

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**Cash Basis Financial Statements**

**For the Year Ended  
December 31, 2019**



**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

**CASH BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**Julian & Grube, Inc.**  
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Accountant's Compilation Report

To the Board of Trustees  
Mifflin Township, Ohio

Management is responsible for the accompanying basic financial statements of Mifflin Township, which comprise the statements listed in the table of contents as of June 30, 2019, and for the year then ended, and the related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on the financial statements.

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is an accounting basis other than accounting principles generally accepted in the United States of America.

The management's discussion and analysis, on pages 3 through 12 was presented to supplement the basic financial statements for purposes of additional analysis. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, conclusion, nor provide any assurance on such information.

*Julian & Grube, Inc.*

Westerville, Ohio  
February 27, 2020



**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

The management's discussion and analysis of Mifflin Township's (the "Township") financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2019 within the limitations of the Township's cash basis of accounting. The intent of this discussion and analysis is to look at the Township's financial performance as a whole; readers should also review the cash-basis basic financial statements and the notes to the financial statements to enhance their understanding of the Township's financial performance.

**Financial Highlights**

Key financial highlights for 2019 are as follows:

- For 2019, the total net position of the Township decreased \$2,377,936 or 19.48%.
- For 2019, general cash receipts accounted for \$15,443,992 or 81.84% of total governmental activities cash receipts, program specific cash receipts accounted for \$3,426,861 or 18.16% of total governmental activities.
- For 2019, the Township had \$21,248,789 in cash disbursements related to governmental activities; \$3,426,861 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$15,443,992 were not adequate to provide for these programs.
- The Township's major funds are the General Fund, the Fire District Fund, the Ambulance and Emergency Fund and the MECC Center Fund. The General Fund, one of the Township's major funds, had cash receipts of \$954,927 in 2019. The cash disbursements and other financing disbursements of the General Fund, totaled \$1,201,300 in 2019. The General Fund's fund balance decreased \$246,373 from 2018 to 2019.
- The Fire District Fund, a Township major fund, had cash receipts and other financing receipts of \$13,053,624 in 2019. The Fire District Fund had cash disbursements of \$15,254,855 in 2019. The Fire District Fund balance decreased \$2,201,231 from 2018 to 2019.
- The Ambulance and Emergency Fund, a Township major fund, had cash receipts of \$1,274,341 in 2019. The Ambulance and Emergency Fund had cash disbursements of \$968,115 in 2019. The Ambulance and Emergency Fund balance increased \$306,226 from 2018 to 2019.
- The Metropolitan Emergency Communication Center ("MECC") fund, a Township major fund, had cash receipts of \$1,730,511 in 2019. The MECC Center Fund had cash disbursements of \$2,114,536 in 2019. The MECC Center Fund balance decreased \$384,025 from 2018 to 2019.

**Using this Cash Basis Basic Financial Statements (BFS)**

This cash basis annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Township's cash basis of accounting. The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis provide information about the activities of the whole Township, presenting an aggregate view of the Township's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Township's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Township, there are four major governmental funds. The General Fund, the Fire District Fund, the Ambulance and Emergency Fund and the MECC Center Fund are the Township's major funds.

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**Reporting the Township as a Whole**

***Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis***

The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis answer the question, "How did we do financially during 2019?" These statements include only net position using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the Township's net position and changes in that position on a cash basis. This change in net position is important because it tells the reader that, for the Township as a whole, the cash basis financial position of the Township has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Township's property tax base, current property tax laws in Ohio, availability of Federal and State funding, facility conditions, mandated Federal and State programs and other factors.

As a result of the use of the cash basis of accounting, certain assets, deferred outflows of resources and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and liabilities, deferred inflows of resources and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the statement of net position- cash basis and the statement of activities - cash basis, the governmental activities include the Township's programs and services, including fire protection, road and bridge maintenance and repair, dispatch services, police services and ambulance services. The Statement of Net Position - Cash Basis and the Statement of Activities - Cash Basis can be found on pages 13 and 14 of this report.

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

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township are classified as governmental or fiduciary funds.

Fund financial reports provide detailed information about the Township's major funds. The Township uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Township's most significant funds. The General Fund, the Fire District Fund, the Ambulance and Emergency Fund and the MECC Center Fund are the Township's major funds. The analysis of the Township's major governmental funds begins on page 9.



**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

***Governmental Funds***

All of the Township's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Township programs. Since the Township is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund balances. Therefore, no reconciliation is necessary between such financial statements. However, differences will be apparent when comparing gross receipts and disbursements on the fund financial statements to the Statement of Activities - Cash Basis due to transfers between governmental funds being eliminated for reporting in the Statement of Activities - Cash Basis. The governmental fund statements can be found on pages 15 and 16 of this report.

The Township's budgetary process accounts for transactions on the budgetary basis of accounting. The difference between the budgetary basis of accounting and the cash basis of accounting is that encumbrances at year-end are recorded as a disbursement on the budgetary basis of accounting whereas on the cash basis, the disbursement is only recorded when cash is paid. The budgetary statements for the General Fund, the Fire District Fund, the Ambulance and Emergency Fund, and the MECC Center Fund are presented to demonstrate the Township's compliance with annually adopted budgets. The Budgetary Statements can be found on pages 17-20 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary Funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Township's own programs. A private-purpose trust fund is the Township's only fiduciary fund type. The Fiduciary Fund financial statements can be found on pages 21 and 22 of this report.

***Notes to the Financial Statements***

The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-45 of this report.

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**Government-Wide Financial Analysis**

Recall that the Statement of Net Position - Cash Basis provides the perspective of the Township as a whole. The table below provides a summary of the Township's net position at December 31, 2019 and 2018.

	Net Position	
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Equity in pooled cash and investments	\$ 9,826,789	\$ 12,204,725
Total assets	<u>9,826,789</u>	<u>12,204,725</u>
<u>Net cash position</u>		
Restricted	8,976,432	11,107,995
Unrestricted	<u>850,357</u>	<u>1,096,730</u>
Total net cash position	<u>\$ 9,826,789</u>	<u>\$ 12,204,725</u>

For 2019, net position of the Township decreased \$2,377,936 or 19.48%. The balance of government-wide unrestricted net cash position of \$850,357 at December 31, 2019 may be used to meet the government's ongoing obligations to citizens and creditors.

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**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

The table below shows the change in net position for fiscal year 2019 and 2018.

	Governmental Activities 2019	Governmental Activities 2018
<b>Cash Receipts:</b>		
Program cash receipts:		
Charges for services and sales	\$ 3,303,573	\$ 3,363,654
Operating grants and contributions	123,288	109,486
<b>Total program cash receipts</b>	<b>3,426,861</b>	<b>3,473,140</b>
General cash receipts:		
Property and other taxes	12,634,661	12,889,834
Unrestricted grants	1,663,698	1,652,650
Bond proceeds	667,000	-
Lease purchase proceeds	88,295	47,476
Investment receipts	125,888	69,349
Miscellaneous	264,450	495,453
<b>Total general cash receipts</b>	<b>15,443,992</b>	<b>15,154,762</b>
<b>Total cash receipts</b>	<b>18,870,853</b>	<b>18,627,902</b>
<b>Cash Disbursements:</b>		
Current:		
General government	919,572	783,835
Public safety	16,830,816	15,828,848
Public works	194,292	155,561
Health	336,229	275,006
Miscellaneous	60,052	74,746
Capital outlay	2,195,633	382,382
Debt service:		
Principal retirement	625,490	545,606
Interest and fiscal charges	86,705	130,086
<b>Total cash disbursements</b>	<b>21,248,789</b>	<b>18,176,070</b>
<b>Change in net position</b>	<b>(2,377,936)</b>	<b>451,832</b>
<b>Net position at beginning of year</b>	<b>12,204,725</b>	<b>11,752,893</b>
<b>Net position at end of year</b>	<b>\$ 9,826,789</b>	<b>\$ 12,204,725</b>

**Governmental Activities**

Governmental Net Position decreased by \$2,377,936 in 2019 from 2018.

General government represents activities related to the governing body as well as activities that directly support Township programs. In 2019, general government cash receipts totaled \$15,443,992 or 81.84% of total governmental cash receipts. General government programs were supported by \$3,426,861 in direct charges to users for services.

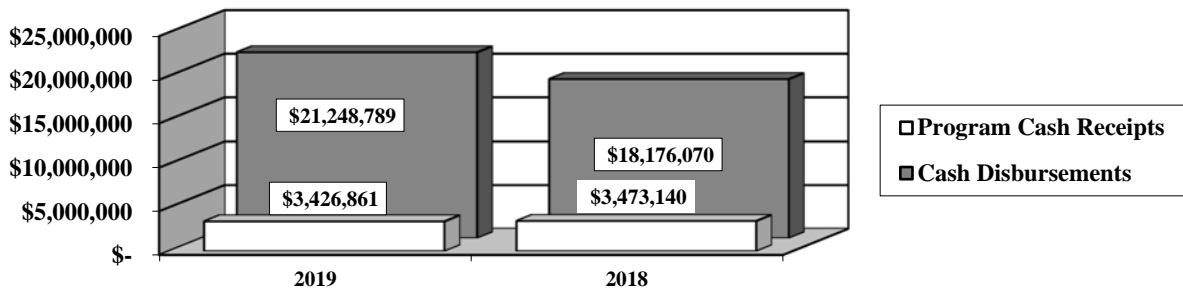
**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

In 2019, the public safety programs accounted for \$16,830,816 or 79.21% of total governmental cash disbursements. These operations are primarily supported through taxes and charges for services. Public safety disbursements increased by \$1,001,968 due to an emphasis on capital outlay spending in the fire department.

The Statement of Activities - Cash Basis shows the cost of program services and the charges for services and grants offsetting those services. The following graph shows, for governmental activities, the total cost of services and the net cost of services for 2019 and 2018. That is, it identifies the cost of these services supported by tax receipts and unrestricted State grants and entitlements.

**Governmental Activities - Program Cash Receipts vs. Total Cash Disbursements**



The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2019	2019	2018	2018
Cash disbursements:				
Current:				
General government	\$ 919,572	\$ 893,052	\$ 783,835	\$ 758,272
Public safety	16,830,816	13,779,617	15,828,848	12,860,611
Public works	194,292	71,004	155,561	46,075
Health	336,229	110,375	275,006	(12,091)
Miscellaneous	60,052	60,052	74,746	74,746
Capital outlay	2,195,633	2,195,633	382,382	299,625
Debt service:				
Principal retirement	625,490	625,490	545,606	545,606
Interest and fiscal charges	86,705	86,705	130,086	130,086
<b>Total</b>	<b>\$ 21,248,789</b>	<b>\$ 17,821,928</b>	<b>\$ 18,176,070</b>	<b>\$ 14,702,930</b>

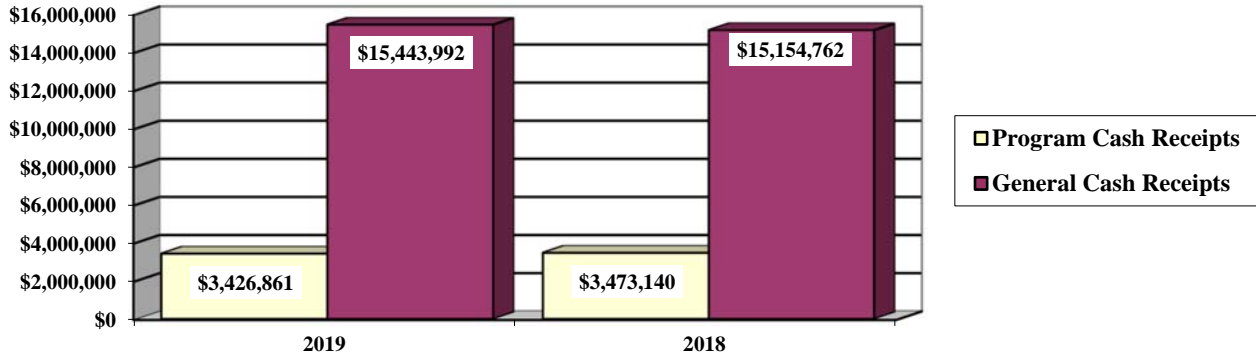
The dependence upon general cash receipts for governmental activities is apparent with 83.87% of cash disbursements supported through taxes and other general cash receipts during 2019.

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

The graph below presents the Township's governmental receipts for 2019 and 2018.

**Governmental Activities - General and Program Cash Receipts**



**Financial Analysis of the Government's Funds**

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The Township's governmental funds are accounted for using the cash basis of accounting.

At December 31, 2019, the Township's governmental funds reported a combined fund balance of \$9,826,789, which is \$2,377,936 less than the 2018 total of \$12,204,725. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2019 and 2018 for all major and nonmajor governmental funds.

	<u>Fund Balance</u> <u>December 31, 2019</u>	<u>Fund Balance</u> <u>December 31, 2018</u>	<u>Change</u>
Major Funds:			
General	\$ 850,357	\$ 1,096,730	\$ (246,373)
Fire District	2,586,634	4,787,865	(2,201,231)
Ambulance and Emergency	4,042,991	3,736,765	306,226
MECC Center	605,406	989,431	(384,025)
Nonmajor funds	<u>1,741,401</u>	<u>1,593,934</u>	<u>147,467</u>
Total	<u>\$ 9,826,789</u>	<u>\$ 12,204,725</u>	<u>\$ (2,377,936)</u>

**General Fund**

The General Fund, one of the Township's major funds, had cash receipts of \$954,927 in 2019. The cash disbursements and other financing disbursements of the General Fund, totaled \$1,201,300 in 2019. The General Fund's fund balance decreased \$246,373 from 2018 to 2019.

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

The table that follows assists in illustrating the cash receipts of the General Fund.

	2019 Amount	2018 Amount	Change
<b><u>Cash Receipts:</u></b>			
Taxes	\$ 651,375	\$ 678,051	\$ (26,676)
Intergovernmental	152,623	156,758	(4,135)
License, permits and fees	26,520	25,563	957
Interest	124,170	69,349	54,821
Miscellaneous	239	3,874	(3,635)
<b>Total</b>	<b>\$ 954,927</b>	<b>\$ 933,595</b>	<b>\$ 21,332</b>

The table that follows assists in illustrating the expenditures of the General Fund.

	2019 Amount	2018 Amount	Change
<b><u>Cash Disbursements</u></b>			
General government	\$ 919,572	\$ 783,835	\$ 135,737
Public safety	-	498	(498)
Health	8,833	9,248	(415)
Miscellaneous	60,052	74,746	(14,694)
Capital outlay	12,843	18,608	(5,765)
Debt service	-	57,745	(57,745)
<b>Total</b>	<b>\$ 1,001,300</b>	<b>\$ 944,680</b>	<b>\$ 56,620</b>

***Fire District Fund***

The Fire District Fund, a Township major fund, had cash receipts and other financing receipts of \$13,053,624 in 2019. The Fire District Fund had cash disbursements of \$15,254,855 in 2019. The Fire District Fund balance decreased \$2,201,231 from 2018 to 2019.

***Ambulance and Emergency Fund***

The Ambulance and Emergency Fund, a Township major fund, had cash receipts of \$1,274,341 in 2019. The Ambulance and Emergency Fund had cash disbursements of \$968,115 in 2019. The Ambulance and Emergency Fund balance increased \$306,226 from 2018 to 2019.

***MECC Center Fund***

The Metropolitan Emergency Communication Center ("MECC") fund, a Township major fund, had cash receipts of \$1,730,511 in 2019. The MECC Center Fund had cash disbursements of \$2,114,536 in 2019. The MECC Center Fund balance decreased \$384,025 from 2018 to 2019.

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

***Budgeting Highlights - General Fund***

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

For 2019, the original and final budget basis receipts were \$883,466. Actual cash receipts of \$954,927 were \$71,461 greater than final budget basis receipts. The final and original budgetary basis disbursements and other financing disbursements were \$1,980,196, which was \$774,364 more than the actual budget disbursements and other financing disbursements of \$1,205,832.

**Capital Assets and Debt Administration**

***Capital Assets***

The Township does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements. The Township had capital outlay disbursements of \$2,195,633 and \$382,382 during 2019 and 2018, respectively.

***Debt Administration***

The Township had the following debt outstanding at December 31, 2019 and 2018:

	<u>Governmental Activities 2019</u>	<u>Governmental Activities 2018</u>
<b>General Obligation Bonds:</b>		
2019 Pierce Fire Engine Bond	\$ 600,000	\$ -
Series 2017 Various Purposes Refunding Bonds	<u>2,335,000</u>	<u>2,595,000</u>
Total General Obligation Bonds	<u>2,935,000</u>	<u>2,595,000</u>
<b>Lease Purchase Agreements:</b>		
Police Ford Explorers	21,793	32,265
Carolina Tractor	68,861	101,952
Fire Ford Interceptor	16,467	21,520
Police GeTax Laptops	9,991	20,000
Police Dodge Charger	44,214	-
Ford Transit	<u>20,814</u>	<u>-</u>
Total Lease Purchase Agreements	<u>182,140</u>	<u>175,737</u>
<b>Loans:</b>		
Pumper Truck Fire Engine Loan	237,342	289,941
Horton EMS Vehicles Loan	-	156,076
Police Vehicle Ford Fusion Loan	<u>8,117</u>	<u>16,040</u>
Total Loans	<u>245,459</u>	<u>462,057</u>
Total long-term obligations	<u>\$ 3,362,599</u>	<u>\$ 3,232,794</u>

See Note 5 for more information on the Township's debt.

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**Current Financial Related Activities**

The following economic factors were taken into consideration in preparing the budget for 2019:

Mifflin Township is located in Franklin County in central Ohio. Unemployment in Franklin County typically is slightly below the State and national levels.

State funding fluctuates yearly based on action by the State legislature. For 2019, local government funding was increased under House Bill 64. Sales and property tax revenues are expected to remain consistent as well as expenditures for 2018. We monitor the real estate tax delinquency information provided by Franklin County for potential revenue shortfall.

These economic factors were considered in preparing the Township's budget for 2019. The Township has continued to practice conservative budgetary practices in order to preserve a positive financial position in future years.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Joseph Spanovich, Fiscal Officer, Mifflin Township, 155 Olde Ridenour Rd. Gahanna, Ohio 43230.



**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 9,826,789
Total assets. . . . .	9,826,789
<b>Net cash position:</b>	
Restricted for:	
Public safety. . . . .	7,412,130
Cemetery. . . . .	399,659
Street maintenance and construction . . . . .	762,998
Debt service. . . . .	401,645
Unrestricted . . . . .	850,357
Total net cash position . . . . .	\$ 9,826,789

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Cash Disbursements	Program Cash Receipts		Net (Cash Disbursements) Cash Receipts and Changes in Net Position
		Charges for Services	Operating Grants Grants and Contributions	
<b>Governmental activities:</b>				
General government . . . . .	\$ 919,572	\$ 26,520	\$ -	\$ (893,052)
Public safety . . . . .	16,830,816	3,051,199	-	(13,779,617)
Public works . . . . .	194,292	-	123,288	(71,004)
Health . . . . .	336,229	225,854	-	(110,375)
Miscellaneous . . . . .	60,052	-	-	(60,052)
Capital outlay . . . . .	2,195,633	-	-	(2,195,633)
Debt service:				
Principal retirement . . . . .	625,490	-	-	(625,490)
Interest and fiscal charges. . . . .	86,705	-	-	(86,705)
<b>Total governmental activities . . . . .</b>	<b>\$ 21,248,789</b>	<b>\$ 3,303,573</b>	<b>\$ 123,288</b>	<b>(17,821,928)</b>

**General receipts:**

Property and other taxes levied for:

General purposes . . . . .	651,375
Public safety - Fire Fund. . . . .	10,677,543
Public safety - Police district . . . . .	617,887
Debt service . . . . .	577,231
Street construction and repair. . . . .	110,625
Grants and entitlements not restricted to specific programs . . . . .	1,663,698
Bond proceeds . . . . .	667,000
Lease purchase proceeds. . . . .	88,295
Investment receipts. . . . .	125,888
Miscellaneous . . . . .	264,450
<b>Total general receipts. . . . .</b>	<b>15,443,992</b>
Change in net position. . . . .	(2,377,936)
<b>Net cash position at beginning of year . . . . .</b>	<b>12,204,725</b>
<b>Net cash position at end of year . . . . .</b>	<b>\$ 9,826,789</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>General</u>	<u>Fire District</u>	<u>Ambulance and Emergency</u>	<u>MECC Center</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Equity in pooled cash and investments . . .	\$ 850,357	\$ 2,586,634	\$ 4,042,991	\$ 605,406	\$ 1,741,401	\$ 9,826,789
Total assets . . . . .	<u>\$ 850,357</u>	<u>\$ 2,586,634</u>	<u>\$ 4,042,991</u>	<u>\$ 605,406</u>	<u>\$ 1,741,401</u>	<u>\$ 9,826,789</u>
<b>Fund balances:</b>						
Restricted:						
Public safety. . . . .	-	2,586,634	4,042,991	605,406	177,099	7,412,130
Cemetery. . . . .	-	-	-	-	399,659	399,659
Street maintenance and construction. . . .	-	-	-	-	762,998	762,998
Debt service. . . . .	-	-	-	-	401,645	401,645
Assigned:						
General government. . . . .	4,532	-	-	-	-	4,532
Subsequent year appropriations . . . . .	540,668	-	-	-	-	540,668
Unassigned . . . . .	<u>305,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,157</u>
Total fund balances . . . . .	<u>\$ 850,357</u>	<u>\$ 2,586,634</u>	<u>\$ 4,042,991</u>	<u>\$ 605,406</u>	<u>\$ 1,741,401</u>	<u>\$ 9,826,789</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Fire District	Ambulance and Emergency	MECC Center	Other Governmental Funds	Total Governmental Funds
<b>Cash receipts:</b>						
Taxes . . . . .	\$ 651,375	\$ 10,677,543	\$ -	\$ -	\$ 1,305,743	\$ 12,634,661
Intergovernmental . . . . .	152,623	1,421,124	-	-	213,085	1,786,832
Charges for services . . . . .	-	33,702	1,274,263	884,420	57,313	2,249,698
License, permits and fees . . . . .	26,520	-	-	-	172,078	198,598
Fines and forfeitures. . . . .	-	-	-	-	9,759	9,759
Interest. . . . .	124,170	-	-	-	1,872	126,042
Miscellaneous . . . . .	239	254,255	78	846,091	9,305	1,109,968
Total cash receipts. . . . .	<u>954,927</u>	<u>12,386,624</u>	<u>1,274,341</u>	<u>1,730,511</u>	<u>1,769,155</u>	<u>18,115,558</u>
<b>Cash disbursements:</b>						
Current:						
General government . . . . .	919,572	-	-	-	-	919,572
Public safety . . . . .	-	13,147,679	743,839	2,114,536	824,762	16,830,816
Public works . . . . .	-	-	-	-	194,292	194,292
Health . . . . .	8,833	-	-	-	327,396	336,229
Miscellaneous . . . . .	60,052	-	-	-	-	60,052
Capital outlay . . . . .	12,843	2,107,176	47,319	-	28,295	2,195,633
Debt service:						
Principal retirement . . . . .	-	-	171,601	-	453,889	625,490
Interest and fiscal charges . . . . .	-	-	5,356	-	81,349	86,705
Total cash disbursements . . . . .	<u>1,001,300</u>	<u>15,254,855</u>	<u>968,115</u>	<u>2,114,536</u>	<u>1,909,983</u>	<u>21,248,789</u>
Excess (deficiency) of cash receipts over (under) cash disbursements. . . . .	(46,373)	(2,868,231)	306,226	(384,025)	(140,828)	(3,133,231)
<b>Other financing receipts (disbursements):</b>						
Bond proceeds . . . . .	-	667,000	-	-	-	667,000
Lease purchase proceeds . . . . .	-	-	-	-	88,295	88,295
Transfers in. . . . .	-	-	-	-	200,000	200,000
Transfers out . . . . .	(200,000)	-	-	-	-	(200,000)
Total other financing receipts (disbursements) . . . . .	<u>(200,000)</u>	<u>667,000</u>	<u>-</u>	<u>-</u>	<u>288,295</u>	<u>755,295</u>
Net change in fund balances. . . . .	(246,373)	(2,201,231)	306,226	(384,025)	147,467	(2,377,936)
<b>Fund balances</b>						
at beginning of year . . . . .	1,096,730	4,787,865	3,736,765	989,431	1,593,934	12,204,725
Fund balances at end of year . . . . .	<u>\$ 850,357</u>	<u>\$ 2,586,634</u>	<u>\$ 4,042,991</u>	<u>\$ 605,406</u>	<u>\$ 1,741,401</u>	<u>\$ 9,826,789</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Taxes . . . . .	\$ 602,630	\$ 602,630	\$ 651,375	\$ 48,745
Intergovernmental . . . . .	141,202	141,202	152,623	11,421
License, permits and fees . . . . .	24,535	24,535	26,520	1,985
Interest . . . . .	114,878	114,878	124,170	9,292
Miscellaneous . . . . .	221	221	239	18
Total receipts . . . . .	<u>883,466</u>	<u>883,466</u>	<u>954,927</u>	<u>71,461</u>
<b>Disbursements:</b>				
Current:				
General government . . . . .	1,619,297	1,619,297	924,104	695,193
Health . . . . .	17,390	17,390	8,833	8,557
Miscellaneous . . . . .	118,225	118,225	60,052	58,173
Capital outlay . . . . .	25,284	25,284	12,843	12,441
Total disbursements. . . . .	<u>1,780,196</u>	<u>1,780,196</u>	<u>1,005,832</u>	<u>774,364</u>
Deficiency of disbursements under receipts . . . . .	<u>(896,730)</u>	<u>(896,730)</u>	<u>(50,905)</u>	<u>845,825</u>
<b>Other financing disbursements:</b>				
Transfers out . . . . .	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total other financing disbursements . . . . .	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance . . . . .	(1,096,730)	(1,096,730)	(250,905)	845,825
<b>Fund balance at beginning of year. . . . .</b>	1,080,773	1,080,773	1,080,773	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>15,957</u>	<u>15,957</u>	<u>15,957</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 845,825</u>	<u>\$ 845,825</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
FIRE DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Taxes . . . . .	\$ 10,854,307	\$ 10,854,307	\$ 10,677,542	\$ (176,765)
Intergovernmental . . . . .	1,444,651	1,444,651	1,421,124	(23,527)
Charges for services . . . . .	34,260	34,260	33,702	(558)
Miscellaneous . . . . .	258,464	258,464	254,255	(4,209)
<b>Total receipts . . . . .</b>	<u>12,591,682</u>	<u>12,591,682</u>	<u>12,386,623</u>	<u>(205,059)</u>
<b>Disbursements:</b>				
Current:				
Public safety . . . . .	15,662,618	15,477,404	13,365,368	2,112,036
Capital outlay . . . . .	1,716,929	1,696,625	1,465,105	231,520
<b>Total disbursements . . . . .</b>	<u>17,379,547</u>	<u>17,174,029</u>	<u>14,830,473</u>	<u>2,343,556</u>
Deficiency of disbursements under receipts. . . . .	<u>(4,787,865)</u>	<u>(4,582,347)</u>	<u>(2,443,850)</u>	<u>2,138,497</u>
Net change in fund balance. . . . .	(4,787,865)	(4,582,347)	(2,443,850)	2,138,497
<b>Fund balance at beginning of year . . . . .</b>	4,521,003	4,521,003	4,521,003	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>266,862</u>	<u>266,862</u>	<u>266,862</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 205,518</u>	<u>\$ 2,344,015</u>	<u>\$ 2,138,497</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
AMBULANCE AND EMERGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Charges for services . . . . .	\$ 1,449,911	\$ 1,449,911	\$ 1,274,263	(175,648)
Miscellaneous . . . . .	89	89	78	(11)
Total receipts . . . . .	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,274,341</u>	<u>(175,659)</u>
<b>Disbursements:</b>				
Current:				
Public safety . . . . .	3,497,158	1,839,050	793,704	1,045,346
Capital outlay . . . . .	909,913	478,496	206,511	271,985
Debt service:				
Principal retirement . . . . .	756,095	397,608	171,601	226,007
Interest and fiscal charges . . . . .	23,599	12,410	5,356	7,054
Total disbursements. . . . .	<u>5,186,765</u>	<u>2,727,564</u>	<u>1,177,172</u>	<u>1,550,392</u>
Excess (deficiency) of receipts over (under) disbursements. . . . .	<u>(3,736,765)</u>	<u>(1,277,564)</u>	<u>97,169</u>	<u>1,374,733</u>
Net change in fund balance. . . . .	(3,736,765)	(1,277,564)	97,169	1,374,733
<b>Fund balance at beginning of year. . . . .</b>	3,728,853	3,728,853	3,728,853	-
<b>Prior year encumbrances appropriated . . . . .</b>	7,912	7,912	7,912	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ 2,459,201</u>	<u>\$ 3,833,934</u>	<u>\$ 1,374,733</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
MECC CENTER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Charges for services . . . . .	\$ 1,957,352	\$ 1,957,352	\$ 1,729,938	\$ (227,414)
Miscellaneous . . . . .	648	648	573	(75)
Total receipts . . . . .	<u>1,958,000</u>	<u>1,958,000</u>	<u>1,730,511</u>	<u>(227,489)</u>
<b>Disbursements:</b>				
Current:				
Public safety . . . . .	2,947,431	2,928,709	2,118,595	810,114
Total disbursements. . . . .	<u>2,947,431</u>	<u>2,928,709</u>	<u>2,118,595</u>	<u>810,114</u>
Net change in fund balance. . . . .	(989,431)	(970,709)	(388,084)	582,625
<b>Fund balance at beginning of year. . . . .</b>	899,141	899,141	899,141	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>90,290</u>	<u>90,290</u>	<u>90,290</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ 18,722</u>	<u>\$ 601,347</u>	<u>\$ 582,625</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS  
FIDUCIARY FUND  
DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Private-Purpose Trust</b>
<b>Assets:</b>	
Equity in pooled cash and investments. . . . .	\$ 5,142
Total assets. . . . .	5,142
<b>Net cash position:</b>	
Held in trust for other purposes . . . . .	5,142
Total net cash position . . . . .	\$ 5,142

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS  
FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Private-Purpose Trust</b>
<b>Additions:</b>	
Interest . . . . .	\$ 29
Change in net position . . . . .	29
<b>Net cash position at beginning of year . . .</b>	<b>5,113</b>
<b>Net cash position at end of year . . . . .</b>	<b>\$ 5,142</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 1 - DESCRIPTION OF THE TOWNSHIP**

Mifflin Township, Franklin County, Ohio (the "Township") is a body politic and corporate established for the purpose of exercising 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 provides the following services: fire protection, road and bridge maintenance, cemetery maintenance and emergency medical services as well as general governmental services.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.D., these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In cases where these cash basis statements contain items that are the same as, or similar to, those items in the financial statements prepared in conformity with GAAP, similar informative disclosures are provided. Following are the more significant of the Township's accounting policies:

**A. Reporting Entity**

For financial reporting purposes, the Township's Basic Financial Statements (BFS) include all funds, agencies, boards, commissions, and departments for which the Township is financially accountable. Financial accountability, as defined by the GASB, exists if the Township appoints a voting majority of an organization's Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the Township. The Township may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the Township. The Township also took into consideration other organizations for which the nature and significance of their relationship with the Township are such that exclusion would cause the Township's basic financial statements to be misleading or incomplete. The Township has no component units.

The following organizations are described due to their significant relationship to the Township:

*JOINTLY GOVERNED ORGANIZATIONS*

Mid-Ohio Regional Planning Commission

The Township is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 74 representatives appointed by member governments who make up the Commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes more than 60 political subdivisions in and around Franklin, Ross, Fayette, Delaware, Pickaway, Madison, Licking, Fairfield, Knox, Union, Marion, Morrow, Hocking, Logan and Perry Counties, Ohio. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environment infrastructure program funding to the full advantage of MORPC's members.

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Metropolitan Emergency Communications Consortium Regional Council of Governments

The Township is a participant in the Metropolitan Emergency Communications Consortium Regional Council of Governments (MECC RCOG), a jointly governed organization. MECC RCOG is composed of representatives from Mifflin, Truro, Violet, Jefferson and Plain Townships. The purpose of the organization is to provide cost savings to the entities involved through their collective buying power.

*PUBLIC ENTITY RISK POOL*

Ohio Township Association Risk Management Authority

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductible. This organization is discussed in Note 8.

**B. 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 a fund financial statement 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, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The Statement of Net Position presents the cash balance of the governmental activities of the 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 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 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.

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**C. 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. The funds of the Township are divided into three categories, governmental, proprietary and fiduciary. The Township has no proprietary funds.

**Governmental Funds** - The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other nonexchange transactions as governmental funds. The following are the Township's major governmental funds:

General fund - This fund is used to account for all financial activities of the Township 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.

Fire district fund - This fund is used to account for all financial activities of the fire operations.

Ambulance and emergency fund - This fund is used to account for all financial activities related to emergency management services (EMS).

MECC Center fund - This fund is used to account for all financial activities related to the Ohio Metropolitan Emergency Communications Center (MECC) for emergency services dispatching.

Other governmental funds of the Township are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Fiduciary Funds** - Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township has one private-purpose trust fund used for grave site maintenance in the Township cemetery. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township does not maintain any agency funds.

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraphs.

**D. Basis of Accounting**

The Township's financial statements are prepared using the cash basis of accounting. 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.

**MIFFLIN TOWNSHIP  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

**E. Budgetary Process**

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

The appropriations ordinance 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 object level for all funds. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

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

**F. 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 of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2019, investments were limited to negotiable certificates of deposit, non-negotiable certificates of deposit and U.S. Government money market funds.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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 \$124,170 which includes \$62,082 assigned from other Township funds.

**G. 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.

**H. Capital Assets**

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

**I. 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 cash basis of accounting.

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

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. In addition to these disbursements the Township also contributes the entire employee share. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits; these amounts are the required amounts and are not necessarily the amounts that are paid.

**K. Long-term Obligations**

The Township's 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 when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay disbursement is reported at inception. Lease payments are reported when paid.

**L. Net Cash Position**

Net cash 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.

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

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**M. 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 classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Township Board of Trustees (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Township Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. 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 nor 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 policies of the Township Board of Trustees, which includes giving the Fiscal Officer the authority to constrain monies for intended purposes.

*Unassigned* - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Township applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

**N. Interfund Activity**

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 receipt (disbursement) 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. Interfund transfers between government funds are eliminated for reporting in the Statement of Activities.



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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**O. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2019.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, 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, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items 1 and 2 above, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);

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**NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)**

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Township by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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 Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Deposits with Financial Institutions**

At December 31, 2019, the carrying amount of all Township deposits was \$6,458,437, including \$1,671,442 in non-negotiable certificates of deposit. Based on the criteria described in GASB Statement No. 40, "Deposits and Investments Risk Disclosures", as of December 31, 2019, \$4,544,160 of the Township's bank balance of \$6,475,602 was exposed to custodial risk as discussed below, while \$1,931,442 was covered by FDIC.

Custodial credit risk is the risk that in the event of bank failure, the Township deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Township. The Township has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

As of December 31, 2019, the Township had the following investments and maturities:

Investment type	Carrying Value	Fair Value	Investment Maturities
			6 months or less
Negotiable CD's	\$ 1,478,987	\$ 1,478,987	\$ 1,478,987
U.S. Government money market	<u>1,894,507</u>	<u>1,894,507</u>	<u>1,894,507</u>
Total	<u>\$ 3,373,494</u>	<u>\$ 3,373,494</u>	<u>\$ 3,373,494</u>

The weighted average maturity of investments is 0.08 years.

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Township's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The U.S. Government money market fund carries a rating of AAAM by Standard & Poor's.

*Concentration of Credit Risk:* The Township places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Township at December 31, 2019:

Investment type	Fair Value	% of Total
Negotiable CD's	\$ 1,478,987	43.84
U.S. Government money market	<u>1,894,507</u>	<u>56.16</u>
Total	<u>\$ 3,373,494</u>	<u>100.00</u>

**C. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Position - cash basis as of December 31, 2019:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 6,458,437
Investments	<u>3,373,494</u>
Total	<u>\$ 9,831,931</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 9,826,789
Private purpose trust	<u>5,142</u>
Total	<u>\$ 9,831,931</u>

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**NOTE 4 - PROPERTY TAX**

Property taxes include amounts levied against all real and public utility property located in the Township. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Beginning in calendar year 2009, tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property tax collections in calendar year 2019 represent delinquent collections.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated by calendar year 2009, and the tax on telephone and telecommunications property was eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the Township due to the phasing out of the tax. In calendar year 2012, the Township was fully reimbursed for the lost revenue. In calendar years 2013-2017, the reimbursements will be phased out.

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.

The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

	<u>2019</u>
Real property tax	\$ 1,052,159,220
Public utility tangible personal property	<u>37,180,030</u>
Total assessed valuation	<u>\$ 1,089,339,250</u>

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**NOTE 5 - DEBT OBLIGATIONS**

Transactions for the year ended December 31, 2019 are summarized as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Balance December 31, 2018</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance December 31, 2019</u>
<i>General Obligation Bonds:</i>					
2019 Pierce Fire Engine Bond	2.64%	\$ -	\$ 667,000	\$ (67,000)	\$ 600,000
Series 2017 Various Purpose Refunding Bonds	2.24%	2,595,000	-	(260,000)	2,335,000
Total Bonds		<u>2,595,000</u>	<u>667,000</u>	<u>(327,000)</u>	<u>2,935,000</u>
<i>Lease Purchase Agreements:</i>					
2017 Police Ford Explorers	1.75%	32,265	-	(10,472)	21,793
2017 Carolina Tractor	2.67%	101,952	-	(33,091)	68,861
2018 Fire Ford Interceptor	4.23%	21,520	-	(5,053)	16,467
2018 Police GeTax Laptops (4)	4.26%	20,000	-	(10,009)	9,991
2019 Police Dodge Charger (2)	3.86%	-	60,000	(15,786)	44,214
2019 Ford Transit	3.86%	-	28,295	(7,481)	20,814
Total Lease Purchase Agreements		<u>175,737</u>	<u>88,295</u>	<u>(81,892)</u>	<u>182,140</u>
<i>Loans:</i>					
2014 Pumper Truck Fire Engine	3.40%	289,941	-	(52,599)	237,342
2016 Horton EMS Vehicle Loan	2.95%	156,076	-	(156,076)	-
2016 Ford Fusion Loan	2.45%	16,040	-	(7,923)	8,117
Total Loans		<u>462,057</u>	<u>-</u>	<u>(216,598)</u>	<u>245,459</u>
Total Outstanding Debt		<u>\$ 3,232,794</u>	<u>\$ 755,295</u>	<u>\$ (625,490)</u>	<u>\$ 3,362,599</u>

**General Obligation Bonds**

*2019 Pierce Fire Engine Bonds* - The Township issued acquisition bonds, Series 2019, in May 2019 in the amount of \$667,000 to provide additional funding for the Fire Department. The bond is being paid from the general bond retirement fund. The final maturity of the bonds is December 1, 2028.

*Series 2017 Various Purpose Refunding Bonds* - During 2017, the Township issued \$2,690,000 in Series 2017 Various Purpose Refunding Bonds to refund \$505,000 of the Series 2008 general obligation bonds outstanding and to provide additional funding for the Fire Department. Part of the issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the notes to the basic financial statements. The balance of the refunded bonds outstanding at December 31, 2019 was \$505,000. The bond is being paid from the general bond retirement fund.

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**NOTE 5 - DEBT OBLIGATIONS - (Continued)**

The issue is comprised of both current interest bonds, par value \$2,690,000. The interest rates on the current interest bonds are 2.24%. The final maturity date of the bonds is December 1, 2028.

The reacquisition price exceeded the net carrying amount of the old debt by \$34,289. This advance refunding was undertaken to reduce the combined total debt service payments for the Township by an estimate of \$45,000-\$60,000.

**Lease Purchase Agreements**

In 2014, the Township entered into a lease purchase agreement for a Ford 550. The lease is for a four-year period, carries an interest rate of 2.30% and had a final maturity date during 2017. The lease purchase agreement is being paid from the gasoline tax fund (a nonmajor governmental fund).

During 2017, the Township entered into a lease purchase agreement for two police Ford Explorers. The lease is for a five-year period, carries an interest rate of 1.75% and has a final maturity date of July 18, 2021. The lease purchase agreement is being paid from the ambulance and emergency fund.

During 2017, the Township entered into a lease purchase agreement for a Carolina Tractor. The lease is for a five-year period, carries an interest rate of 2.67% and has a final maturity date of February 21, 2021. The lease purchase agreement is being paid from the road and bridge fund (a nonmajor governmental fund).

During 2018, the Township entered into a lease purchase agreement for a Ford Interceptor for the Fire Department. The lease is for a five-year period, carries an interest rate of 4.23% and has a final maturity date of June 7, 2022. The lease purchase agreement is being paid from the ambulance and emergency fund.

During 2018, the Township entered into a lease purchase agreement for four police GeTax Laptops. The lease is for a four-year period, carries an interest rate of 4.26% and has a final maturity date of August 17, 2021.

During 2019, the Township entered into a lease purchase agreement for two Dodge Charger Police Cruisers for the Police Department. The lease is for a five-year period, carries an interest rate of 3.86% and has a final maturity date of April 2025. The lease purchase agreement is being paid from the police fund.

During 2019, the Township entered into a lease purchase agreement for a Ford Transit for the Police Department. The lease is for a five-year period with one payment made in advance, carries an interest rate of 3.86% and has a final maturity date of April 2025. The lease purchase agreement is being paid from the motor vehicle license tax fund (a nonmajor governmental fund).

**Loans**

In 2014, the Township entered into a loan with Deutshe Bank to finance a new fire engine. The fire engine was purchased from Pierce Manufacturing on January 23, 2014. The loan amount is for a 10 year period ending December 31, 2023 in the amount of \$496,620 at an interest rate of 3.40%. The loan is being paid from the general bond retirement fund.

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**NOTE 5 - DEBT OBLIGATIONS - (Continued)**

In 2016 the Township entered in to a loan with Park National Bank for the purchase of EMS Vehicles. The loan amount is for a 4 year period ending June 1, 2019 in the amount of \$617,446 at an interest rate of 2.95%. The loan is being paid from ambulance and emergency fund.

In 2016, the Township entered in to a loan with Park National Bank to finance a police vehicle. The vehicle was not received or paid for in 2016. The loan amount is for a 4 year period ending December 31, 2020 in the amount of \$31,323 at an interest rate of 2.45%. The loan is being paid from the police district fund (a nonmajor governmental fund).

The principal and interest requirements to retire the bonds outstanding at December 31, 2019, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 320,000	68,143	\$ 388,143
2021	337,000	60,736	397,736
2022	338,000	52,940	390,940
2023	345,000	45,116	390,116
2024	351,000	37,128	388,128
2025 - 2028	<u>1,244,000</u>	<u>65,040</u>	<u>1,309,040</u>
Total	<u>\$ 2,935,000</u>	<u>\$ 329,103</u>	<u>\$ 3,264,103</u>

The principal and interest requirements to retire the lease purchase agreements outstanding at December 31, 2019, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 75,794	\$ 5,897	\$ 81,691
2021	78,177	3,515	81,692
2022	<u>28,169</u>	<u>1,054</u>	<u>29,223</u>
Total	<u>\$ 182,140</u>	<u>\$ 10,466</u>	<u>\$ 192,606</u>

The principal and interest requirements to retire the loans outstanding at December 31, 2019, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 62,504	\$ 7,982	\$ 70,486
2021	56,237	5,933	62,170
2022	58,147	4,021	62,168
2023	<u>68,571</u>	<u>2,044</u>	<u>70,615</u>
Total	<u>\$ 245,459</u>	<u>\$ 19,980</u>	<u>\$ 265,439</u>

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**NOTE 6 - DEFINED BENEFIT PENSION PLANS**

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

Plan Description - Township employees, other than full-time police and 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 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 (e.g. Township employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension 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 Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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



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**NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 3.00% 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 2.25%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	State and Local	Public Safety	Law Enforcement
<b>2018 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
<b>2018 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0 %	0.0 %	0.0 %
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

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

The Township's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$309,312 for 2019.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

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**NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

	<u>Firefighters</u>
<b>2018 Statutory Maximum Contribution Rates</b>	
Employer	24.00 %
Employee	12.25 %
 <b>2018 Actual Contribution Rates</b>	
Employer:	
Pension	23.50 %
Post-employment Health Care Benefits	0.50 %
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 OP&F was \$1,703,517 for 2019.

**NOTE 7 - DEFINED BENEFIT OPEB PENSION PLANS**

***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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 7 - DEFINED BENEFIT OPEB PENSION PLANS - (Continued)**

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 2018, 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 2018, 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 2018 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 \$1,695 for 2019.

***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 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. OP&F 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.

OP&F 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 OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 7 - DEFINED BENEFIT OPEB PENSION PLANS - (Continued)**

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

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

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

The Township's contractually required contribution to OP&F was \$33,230 for 2019.

**NOTE 8 - RISK MANAGEMENT**

**A. Risk Pool Membership**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 8 - RISK MANAGEMENT - (Continued)**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2017, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2018 and 2017 (the latest information available):

	<u>2017</u>	<u>2018</u>
Assets	\$ 40,010,732	\$ 33,097,416
Liabilities	<u>(8,675,465)</u>	<u>(7,874,610)</u>
Net Position	<u>\$ 31,335,267</u>	<u>\$ 25,222,806</u>

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township's share of these unpaid claims collectible in future years is approximately \$56,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

Contributions to OTARMA

2018	\$125,367
2017	\$120,469

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**NOTE 8 - RISK MANAGEMENT - (Continued)**

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also, upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**B. Worker's Compensation**

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

**NOTE 9 - CONTINGENCIES**

**A. Litigation**

The Township is currently not party to any pending litigation.

**B. Grants**

The Township receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual funds included herein or on the overall financial position of the Township at December 31, 2019.

**NOTE 10 - INTERFUND TRANSACTIONS**

Interfund transfers for the year ended December 31, 2019, consisted of the following, as reported on the fund financial statements:

Transfers from general fund to:

Nonmajor governmental funds	\$ 200,000
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Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated for reporting in the Statement of Activities.

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**NOTE 11 - OTHER COMMITMENTS**

The Township utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Township's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 4,532
Fire District	242,619
Ambulance and Emergency	209,057
MECC Center	4,059
Other Nonmajor Governmental	<u>6,993</u>
Total	<u>\$ 467,260</u>

**NOTE 12 - 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 Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance - Budget and Actual (Budgetary Basis) presented for the General Fund, the Fire District Fund, the Ambulance and Emergency Fund and the MECC Center Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements on the budgetary basis but are not on a cash basis. At December 31, 2019, the encumbrances outstanding at year end (budgetary basis) amounted to \$4,532 for the General Fund, \$242,619 for the Fire District Fund, \$209,057 for the Ambulance and Emergency Fund and \$4,059 for the MECC Center Fund.

**NOTE 13 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For 2019, the City has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations", GASB Statement No. 84, "Fiduciary Activities", GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements" and GASB Statement No. 90, "Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the City.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The implementation of GASB Statement No 84 did not have an effect on the financial statements of the City.



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**NOTE 13 - ACCOUNTABILITY AND COMPLIANCE (Continued)**

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the City.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the City.

**NOTE 14 - TAX ABATEMENT AGREEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

The City of Gahanna entered into property tax abatement agreements with property owners under Tax Incremental Financing ("TIF") agreements on properties within the Township. The TIF agreements are directive incentive tax exemption programs benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Under these agreements, the Township's property taxes were reduced by approximately \$200,000. The Township received \$79,467 from the City of Gahanna in association with the forgone property tax revenue.