts				
Property Taxes Levied for:				
				835,223
				2,597,231
				2,010,081
				8,369,089
				2,627,593
				1,032,094
				1,386,104
				Grants and Entitlements not Restricted to Specific Programs 3,022,109
				Payments in Lieu of Taxes 5,589,630
				Sale of Bonds 280,000
				Cable Franchise Fees 467,948
				Earnings on Investments 595,571
				Miscellaneous 410,781
				<u>29,223,454</u>
				Change in Net Position 3,774,996
				<u>19,972,952</u>
				<u>\$ 23,747,948</u>

See accompanying notes to the basic financial statements

**Miami Township
Clermont County, Ohio**

*Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
December 31, 2019*

	General	Police	Fire	Public Safety #1	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Investments	\$ 4,473,002	\$ 679,507	\$ 951,242	\$ 10,004,549	\$ 7,639,648	\$ 23,747,948
Total Assets	<u>\$ 4,473,002</u>	<u>\$ 679,507</u>	<u>\$ 951,242</u>	<u>\$ 10,004,549</u>	<u>\$ 7,639,648</u>	<u>\$ 23,747,948</u>
Fund Balances						
Restricted	\$ -	\$ 679,507	\$ 951,242	\$ 10,004,549	\$ 6,010,209	\$ 17,645,507
Committed	-	-	-	-	1,629,439	1,629,439
Assigned	52,774	-	-	-	-	52,774
Unassigned	4,420,228	-	-	-	-	4,420,228
Total Fund Balances	<u>\$ 4,473,002</u>	<u>\$ 679,507</u>	<u>\$ 951,242</u>	<u>\$ 10,004,549</u>	<u>\$ 7,639,648</u>	<u>\$ 23,747,948</u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio

*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities - Modified Cash Basis
December 31, 2019*

Total Governmental Fund Balances	<u>\$23,747,948</u>
Net Position of Governmental Activities	<u><u>\$23,747,948</u></u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio

Statement of Receipts, Disbursements and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2019

	General	Police	Fire	Public Safety #1	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 895,155	\$2,597,231	\$ 1,386,104	\$ 8,369,089	\$ 5,901,118	\$19,148,697
Charges for Services	-	136,709	1,190,111	-	293,707	1,620,527
Licenses, Permits and Fees	467,948	-	-	-	-	467,948
Fines and Forfeitures	31,533	-	-	-	9,757	41,290
Intergovernmental	306,634	303,022	168,537	806,334	2,695,504	4,280,031
Special Assessments	7,262	-	-	-	403,519	410,781
Payments in Lieu of Taxes	-	-	-	-	5,589,630	5,589,630
Earnings on Investments	581,164	-	-	-	14,407	595,571
Miscellaneous	63,628	132,604	179,843	-	50,764	426,839
<i>Total Receipts</i>	<u>2,353,324</u>	<u>3,169,566</u>	<u>2,924,595</u>	<u>9,175,423</u>	<u>14,958,406</u>	<u>32,581,314</u>
Disbursements						
Current:						
General Government	1,907,444	-	-	-	3,354,787	5,262,231
Public Safety	-	2,921,304	2,418,391	9,060,982	2,746,735	17,147,412
Public Works	-	-	-	-	2,856,083	2,856,083
Human Services	-	-	-	-	57,332	57,332
Conservation-Recreation	-	-	-	-	1,349,635	1,349,635
Capital Outlay	-	-	-	-	1,298,034	1,298,034
Debt Service:						
Principal Retirement	-	-	-	-	831,536	831,536
Interest and Fiscal Charges	-	-	-	-	284,055	284,055
<i>Total Disbursements</i>	<u>1,907,444</u>	<u>2,921,304</u>	<u>2,418,391</u>	<u>9,060,982</u>	<u>12,778,197</u>	<u>29,086,318</u>
<i>Excess of Receipts Over (Under)</i> <i>Disbursements</i>	<u>445,880</u>	<u>248,262</u>	<u>506,204</u>	<u>114,441</u>	<u>2,180,209</u>	<u>3,494,996</u>
Other Financing Sources (Uses)						
Sale of Bonds	-	-	-	-	280,000	280,000
Transfers In	-	-	-	-	1,051,836	1,051,836
Transfers Out	(64,900)	-	-	-	(986,936)	(1,051,836)
Advances In	88,000	-	-	-	-	88,000
Advances Out	-	-	-	-	(88,000)	(88,000)
<i>Total Other Financing Sources (Uses)</i>	<u>23,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,900</u>	<u>280,000</u>
<i>Net Change in Fund Balances</i>	468,980	248,262	506,204	114,441	2,437,109	3,774,996
<i>Fund Balances Beginning of Year</i>	<u>4,004,022</u>	<u>431,245</u>	<u>445,038</u>	<u>9,890,108</u>	<u>5,202,539</u>	<u>19,972,952</u>
<i>Fund Balances End of Year</i>	<u>\$4,473,002</u>	<u>\$ 679,507</u>	<u>\$ 951,242</u>	<u>\$10,004,549</u>	<u>\$ 7,639,648</u>	<u>\$23,747,948</u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio

*Reconciliation of the Statement of Receipts, Disbursements, and Changes in
Fund Balances - Governmental Funds to the Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended December 31, 2019*

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 3,774,996</u>
Change in Net Position of Governmental Activities	<u>\$ 3,774,996</u>

See accompanying notes to the basic financial statements

**Miami Township
Clermont County, Ohio**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 890,000	\$ 890,000	\$ 895,155	\$ 5,155
Licenses, Permits and Fees	455,000	455,000	467,948	12,948
Fines and Forfeitures	35,000	35,000	31,533	(3,467)
Intergovernmental	290,000	290,000	306,634	16,634
Special Assessments	10,000	10,000	7,262	(2,738)
Earnings on Investments	285,000	535,000	581,164	46,164
Miscellaneous	380,000	130,000	63,628	(66,372)
<i>Total Receipts</i>	<u>2,345,000</u>	<u>2,345,000</u>	<u>2,353,324</u>	<u>8,324</u>
Disbursements				
Current:				
General Government	<u>2,618,903</u>	<u>2,635,903</u>	<u>1,960,218</u>	<u>675,685</u>
<i>Total Disbursements</i>	<u>2,618,903</u>	<u>2,635,903</u>	<u>1,960,218</u>	<u>675,685</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(273,903)</u>	<u>(290,903)</u>	<u>393,106</u>	<u>684,009</u>
Other Financing Sources (Uses)				
Transfers Out	(53,700)	(64,900)	(64,900)	-
Advances In	<u>13,000</u>	<u>13,000</u>	<u>88,000</u>	<u>75,000</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(40,700)</u>	<u>(51,900)</u>	<u>23,100</u>	<u>75,000</u>
<i>Net Change in Fund Balance</i>	(314,603)	(342,803)	416,206	759,009
<i>Fund Balance Beginning of Year</i>	3,998,724	3,998,724	3,998,724	-
Prior Year Encumbrances Appropriated	<u>5,298</u>	<u>5,298</u>	<u>5,298</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 3,689,419</u>	<u>\$ 3,661,219</u>	<u>\$ 4,420,228</u>	<u>\$ 759,009</u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Police Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 2,570,000	\$ 2,570,000	\$ 2,597,231	\$ 27,231
Charges for Services	-	-	136,709	136,709
Intergovernmental	298,000	298,000	303,022	5,022
Miscellaneous	120,000	120,000	132,604	12,604
<i>Total Receipts</i>	<u>2,988,000</u>	<u>2,988,000</u>	<u>3,169,566</u>	<u>181,566</u>
Disbursements				
Current:				
Public Safety	3,192,342	3,192,342	2,940,040	252,302
<i>Total Disbursements</i>	<u>3,192,342</u>	<u>3,192,342</u>	<u>2,940,040</u>	<u>252,302</u>
<i>Net Change in Fund Balance</i>	(204,342)	(204,342)	229,526	433,868
<i>Fund Balance Beginning of Year</i>	415,055	415,055	415,055	-
Prior Year Encumbrances Appropriated	16,190	16,190	16,190	-
<i>Fund Balance End of Year</i>	<u>\$ 226,903</u>	<u>\$ 226,903</u>	<u>\$ 660,771</u>	<u>\$ 433,868</u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Fund
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 1,370,000	\$ 1,370,000	\$ 1,386,104	\$ 16,104
Charges for Services	950,000	950,000	1,190,111	240,111
Intergovernmental	163,000	163,000	168,537	5,537
Miscellaneous	130,000	80,000	179,843	99,843
<i>Total Receipts</i>	<u>2,613,000</u>	<u>2,563,000</u>	<u>2,924,595</u>	<u>361,595</u>
Disbursements				
Current:				
Public Safety	2,513,355	2,963,355	2,425,078	538,277
<i>Total Disbursements</i>	<u>2,513,355</u>	<u>2,963,355</u>	<u>2,425,078</u>	<u>538,277</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>99,645</u>	<u>(400,355)</u>	<u>499,517</u>	<u>899,872</u>
<i>Net Change in Fund Balance</i>	99,645	(400,355)	499,517	899,872
<i>Fund Balance Beginning of Year</i>	410,383	410,383	410,383	-
Prior Year Encumbrances Appropriated	34,655	34,655	34,655	-
<i>Fund Balance End of Year</i>	<u>\$ 544,683</u>	<u>\$ 44,683</u>	<u>\$ 944,555</u>	<u>\$ 899,872</u>

See accompanying notes to the basic financial statements

Miami Township
Clermont County, Ohio

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Public Safety Fund #1
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 8,285,000	\$ 8,285,000	\$ 8,369,089	\$ 84,089
Intergovernmental	<u>792,000</u>	<u>792,000</u>	<u>806,334</u>	<u>14,334</u>
<i>Total Receipts</i>	<u>9,077,000</u>	<u>9,077,000</u>	<u>9,175,423</u>	<u>98,423</u>
Disbursements				
Current:				
Public Safety	<u>10,551,223</u>	<u>10,551,223</u>	<u>9,120,343</u>	<u>1,430,880</u>
<i>Total Disbursements</i>	<u>10,551,223</u>	<u>10,551,223</u>	<u>9,120,343</u>	<u>1,430,880</u>
<i>Net Change in Fund Balance</i>	(1,474,223)	(1,474,223)	55,080	1,529,303
<i>Fund Balance Beginning of Year</i>	9,888,509	9,888,509	9,888,509	-
Prior Year Encumbrances Appropriated	<u>1,599</u>	<u>1,599</u>	<u>1,599</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 8,415,885</u>	<u>\$ 8,415,885</u>	<u>\$ 9,945,188</u>	<u>\$ 1,529,303</u>

See accompanying notes to the basic financial statements

MIAMI TOWNSHIP
Clermont County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2019

1. REPORTING ENTITY

Miami Township, Clermont County, (the Township), 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 Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

The Township'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 Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Township does not report any business-type activities.

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

MIAMI TOWNSHIP
Clermont County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2019

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township 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 Township 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 Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. All of the Township's funds are categorized as governmental.

Governmental Funds

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

General Fund

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Police Fund

This fund receives tax levy money for the operating expenses incurred by the police department for the Township.

Fire Fund

This fund receives tax levy money and charges for services for operating expenses incurred by the fire department for the Township.

Public Safety Fund #1

This fund receives tax levy money for operating expenses incurred by the fire/EMS and police departments.

The other governmental funds of the Township account for and report grants and other resources, where use is restricted to a particular purpose.

MIAMI TOWNSHIP
Clermont County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2019

Basis of Accounting

The Township's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township'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 Township are described in the appropriate section in this note.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) 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 resolution, 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 Township may appropriate.

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township 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 Township.

The appropriations resolution 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 resolution 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 Township during the year.

Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and 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 and losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

MIAMI TOWNSHIP
Clermont County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2019

During 2019, the Township invested in STAR Ohio and U.S. Government Agencies. The U.S. Government Agencies are reported at cost.

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 Township measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2019 were \$581,164.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

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

Accumulated Leave

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

MIAMI TOWNSHIP
Clermont County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2019

Employer Contributions to Cost-Sharing Pension Plans

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

Long-Term Obligations

The Township's modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for special revenue funds. Those resources restricted for road and bridge repairs and maintenance, police and fire protection, and ambulance services were generated by levies. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance

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

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

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund

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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 Township 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 Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

Interfund Transactions

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

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis presented for the General, Police, Fire and Public Safety #1 Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. A difference between the budgetary basis and the modified cash basis is due to outstanding year end encumbrances, which are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (modified cash basis). As of December 31, 2019 encumbrances outstanding were \$52,774 for the General Fund, \$18,736 for the Police Fund, \$6,687 for the Fire Fund and \$59,361 for the Public Safety #1 Fund.

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4. DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

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

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

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

Interim monies held by the Township 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);

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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 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, 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 clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of bank failure the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$798,109 of the Township's bank balance of \$9,318,109 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

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

Eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The Township's financial institution qualified for a reduced rate of 50 percent.

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Investments

The fair value of these investments is not materially different than measurement value. As of December 31, 2019, the Township had the following investments:

Investment Type	Measurement Value	Investment Maturities (in Years)		
		Less than 1	1-2	3-5
STAR Ohio	\$ 10,547,800	\$ 10,547,800	\$ -	\$ -
Federal Home Loan Mortgage	1,541,048	990,867	-	550,181
Federal Farm Credit Bank	2,993,553	493,553	-	2,500,000
Total Investments	<u>\$ 15,082,401</u>	<u>\$ 12,032,220</u>	<u>\$ -</u>	<u>\$ 3,050,181</u>

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

Credit Risk Credit risk is the risk that an issue or other counterparty to an investment will not fulfill its obligations. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. The Township's investments in Federal Home Loan Mortgage Corporation, Federal Home Loan Bank and Federal Farm Credit Bank notes are rated AA+ by Standard & Poor's and AAA by Moody's. STAR Ohio carries a rating of AAAM by Standard and Poor's.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Township's securities are registered in the name of the Township. The Township has no investment policy dealing with investment custodial risk beyond the requirements in state statutes.

Concentration of Credit Risk The Township places no limit on the amount it may invest in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2019:

Investment Issuer	Percentage of Investments
STAR Ohio	69.93 %
Federal Home Loan Mortgage	10.22
Federal Farm Credit Bank	19.85

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5. PROPERTY TAX

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes are levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2019, was \$29.51 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2019 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real Property	\$1,164,625,450
Public Utility Property	34,635,610
Total Assessed Value	<u>\$1,199,261,060</u>

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

6. INTERFUND BALANCES AND TRANSFERS

Transfers

During 2019, the following transfers were made to the Debt Service Fund for the retirement of debt (transfers were from funds that have been established to receive funds from tax levies or tax increment financing agreements):

General Fund	\$ 53,700
Road and Bridge	40,375
Park Levy	53,700
TIF Funds	360,300
RID Funds	532,561
Total Transferred to Debt Service Fund	<u>\$1,040,636</u>

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In addition to the above, there also was a transfer made from the General Fund to a TIF Fund in the amount of \$11,200 to support continuing activities.

Interfund Balances

Interfund balances as of December 31, 2019, consisted of the following individual fund receivables and payables:

Permissive Tax Fund	<u>\$ 85,000</u>
Total Due To General Fund	<u><u>\$ 85,000</u></u>

The balance due represents loans provided by the General Fund to provide working capital for operations of the Permissive Tax Fund.

7. RISK MANAGEMENT

The Township 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 2019, the Township contracted with several companies for various types of insurance coverage as follows:

Type of Coverage	Coverage	Deductible
Tokio Marine HCC Public Risk Ohio		
Blanket Property and Contents, Replacement	\$20,912,071	\$1,000
Equipment Floater, Replacement	3,150,651	1,000
General Liability	1,000,000 / 3,000,000	2,500
Automobile Liability	1,000,000	1,000
Public Officials Liability	1,000,000 / 1,000,000	5,000
Law Enforcement Liability	1,000,000 / 1,000,000	5,000
Employment Practice Liability	1,000,000 / 1,000,000	5,000
Employee Benefits	1,000,000 / 3,000,000	1,000
Umbrella Excess Liability	10,000,000 / 10,000,000	

Settled claims have not exceeded coverage in any of the last 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 Township 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.

8. DEFINED BENEFIT PENSION PLANS

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Township employees, other than firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The

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member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple employer defined benefit pension plan with defined contribution features. While members may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

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

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

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

	State and Local	Public Safety	Law Enforcement
2019 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2019 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.			
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.			

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

The Township's contractually required contribution was \$1,058,164 for year 2019.

Plan Description - Ohio Police and Fire Pension Fund (OPF)

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

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

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

		Firefighters	
2019 Statutory Maximum Contribution Rates			
Employer		24.00	%
Employee		12.25	%
2019 Actual Contribution Rates			
Employer:			
Pension		24.00	%
Post-employment Health Care Benefits		0.00	%
Total Employer		24.00	%
Employee		12.25	%

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OPF was \$1,180,360 for 2019.

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9. POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2019, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the

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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 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$0 for the year 2019.

Ohio Police and Fire Pension Fund

Plan Description - The Township contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, 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

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benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

Beginning January 1, 2019, OPF changed its retiree health care model and the self-insured health care plan is no longer offered. In its place is a stipend-based health care model. A stipend funded by OPF will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

10. DEBT

For the year ended December 31, 2019, changes in the Township's debt were as follows:

	<u>Interest Rate</u>	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2019</u>	<u>Amount Due Within One Year</u>
2009 Various Purpose General Obligation Bonds	2.00- 5.00%	415,000	-	60,000	355,000	65,000
2012 Various Purpose General Obligation Refunding Bonds	0.40- 4.00%	2,595,000	-	330,000	2,265,000	345,000
2016 Various Purpose General Obligation Bonds	2.00- 4.00%	4,485,000	-	345,000	4,140,000	355,000
2019 Tax Increment Financing Revenue Bonds	5.00%	-	<u>280,000</u>	-	<u>280,000</u>	-
		<u>\$7,495,000</u>	<u>\$ 280,000</u>	<u>\$735,000</u>	<u>\$7,040,000</u>	<u>\$765,000</u>

The Various Purpose General Obligation Bonds, Series 2009, were issued to fund the purchase of a service building for the Township.

During 2012, the Township issued \$4,085,000 of Various Purpose General Obligation Refunding Bonds, Series 2012. Proceeds were used to defease \$600,000 of the 2003 Road Improvement Bonds maturing in 2014 and beyond, and \$2,365,000 of the 2004 Various Purpose General Obligation Bonds maturing in 2016 and beyond. The Township placed cash with a trustee which is sufficient to pay all debt principal and interest payments when they come due. The principal amount of the defeased debt outstanding at December 31, 2019 is \$2,115,000. The cash and investments held by the trustee are not included in the Township's assets nor are the outstanding bonds included above. The

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Notes to the Financial Statements
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remaining proceeds of the Various Purpose General Obligation Refunding Bonds, Series 2012 were used for the cost of issuing the bonds and providing \$1,000,000 for the purchasing of new fire trucks.

The Various Purpose General Obligation Bonds, Series 2016, were issued to fund the purchase of two new fire trucks and related buildings and equipment (\$3,365,000), the installation of a sanitary sewer line (\$800,000), the purchase of an EMS vehicle (\$500,000) and the purchase of a police administration facility (\$500,000).

The Tax Increment Financing Revenue Bonds, Series 2019, were issued to fund the development of the Beauty Ridge Project. Interest-only payments are due in years 2020 and 2021, with the first principal payment not due until 2022.

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed an amount equal to 10.5 percent of its valuation. The effects of the debt limitations at December 31, 2019, were an overall debt margin of \$118,882,411 and an unvoted debt margin of \$58,919,358.

The following is a summary of the Township's future annual debt service requirements:

Year ending December 31:	2009 Various Purpose General Obligation Bonds		2012 Various Purpose General Obligation Bonds		2016 Vario General Obli
	Principal	Interest	Principal	Interest	Principal
2020	\$ 65,000	\$ 17,750	\$ 345,000	\$ 74,760	\$ 355,000
2021	65,000	14,500	220,000	60,960	350,000
2022	70,000	11,250	235,000	52,160	270,000
2023	75,000	7,750	245,000	42,760	280,000
2024	80,000	4,000	185,000	35,410	290,000
2025-2029	-	-	1,035,000	93,430	1,135,000
2030-2034	-	-	-	-	1,000,000
2035-2036	-	-	-	-	460,000
Total	<u>\$ 355,000</u>	<u>\$ 55,250</u>	<u>\$ 2,265,000</u>	<u>\$ 359,480</u>	<u>\$ 4,140,000</u>

Year ending December 31:	2019 Tax Increment Financing Revenue Bonds		Total	
	Principal	Interest	Principal	Interest
2020	\$ -	\$ 14,156	\$ 765,000	\$ 266,926
2021	-	14,000	635,000	235,520
2022	15,800	14,000	590,800	209,470
2023	16,600	13,210	616,600	184,980
2024	17,400	12,380	572,400	161,850
2025-2029	101,100	47,930	2,271,100	537,110
2030-2034	129,100	19,990	1,129,100	234,080
2035-2036	-	-	460,000	27,800
Total	<u>\$ 280,000</u>	<u>\$ 135,666</u>	<u>\$ 7,040,000</u>	<u>\$ 1,857,736</u>

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Leases

The Township leases a fire pumper under a lease/purchase agreement. The Township disbursed \$108,021 to pay lease costs for the year ended December 31, 2019. Future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 108,021
2021	108,021
2022	<u>108,021</u>
Total	<u><u>\$ 324,063</u></u>

11. FUND BALANCES

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Public Safety #1 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Restricted for:						
Public Safety	\$ -	\$679,507	\$951,242	\$10,004,549	\$ 301,495	\$ 11,936,793
Debt Service	-	-	-	-	28,544	28,544
Public Works	-	-	-	-	1,338,176	1,338,176
Cemetery	-	-	-	-	96,655	96,655
Recreation Programs	-	-	-	-	250,686	250,686
TIF/RID Projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,994,653</u>	<u>3,994,653</u>
Total Restricted	<u>-</u>	<u>679,507</u>	<u>951,242</u>	<u>10,004,549</u>	<u>6,010,209</u>	<u>17,645,507</u>
Committed for:						
Public Works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,629,439</u>	<u>1,629,439</u>
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,629,439</u>	<u>1,629,439</u>
Assigned for:						
Encumbrances	<u>52,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,774</u>
Total Assigned	<u>52,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,774</u>
Unassigned	<u>4,420,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,420,228</u>
Total Fund Balances	<u><u>\$4,473,002</u></u>	<u><u>\$679,507</u></u>	<u><u>\$951,242</u></u>	<u><u>\$10,004,549</u></u>	<u><u>\$7,639,648</u></u>	<u><u>\$23,747,948</u></u>

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12. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Township 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.