

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO**

FINANCIAL STATEMENTS

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

**MIAMI TOWNSHIP
CLERMONT COUNTY, OHIO**

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Miami Township
Clermont County, Ohio
Statement of Net Position - Modified Cash Basis
December 31, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 34,227,055
<i>Total Assets</i>	\$ 34,227,055
Net Position	
Restricted for:	
Other Purposes	\$ 28,116,785
Unrestricted	6,110,270
<i>Total Net Position</i>	\$ 34,227,055

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, 2022

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 6,598,556	\$ 126,908	\$ -	\$ (6,471,648)
Public Safety	18,110,766	1,657,791	2,418,653	(14,034,322)
Public Works	3,950,568	55,275	1,065,198	(2,830,095)
Human Services	87,005	81,619	-	(5,386)
Conservation-Recreation	1,325,483	235,754	-	(1,089,729)
Capital Outlay	1,871,691	-	-	(1,871,691)
Debt Service:				
Principal Retirement	723,074	-	-	(723,074)
Interest and Fiscal Charges	212,994	-	-	(212,994)
<i>Total Governmental Activities</i>	<u>\$ 32,880,137</u>	<u>\$ 2,157,347</u>	<u>\$ 3,483,851</u>	<u>(27,238,939)</u>
General Receipts				
Property Taxes Levied for:				
				969,721
				2,740,410
				2,119,413
				8,755,591
				2,811,224
				1,082,640
				1,460,939
				Grants and Entitlements not Restricted to Specific Programs 2,951,683
				Payments in Lieu of Taxes 6,438,957
				Cable Franchise Fees 437,325
				Earnings on Investments 514,220
				Sale of Capital Assets 13,908
				Miscellaneous 417,097
				<u>Total General Receipts 30,713,128</u>
				Change in Net Position 3,474,189
				<u>Net Position Beginning of Year 30,752,866</u>
				<u>Net Position End of Year \$ 34,227,055</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, 2022

	General	Police	Fire	Public Safety #1	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Investments	\$ 4,204,638	\$ 1,030,972	\$ 903,818	\$ 12,701,822	\$ 4,197,038	\$ 11,188,767	\$ 34,227,055
Total Assets	<u>\$ 4,204,638</u>	<u>\$ 1,030,972</u>	<u>\$ 903,818</u>	<u>\$ 12,701,822</u>	<u>\$ 4,197,038</u>	<u>\$ 11,188,767</u>	<u>\$ 34,227,055</u>
Fund Balances							
Restricted	\$ -	\$ 1,030,972	\$ 903,818	\$ 12,701,822	\$ 4,197,038	\$ 9,283,135	\$ 28,116,785
Committed	-	-	-	-	-	1,905,632	1,905,632
Assigned	405,044	-	-	-	-	-	405,044
Unassigned	3,799,594	-	-	-	-	-	3,799,594
Total Fund Balances	<u>\$ 4,204,638</u>	<u>\$ 1,030,972</u>	<u>\$ 903,818</u>	<u>\$ 12,701,822</u>	<u>\$ 4,197,038</u>	<u>\$ 11,188,767</u>	<u>\$ 34,227,055</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, 2022*

Total Governmental Fund Balances	<u>\$34,227,055</u>
Net Position of Governmental Activities	<u><u>\$34,227,055</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, 2022

	General	Police	Fire	Public Safety #1	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$ 969,721	\$2,740,410	\$ 1,460,939	\$ 8,755,591	\$ -	\$ 6,323,425	\$20,250,086
Charges for Services	-	257,175	1,270,758	-	-	310,198	1,838,131
Licenses, Permits and Fees	437,325	-	-	-	-	-	437,325
Fines and Forfeitures	22,789	-	-	-	-	14,496	37,285
Intergovernmental	480,791	313,271	171,324	803,331	2,255,506	2,084,991	6,109,214
Special Assessments	8,756	-	-	-	-	400,752	409,508
Payments in Lieu of Taxes	-	-	-	-	-	6,438,957	6,438,957
Earnings on Investments	498,267	-	-	-	-	15,953	514,220
Miscellaneous	104,119	40,805	74,557	-	-	86,211	305,692
<i>Total Receipts</i>	<u>2,521,768</u>	<u>3,351,661</u>	<u>2,977,578</u>	<u>9,558,922</u>	<u>2,255,506</u>	<u>15,674,983</u>	<u>36,340,418</u>
Disbursements							
Current:							
General Government	2,059,535	-	-	-	-	4,539,021	6,598,556
Public Safety	-	3,413,180	3,828,986	8,466,691	-	2,401,909	18,110,766
Public Works	-	-	-	-	28,867	3,921,701	3,950,568
Human Services	-	-	-	-	-	87,005	87,005
Conservation-Recreation	-	-	-	-	-	1,325,483	1,325,483
Capital Outlay	294,033	-	-	-	224,435	1,353,223	1,871,691
Debt Service:							
Principal Retirement	-	-	-	-	-	723,074	723,074
Interest and Fiscal Charges	-	-	-	-	-	212,994	212,994
<i>Total Disbursements</i>	<u>2,353,568</u>	<u>3,413,180</u>	<u>3,828,986</u>	<u>8,466,691</u>	<u>253,302</u>	<u>14,564,410</u>	<u>32,880,137</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>168,200</u>	<u>(61,519)</u>	<u>(851,408)</u>	<u>1,092,231</u>	<u>2,002,204</u>	<u>1,110,573</u>	<u>3,460,281</u>
Other Financing Sources (Uses)							
Sale of Capital Assets	11,007	2,836	65	-	-	-	13,908
Transfers In	-	-	-	-	-	970,782	970,782
Transfers Out	(143,805)	-	-	-	-	(826,977)	(970,782)
Advances In	42,822	-	-	-	-	26,000	68,822
Advances Out	(26,000)	-	-	-	-	(42,822)	(68,822)
<i>Total Other Financing Sources (Uses)</i>	<u>(115,976)</u>	<u>2,836</u>	<u>65</u>	<u>-</u>	<u>-</u>	<u>126,983</u>	<u>13,908</u>
<i>Net Change in Fund Balances</i>	<u>52,224</u>	<u>(58,683)</u>	<u>(851,343)</u>	<u>1,092,231</u>	<u>2,002,204</u>	<u>1,237,556</u>	<u>3,474,189</u>
<i>Fund Balances Beginning of Year</i>	<u>4,152,414</u>	<u>1,089,655</u>	<u>1,755,161</u>	<u>11,609,591</u>	<u>2,194,834</u>	<u>9,951,211</u>	<u>30,752,866</u>
<i>Fund Balances End of Year</i>	<u>\$4,204,638</u>	<u>\$1,030,972</u>	<u>\$ 903,818</u>	<u>\$ 12,701,822</u>	<u>\$ 4,197,038</u>	<u>\$ 11,188,767</u>	<u>\$34,227,055</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, 2022*

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 3,474,189</u>
Change in Net Position of Governmental Activities	<u>\$ 3,474,189</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, 2022*

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 945,000	\$ 945,000	\$ 969,721	\$ 24,721
Licenses, Permits and Fees	470,000	470,000	437,325	(32,675)
Fines and Forfeitures	30,000	30,000	22,789	(7,211)
Intergovernmental	350,775	350,775	480,791	130,016
Special Assessments	7,000	7,000	8,756	1,756
Earnings on Investments	120,000	120,000	498,267	378,267
Miscellaneous	43,000	43,000	104,119	61,119
<i>Total Receipts</i>	<u>1,965,775</u>	<u>1,965,775</u>	<u>2,521,768</u>	<u>555,993</u>
Disbursements				
Current:				
General Government	2,533,194	2,468,917	2,134,224	334,693
Capital Outlay	294,500	332,777	294,033	38,744
<i>Total Disbursements</i>	<u>2,827,694</u>	<u>2,801,694</u>	<u>2,428,257</u>	<u>373,437</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(861,919)</u>	<u>(835,919)</u>	<u>93,511</u>	<u>929,430</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	11,007	11,007
Transfers Out	(143,805)	(143,805)	(143,805)	-
Advances In	30,000	30,000	42,822	12,822
Advances Out	-	(26,000)	(26,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(113,805)</u>	<u>(139,805)</u>	<u>(115,976)</u>	<u>23,829</u>
<i>Net Change in Fund Balance</i>	(975,724)	(975,724)	(22,465)	953,259
<i>Fund Balance Beginning of Year</i>	4,074,287	4,074,287	4,074,287	-
Prior Year Encumbrances Appropriated	78,127	78,127	78,127	-
<i>Fund Balance End of Year</i>	<u>\$ 3,176,690</u>	<u>\$ 3,176,690</u>	<u>\$ 4,129,949</u>	<u>\$ 953,259</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, 2022*

	<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	\$ 2,685,000	\$ 2,685,000	\$ 2,740,410	\$ 55,410
Charges for Services	352,000	352,000	257,175	(94,825)
Intergovernmental	297,931	297,931	313,271	15,340
Miscellaneous	5,000	5,000	40,805	35,805
<i>Total Receipts</i>	<u>3,339,931</u>	<u>3,339,931</u>	<u>3,351,661</u>	<u>11,730</u>
Disbursements				
Current:				
Public Safety	3,931,451	3,931,451	3,454,924	476,527
<i>Total Disbursements</i>	<u>3,931,451</u>	<u>3,931,451</u>	<u>3,454,924</u>	<u>476,527</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(591,520)</u>	<u>(591,520)</u>	<u>(103,263)</u>	<u>488,257</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	2,836	2,836
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>2,836</u>	<u>2,836</u>
<i>Net Change in Fund Balance</i>	(591,520)	(591,520)	(100,427)	491,093
<i>Fund Balance Beginning of Year</i>	1,028,931	1,028,931	1,028,931	-
Prior Year Encumbrances Appropriated	60,724	60,724	60,724	-
<i>Fund Balance End of Year</i>	<u>\$ 498,135</u>	<u>\$ 498,135</u>	<u>\$ 989,228</u>	<u>\$ 491,093</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, 2022*

	<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	\$ 1,535,000	\$ 1,535,000	\$ 1,460,939	\$ (74,061)
Charges for Services	1,525,000	1,525,000	1,270,758	(254,242)
Intergovernmental	161,377	161,377	171,324	9,947
Miscellaneous	113,000	113,000	74,557	(38,443)
<i>Total Receipts</i>	<u>3,334,377</u>	<u>3,334,377</u>	<u>2,977,578</u>	<u>(356,799)</u>
Disbursements				
Current:				
Public Safety	4,427,785	3,927,785	3,872,039	55,746
<i>Total Disbursements</i>	<u>4,427,785</u>	<u>3,927,785</u>	<u>3,872,039</u>	<u>55,746</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,093,408)</u>	<u>(593,408)</u>	<u>(894,461)</u>	<u>(301,053)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,000	10,000	65	(9,935)
<i>Total Other Financing Sources (Uses)</i>	<u>10,000</u>	<u>10,000</u>	<u>65</u>	<u>(9,935)</u>
<i>Net Change in Fund Balance</i>	(1,083,408)	(583,408)	(894,396)	(310,988)
<i>Fund Balance Beginning of Year</i>	1,720,021	1,720,021	1,720,021	-
Prior Year Encumbrances Appropriated	35,140	35,140	35,140	-
<i>Fund Balance End of Year</i>	<u>\$ 671,753</u>	<u>\$ 1,171,753</u>	<u>\$ 860,765</u>	<u>\$ (310,988)</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, 2022*

	<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	\$ 8,600,000	\$ 8,600,000	\$ 8,755,591	\$ 155,591
Intergovernmental	<u>775,114</u>	<u>775,114</u>	<u>803,331</u>	<u>28,217</u>
<i>Total Receipts</i>	<u>9,375,114</u>	<u>9,375,114</u>	<u>9,558,922</u>	<u>183,808</u>
Disbursements				
Current:				
Public Safety	<u>10,108,384</u>	<u>10,108,384</u>	<u>8,537,302</u>	<u>1,571,082</u>
<i>Total Disbursements</i>	<u>10,108,384</u>	<u>10,108,384</u>	<u>8,537,302</u>	<u>1,571,082</u>
<i>Net Change in Fund Balance</i>	(733,270)	(733,270)	1,021,620	1,754,890
<i>Fund Balance Beginning of Year</i>	<u>11,609,591</u>	<u>11,609,591</u>	<u>11,609,591</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 10,876,321</u></u>	<u><u>\$ 10,876,321</u></u>	<u><u>\$ 12,631,211</u></u>	<u><u>\$ 1,754,890</u></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
American Rescue Plan
For the Year Ended December 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	2,237,640	2,237,640	2,255,506	17,866
<i>Total Receipts</i>	<u>2,237,640</u>	<u>2,237,640</u>	<u>2,255,506</u>	<u>17,866</u>
Disbursements				
Current:				
Public Works	-	100,000	28,867	71,133
Capital Outlay	4,420,299	4,320,299	489,811	3,830,488
<i>Total Disbursements</i>	<u>4,420,299</u>	<u>4,420,299</u>	<u>518,678</u>	<u>3,901,621</u>
<i>Net Change in Fund Balance</i>	(2,182,659)	(2,182,659)	1,736,828	3,919,487
<i>Fund Balance Beginning of Year</i>	<u>2,194,834</u>	<u>2,194,834</u>	<u>2,194,834</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 12,175</u>	<u>\$ 12,175</u>	<u>\$ 3,931,662</u>	<u>\$ 3,919,487</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, 2022

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 reporting entity is composed of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges and fire and police protection services.

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. Following are the more significant of the Township's accounting policies.

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

MIAMI TOWNSHIP
Clermont County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

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.

MIAMI TOWNSHIP
Clermont County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2022

American Rescue Plan Fund

This fund receives federal government grant money under the American Rescue Plan Act.

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

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.

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Clermont County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2022

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 with an original maturity of three months or less at the time of purchase and investments of the cash management pool 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 and losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2022, 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 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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 2022 were \$498,267.

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 are 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.

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Notes to the Financial Statements
For the Year Ended December 31, 2022

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.

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. Since recording a capital asset (including the intangible right to use) when entering into a lease 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 and financed purchase payments are reported when paid.

Leases

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

The Township is the lessee (as defined by GASB 87) in two leases related to vehicles and other equipment, under noncancelable leases. Lease receivables/payables are not reflected under the Township's modified cash basis of accounting. Lease revenue/disbursements are recognized when they are received/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.

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For the Year Ended December 31, 2022

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 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.

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Notes to the Financial Statements
For the Year Ended December 31, 2022

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, Public Safety #1, and American Rescue Plan 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, 2022 encumbrances outstanding were \$74,689 for the General Fund, \$41,744 for the Police Fund, \$43,053 for the Fire Fund, \$70,611 for the Public Safety #1 Fund, and \$265,376 for the American Rescue Plan Fund.

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;

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Notes to the Financial Statements
For the Year Ended December 31, 2022

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 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, \$1,582,693 of the Township's bank balance of \$5,742,693 was exposed to custodial credit risk

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Notes to the Financial Statements
For the Year Ended December 31, 2022

because those deposits were uninsured and uncollateralized. The Township’s financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

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.

Investments

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

Investment Type	Measurement Value	Investment Maturities (in Years)		
		Less than 1	1-2	3-5
STAR Ohio	\$ 18,947,354	\$ 18,947,354	\$ -	\$ -
Federal Home Loan Bank	7,500,000	1,000,000	4,250,000	2,250,000
Federal National Mortgage Assoc	2,000,253	-	-	2,000,253
Federal Farm Credit Bank	501,779	-	-	501,779
Total Investments	\$ 28,949,386	\$ 19,947,354	\$ 4,250,000	\$ 4,752,032

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The 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 Bank notes and Federal National Mortgage Association 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.

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Notes to the Financial Statements
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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, 2022:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
STAR Ohio	65.45 %
Federal Home Loan Bank	25.91
Federal National Mortgage Association	6.91

5. PROPERTY TAX

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

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

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

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2022, was \$29.51 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real Property	\$1,254,105,190
Public Utility Property	40,864,430
Total Assessed Value	<u>\$1,294,969,620</u>

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Notes to the Financial Statements
For the Year Ended December 31, 2022

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 2022, 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	\$ 108,805
TIF Funds	306,000
RID Funds	<u>520,977</u>
Total Transferred to Debt Service Fund	<u>\$ 935,782</u>

In addition to the above, there also was a transfer made from the General Fund to a TIF Fund in the amount of \$35,000 to support continuing activities.

Interfund Balances

Interfund balances as of December 31, 2022, consisted of the following individual fund receivables and payables:

RID Fund	<u>\$ 26,000</u>
Total Due To General Fund	<u>\$ 26,000</u>

The balance due represents loans provided by the General Fund to provide working capital to support continuing activities of the Miami Commons RID Fund.

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Notes to the Financial Statements
For the Year Ended December 31, 2022

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 2022, the Township contracted with several companies for various types of insurance coverage as follows:

Type of Coverage	Coverage	Deductible
Travelers Property Casualty Company of America		
Blanket Property and Contents, Replacement	\$ 29,954,661	\$ 1,000
Inland Marine, Replacement	3,507,795	1,000
Contractors Equipment Coverage: Scheduled & Unscheduled	1,017,120 / 100,000	1,000
Commercial Excess Liability	10,000,000 / 10,000,000	
Crime – Employee Theft, Computer Crime, Transfer Fraud	500,000	5,000
Crime – Computer Data Restoration Expense	100,000	
CyberRisk Coverage Aggregate Limit	1,000,000	
Liability	1,000,000	10,000
Breach Response	1,000,000	10,000
Cyber Crime	100,000	5,000
Business Loss	1,000,000	
The Charter Oak Fire Insurance Company		
General Liability	1,000,000 / 3,000,000	2,500
Automobile Liability	1,000,000	1,000
Auto Medical Payments	5,000	
Public Officials Entity Management Liability	25,000 / 25,000	5,000
Public Officials Entity Management Wrongful Act	1,000,000 / 1,000,000	5,000
Law Enforcement Liability Wrongful Act	1,000,000 / 1,000,000	5,000
Employee Benefits Liability Coverage	1,000,000 / 3,000,000	1,000
Employment Practice Wrongful Act Liability	1,000,000 / 1,000,000	5,000
Employers Overhead Liability – Accident or Disease	1,000,000 / 1,000,000	
Admiral Insurance Company		
Community Paramedicine Home Healthcare Visits	1,000,000 / 3,000,000	2,500

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.

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Notes to the Financial Statements
For the Year Ended December 31, 2022

8. DEFINED BENEFIT PENSION PLANS

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Township employees, other than firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple employer defined benefit/defined contribution pension plan. 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 ACFR referenced above for additional information):

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Notes to the Financial Statements
For the Year Ended December 31, 2022

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

When a 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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Notes to the Financial Statements
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Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2022 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2022 Actual Contribution Rates			
Employer:			
Pension *****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits *****	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

The Township's contractually required contribution was \$1,149,578 for year 2022.

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.

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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.

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 under optional plans, and statutory survivors.

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.

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

	Police	Firefighters
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OPF was \$1,210,636 for 2022.

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

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

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for 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 2022 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 2022.

Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment 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. 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.

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, 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.

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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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The Township's contractually required contribution to OP&F was \$25,222 for 2022.

10. DEBT

For the year ended December 31, 2022, changes in the Township's debt were as follows:

	<u>Interest Rate</u>	<u>Balance January 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2022</u>	<u>Amount Due Within One Year</u>
2012 Various Purpose General Obligation Refunding Bonds	0.40- 4.00%	1,700,000	-	235,000	1,465,000	245,000
2016 Various Purpose General Obligation Bonds	2.00- 4.00%	3,435,000	-	270,000	3,165,000	280,000
2019 Tax Increment Financing Revenue Bonds	5.00%	<u>280,000</u>	<u>-</u>	<u>15,800</u>	<u>264,200</u>	<u>16,600</u>
		<u>\$5,415,000</u>	<u>\$ -</u>	<u>\$520,800</u>	<u>\$4,894,200</u>	<u>\$541,600</u>

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, 2021 is \$1,690,000. 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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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.

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, 2022, were an overall debt margin of \$131,077,610 and an unvoted debt margin of \$66,329,129.

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

Year ending December 31:	2012 Various Purpose General Obligation Bonds		2016 Various Purpose General Obligation Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 245,000	\$ 42,760	\$ 280,000	\$ 121,260
2024	185,000	35,410	290,000	110,060
2025	190,000	29,860	300,000	98,460
2026	195,000	24,540	315,000	86,460
2027	210,000	19,080	165,000	77,010
2028-2032	440,000	19,950	930,000	285,510
2033-2036	-	-	885,000	90,200
Total	<u>\$ 1,465,000</u>	<u>\$ 171,600</u>	<u>\$ 3,165,000</u>	<u>\$ 868,960</u>

Year ending December 31:	2019 Tax Increment Financing Revenue Bonds		Total	
	Principal	Interest	Principal	Interest
2023	\$ 16,600	\$ 13,210	\$ 541,600	\$ 177,230
2024	17,400	12,380	492,400	157,850
2025	18,300	11,510	508,300	139,830
2026	19,200	10,595	529,200	121,595
2027	20,200	9,635	395,200	105,725
2028-2032	117,100	31,990	1,487,100	337,450
2033-2036	55,400	4,190	940,400	94,390
Total	<u>\$ 264,200</u>	<u>\$ 93,510</u>	<u>\$ 4,894,200</u>	<u>\$ 1,134,070</u>

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Financed Purchases

In 2020, the Township entered into a financed purchase agreement for a fire truck and equipment, where ownership of the underlying asset transfers to the Township by the end of the contract. The Township disbursed \$109,027 to pay these costs for the fiscal year ended December 31, 2022. In 2022, the Township entered into a financed purchase agreement for a sewer vactor truck, where ownership of the underlying asset transfers to the Township by the end of the contract. The first payment for this obligation is in March 2023.

Future financed purchases payments are as follows:

Year	Amount
2023	\$198,520
2024	198,520
2025	198,520
2026	89,493
2027	89,493
Total	<u>\$774,546</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>	General Fund	Police Fund	Fire Fund	Public Safety #1 Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Restricted For:							
Public Safety	\$ -	\$ 1,030,972	\$ 903,818	\$ 12,701,822	\$ -	\$ 788,760	\$ 15,425,372
Public Works	-	-	-	-	-	1,419,165	1,419,165
Cemetery	-	-	-	-	-	121,706	121,706
Recreation Programs	-	-	-	-	-	786,849	786,849
TIF/RID Projects	-	-	-	-	-	6,147,748	6,147,748
American Rescue Plan	-	-	-	-	4,197,038	-	4,197,038
Opioid	-	-	-	-	-	18,907	18,907
Total Restricted	<u>-</u>	<u>1,030,972</u>	<u>903,818</u>	<u>12,701,822</u>	<u>4,197,038</u>	<u>9,283,135</u>	<u>28,116,785</u>
Committed For:							
Public Works	-	-	-	-	-	1,905,632	1,905,632
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,905,632</u>	<u>1,905,632</u>
Assigned For:							
Encumbrances	74,689	-	-	-	-	-	74,689
Next Year Budget	330,355	-	-	-	-	-	330,355
Total Assigned	<u>405,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>405,044</u>
Unassigned	3,799,594	-	-	-	-	-	3,799,594
Total Fund Balances	<u>\$ 4,204,638</u>	<u>\$ 1,030,972</u>	<u>\$ 903,818</u>	<u>\$ 12,701,822</u>	<u>\$ 4,197,038</u>	<u>\$ 11,188,767</u>	<u>\$ 34,227,055</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.

13. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.