

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

Cash Basis Financial Statements

**For the Year Ended
December 31, 2021**

MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO

CASH BASIS FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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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 the Mifflin Township, which comprise the statements listed in the table of contents as of December 31, 2021, 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 a 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.D 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Julian & Grube, Inc.

Westerville, Ohio
February 17, 2022

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021 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 2021 are as follows:

- For 2021, the total net position of the Township decreased \$2,430,198 or 17.99%.
- For 2021, general cash receipts accounted for \$17,607,845 or 83.46% of total governmental activities cash receipts, program specific cash receipts accounted for \$3,489,274 or 16.54% of total governmental activities.
- For 2021, the Township had \$23,527,317 in cash disbursements related to governmental activities; \$3,489,274 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$17,607,845 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 Fire Station Building Fund. The General Fund, one of the Township's major funds, had cash receipts of \$1,130,251 in 2021. The cash disbursements of the General Fund totaled \$1,418,865 in 2021. The General Fund's fund balance decreased \$288,614 from 2020 to 2021.
- The Fire District Fund, a Township major fund, had cash receipts and other financing receipts of \$13,768,595 in 2021. The Fire District Fund had cash disbursements of \$14,368,372 in 2021. The Fire District Fund balance decreased \$599,777 from 2020 to 2021.
- The Ambulance and Emergency Fund, a Township major fund, had cash receipts and other financing receipts of \$1,943,962 in 2021. The Ambulance and Emergency Fund had cash disbursements of \$2,931,775 in 2021. The Ambulance and Emergency Fund balance decreased \$987,813 from 2020 to 2021.
- The Fire Station Building Fund, a Township major fund, had cash disbursements of \$231,795 in 2021. At December 31, 2021, the Fire Station Building Fund had a cash fund balance of \$3,176,795.

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 Fire Station Fund are the Township's major funds.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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 2021?" 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 Fire Station Building Fund are the Township's major funds. The analysis of the Township's major governmental funds begins on page 8.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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 15-16 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, and the Ambulance and Emergency Fund are presented to demonstrate the Township's compliance with annually adopted budgets. The Budgetary Statements can be found on pages 17-19 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 statement can be found on page 20 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 21-43 of this 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, 2021 and 2020.

	Net Position	
	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Equity in pooled cash and investments	\$ 11,080,827	\$ 13,511,025
Total assets	<u>11,080,827</u>	<u>13,511,025</u>
<u>Net cash position</u>		
Restricted	10,846,168	12,439,183
Unrestricted	<u>234,659</u>	<u>1,071,842</u>
Total net cash position	<u>\$ 11,080,827</u>	<u>\$ 13,511,025</u>

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

For 2021, net position of the Township decreased \$2,430,198 or 17.99%. The balance of government-wide unrestricted net cash position of \$234,659 at December 31, 2021 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the change in net position for fiscal year 2021 and 2020.

	Governmental Activities 2021	Governmental Activities 2020
Cash Receipts:		
Program cash receipts:		
Charges for services and sales	\$ 3,064,956	\$ 3,173,847
Operating grants and contributions	311,378	148,002
Capital grants and contributions	112,940	-
Total program cash receipts	<u>3,489,274</u>	<u>3,321,849</u>
General cash receipts:		
Property and other taxes	13,928,064	13,086,072
Unrestricted grants	1,626,704	1,888,130
Bond proceeds	-	9,500,000
Loan issuance	1,585,430	667,963
Investment earnings	9,625	90,725
Premium on bond issuance	-	223,089
Miscellaneous	458,022	1,263,535
Total general cash receipts	<u>17,607,845</u>	<u>26,719,514</u>
Total cash receipts	<u>21,097,119</u>	<u>30,041,363</u>
Cash Disbursements:		
Current:		
General government	1,375,990	1,011,100
Public safety	17,379,928	16,962,829
Public works	216,377	192,983
Health	408,918	384,521
Capital outlay	3,121,665	6,524,719
Other	81,381	104,025
Debt service:		
Principal retirement	625,427	673,910
Interest and fiscal charges	317,631	323,151
Bond issuance costs	-	179,889
Total cash disbursements	<u>23,527,317</u>	<u>26,357,127</u>
Change in net position	(2,430,198)	3,684,236
Net cash position at beginning of year	<u>13,511,025</u>	<u>9,826,789</u>
Net cash position at end of year	<u>\$ 11,080,827</u>	<u>\$ 13,511,025</u>

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

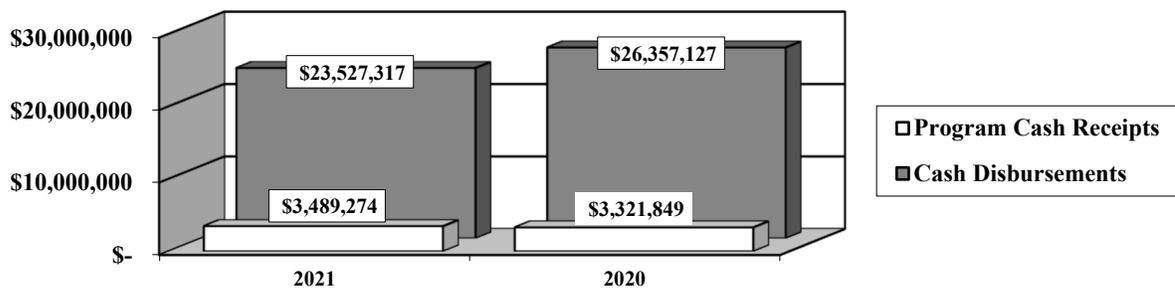
Governmental Activities

Governmental Net Position decreased by \$2,430,198 in 2021 from 2020.

General government represents activities related to the governing body as well as activities that directly support Township programs. In 2021, general government cash receipts totaled \$17,607,845 or 83.46% of total governmental cash receipts. General government programs were supported by \$3,489,274 in direct charges to users for services. In 2021, the public safety programs accounted for \$17,379,928 or 73.87% of total governmental cash disbursements. These operations are primarily supported through taxes and charges for services.

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 2021 and 2020. 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.

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2021	2021	2020	2020
Cash disbursements:				
Current:				
General government	\$ 1,375,990	\$ 1,213,539	\$ 1,011,100	\$ 984,247
Public safety	17,379,928	14,756,038	16,962,829	14,349,810
Public works	216,377	41,123	192,983	44,981
Health	408,918	68,641	384,521	54,674
Capital outlay	3,121,665	2,934,263	6,524,719	6,320,591
Other	81,381	81,381	104,025	104,025
Debt service:				
Principal retirement	625,427	625,427	673,910	673,910
Interest and fiscal charges	317,631	317,631	323,151	323,151
Bond issuance costs	-	-	179,889	179,889
Total	\$ 23,527,317	\$ 20,038,043	\$ 26,357,127	\$ 23,035,278

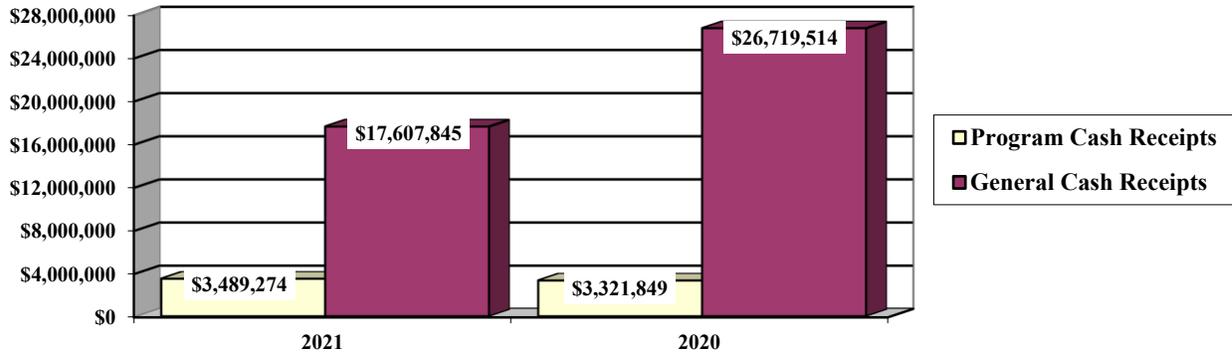
**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

The dependence upon general cash receipts for governmental activities is apparent with 85.17% of cash disbursements supported through taxes and other general cash receipts during 2021.

The graph below presents the Township's governmental receipts for 2021 and 2020.

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, 2021, the Township's governmental funds reported a combined fund balance of \$11,080,827, which is \$2,430,198 less than the 2020 total of \$13,511,025. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2021 and 2020 for all major and nonmajor governmental funds.

	Fund Balance <u>December 31, 2021</u>	Fund Balance <u>December 31, 2020</u>	<u>Change</u>
Major Funds:			
General	\$ 783,228	\$ 1,071,842	\$ (288,614)
Fire District	871,346	1,471,123	(599,777)
Ambulance and Emergency	3,329,251	4,317,064	(987,813)
Fire Station Building	3,176,795	3,408,590	(231,795)
Nonmajor funds	<u>2,920,207</u>	<u>3,242,406</u>	<u>(322,199)</u>
Total	<u>\$ 11,080,827</u>	<u>\$ 13,511,025</u>	<u>\$ (2,430,198)</u>

General Fund

The General Fund, one of the Township's major funds, had cash receipts of \$1,130,251 in 2021. The cash disbursements of the General Fund totaled \$1,418,865 in 2021. The General Fund's fund balance decreased \$288,614 from 2020 to 2021.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

	2021 Amount	2020 Amount	Change
<u>Cash Receipts:</u>			
Taxes	\$ 786,965	\$ 679,623	\$ 107,342
Intergovernmental	166,832	151,139	15,693
License, permits and fees	26,327	26,853	(526)
Investment income	9,587	89,907	(80,320)
Other	140,540	598,924	(458,384)
Total	<u>\$ 1,130,251</u>	<u>\$ 1,546,446</u>	<u>\$ (416,195)</u>

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

	2021 Amount	2020 Amount	Change
<u>Cash Disbursements</u>			
General government	\$ 1,284,013	\$ 1,011,100	\$ 272,913
Public safety	150	-	150
Health	10,298	9,836	462
Capital outlay	43,023	-	43,023
Miscellaneous	81,381	104,025	(22,644)
Total	<u>\$ 1,418,865</u>	<u>\$ 1,124,961</u>	<u>\$ 293,904</u>

Fire District Fund

The Fire District Fund, a Township major fund, had cash receipts and other financing receipts of \$13,768,595 in 2021. The Fire District Fund had cash disbursements of \$14,368,372 in 2021. The Fire District Fund balance decreased \$599,777 from 2020 to 2021.

Ambulance and Emergency Fund

The Ambulance and Emergency Fund, a Township major fund, had cash receipts and other financing receipts of \$1,943,962 in 2021. The Ambulance and Emergency Fund had cash disbursements of \$2,931,775 in 2021. The Ambulance and Emergency Fund balance decreased \$987,813 from 2020 to 2021.

Fire Station Building Fund

The Fire Station Building fund, a Township major fund, had cash disbursements of \$231,795 in 2021. The Fire Station Building fund balance decreased \$231,795 from 2020 to 2021.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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 2021, the original budget basis receipts were \$2,174,249 and final budget basis receipts were \$2,174,249. Actual cash receipts of \$1,130,251 were \$1,043,998 less than final budget basis receipts. The original budgetary basis disbursements were \$2,092,099, and the final budgetary basis disbursements were \$2,627,722 which was \$1,078,562 more than the actual budget disbursements of \$1,549,160.

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 \$3,121,665 and \$6,524,719 during 2021 and 2020, respectively.

Debt Administration

The Township had the following debt outstanding at December 31, 2021 and 2020:

	Governmental Activities <u>2021</u>	Governmental Activities <u>2020</u>
General Obligation Bonds:		
2019 Pierce Fire Engine Bond	\$ 478,000	\$ 540,000
Series 2017 Various Purposes Refunding Bonds	1,800,000	2,075,000
2020 Fire Station Bonds	3,330,000	3,400,000
2020 Township Administration Building Bonds	<u>5,705,000</u>	<u>5,830,000</u>
Total General Obligation Bonds	<u>11,313,000</u>	<u>11,845,000</u>
Lease Purchase Agreements:		
Police Ford Explorers	-	11,040
Carolina Tractor	-	34,885
Fire Ford Interceptor	5,716	11,202
Police GeTax Laptops	-	5,100
Police Dodge Charger	-	29,982
Ford Transit	<u>7,203</u>	<u>14,137</u>
Total Lease Purchase Agreements	<u>12,919</u>	<u>106,346</u>
Loans:		
Pierce Pumper Truck Fire Engine Loan	667,963	-
Ambulances and Fire Vehicles	<u>917,467</u>	<u>-</u>
Total Loans	<u>1,585,430</u>	<u>-</u>
Total long-term obligations	<u>\$ 12,911,349</u>	<u>\$ 11,951,346</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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

Current Financial Related Activities

The following economic factors were taken into consideration in preparing the budget for 2021:

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 2021, local government funding was increased under House Bill 64. Sales and property tax revenues are expected to remain consistent as well as expenditures for 2021. 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 2021. 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 Nancy White, Fiscal Officer, Mifflin Township, 400 W. Johnstown Rd., Suite 200, Gahanna, Ohio 43230.

**CASH BASIS
FINANCIAL STATEMENTS**

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and investments	\$ 11,080,827
Total assets	<u>\$ 11,080,827</u>
Net cash position:	
Restricted for:	
Public safety	\$ 5,390,023
Cemetery	403,822
Street maintenance and construction	860,976
Debt service	983,393
Capital projects	3,207,954
Unrestricted	<u>234,659</u>
Total net cash position	<u>\$ 11,080,827</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Cash Disbursements	Program Cash Receipts			Net Cash Receipts (Cash Disbursements) and Changes in Net Cash Position Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Current:					
General government	\$ 1,375,990	\$ 26,327	\$ 136,124	\$ -	\$ (1,213,539)
Public safety	17,379,928	2,623,890	-	-	(14,756,038)
Public works	216,377	-	175,254	-	(41,123)
Health	408,918	340,277	-	-	(68,641)
Capital outlay	3,121,665	74,462	-	112,940	(2,934,263)
Other	81,381	-	-	-	(81,381)
Debt service:					
Principal retirement	625,427	-	-	-	(625,427)
Interest and fiscal charges	317,631	-	-	-	(317,631)
Total governmental activities	<u>\$ 23,527,317</u>	<u>\$ 3,064,956</u>	<u>\$ 311,378</u>	<u>\$ 112,940</u>	<u>(20,038,043)</u>
General cash receipts:					
Property taxes levied for:					
					786,965
					11,397,958
					688,274
					948,568
					106,299
					1,626,704
					1,585,430
					9,625
					458,022
					<u>17,607,845</u>
					(2,430,198)
					<u>13,511,025</u>
					<u>\$ 11,080,827</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH BASIS ASSETS AND FUND CASH BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>General</u>	<u>Fire District</u>	<u>Ambulance and Emergency</u>	<u>Fire Station Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in pooled cash and investments	\$ 783,228	\$ 871,346	\$ 3,329,251	\$ 3,176,795	\$ 2,920,207	\$ 11,080,827
Total assets	<u>\$ 783,228</u>	<u>\$ 871,346</u>	<u>\$ 3,329,251</u>	<u>\$ 3,176,795</u>	<u>\$ 2,920,207</u>	<u>\$ 11,080,827</u>
Fund cash balances:						
Restricted:						
Public safety	\$ -	\$ 871,346	\$ 3,329,251	\$ -	\$ 1,189,426	\$ 5,390,023
Cemetery	-	-	-	-	403,822	403,822
Street maintenance and construction	-	-	-	-	860,976	860,976
Debt service	-	-	-	-	983,393	983,393
Capital projects	-	-	-	3,176,795	31,159	3,207,954
Assigned:						
General government	130,295	-	-	-	-	130,295
Unassigned	652,933	-	-	-	(548,569)	104,364
Total fund cash balances	<u>\$ 783,228</u>	<u>\$ 871,346</u>	<u>\$ 3,329,251</u>	<u>\$ 3,176,795</u>	<u>\$ 2,920,207</u>	<u>\$ 11,080,827</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>General</u>	<u>Fire District</u>	<u>Ambulance and Emergency</u>	<u>Fire Station Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash receipts:						
Property and other taxes	\$ 786,965	\$ 11,397,958	\$ -	\$ -	\$ 1,743,141	\$ 13,928,064
Charges for services	-	6,835	1,026,495	-	1,786,745	2,820,075
Licenses, permits and fees	26,327	-	-	-	218,554	244,881
Intergovernmental	166,832	1,387,708	-	-	496,482	2,051,022
Investment income	9,587	-	-	-	38	9,625
Other	140,540	308,131	-	-	9,351	458,022
Total cash receipts	<u>1,130,251</u>	<u>13,100,632</u>	<u>1,026,495</u>	<u>-</u>	<u>4,254,311</u>	<u>19,511,689</u>
Cash disbursements:						
Current:						
General government	1,284,013	-	-	-	91,977	1,375,990
Public safety	150	13,211,524	1,980,130	-	2,188,124	17,379,928
Public works	-	-	-	-	216,377	216,377
Health	10,298	-	-	-	398,620	408,918
Capital outlay	43,023	1,156,848	932,829	231,795	757,170	3,121,665
Other	81,381	-	-	-	-	81,381
Debt service:						
Principal retirement	-	-	17,974	-	607,453	625,427
Interest and fiscal charges	-	-	842	-	316,789	317,631
Total cash disbursements	<u>1,418,865</u>	<u>14,368,372</u>	<u>2,931,775</u>	<u>231,795</u>	<u>4,576,510</u>	<u>23,527,317</u>
Excess (deficiency) of cash receipts over (under) cash disbursements	<u>(288,614)</u>	<u>(1,267,740)</u>	<u>(1,905,280)</u>	<u>(231,795)</u>	<u>(322,199)</u>	<u>(4,015,628)</u>
Other financing sources:						
Loan issuance	-	667,963	917,467	-	-	1,585,430
Total other financing sources	<u>-</u>	<u>667,963</u>	<u>917,467</u>	<u>-</u>	<u>-</u>	<u>1,585,430</u>
Net change in fund cash balances	(288,614)	(599,777)	(987,813)	(231,795)	(322,199)	(2,430,198)
Fund cash balances at beginning of year	<u>1,071,842</u>	<u>1,471,123</u>	<u>4,317,064</u>	<u>3,408,590</u>	<u>3,242,406</u>	<u>13,511,025</u>
Fund cash balances at end of year	<u>\$ 783,228</u>	<u>\$ 871,346</u>	<u>\$ 3,329,251</u>	<u>\$ 3,176,795</u>	<u>\$ 2,920,207</u>	<u>\$ 11,080,827</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Budgetary basis receipts:				
Property and other taxes	\$ 1,513,874	\$ 1,513,874	\$ 786,965	\$ (726,909)
Licenses, permits and fees	50,645	50,645	26,327	(24,318)
Intergovernmental	320,933	320,933	166,832	(154,101)
Investment income	18,442	18,442	9,587	(8,855)
Other	270,355	270,355	140,540	(129,815)
Total budgetary basis receipts	<u>2,174,249</u>	<u>2,174,249</u>	<u>1,130,251</u>	<u>(1,043,998)</u>
Budgetary basis disbursements:				
Current:				
General government	1,859,286	2,335,305	1,376,767	958,538
Public safety	203	254	150	104
Health	13,907	17,468	10,298	7,170
Capital outlay	66,457	83,471	49,210	34,261
Other	152,246	191,224	112,735	78,489
Total budgetary basis disbursements	<u>2,092,099</u>	<u>2,627,722</u>	<u>1,549,160</u>	<u>1,078,562</u>
Net change in fund cash balances	82,150	(453,473)	(418,909)	34,564
Fund cash balance at beginning of year	1,023,571	1,023,571	1,023,571	-
Prior year encumbrances appropriated	48,271	48,271	48,271	-
Fund cash balance at end of year	<u>\$ 1,153,992</u>	<u>\$ 618,369</u>	<u>\$ 652,933</u>	<u>\$ 34,564</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS
FIRE DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Budgetary basis receipts:				
Property and other taxes	\$ 12,504,030	\$ 12,525,781	\$ 11,397,958	\$ (1,127,823)
Charges for services	7,498	7,511	6,835	(676)
Intergovernmental	1,522,373	1,525,021	1,387,708	(137,313)
Other	338,032	338,620	308,131	(30,489)
Total budgetary basis receipts	<u>14,371,933</u>	<u>14,396,933</u>	<u>13,100,632</u>	<u>(1,296,301)</u>
Budgetary basis disbursements:				
Current:				
Public safety	14,245,250	14,268,038	13,291,017	977,021
Capital outlay	1,382,811	1,385,023	1,290,182	94,841
Total budgetary basis disbursements	<u>15,628,061</u>	<u>15,653,061</u>	<u>14,581,199</u>	<u>1,071,862</u>
Excess of budgetary basis disbursements over budgetary basis receipts	<u>(1,256,128)</u>	<u>(1,256,128)</u>	<u>(1,480,567)</u>	<u>(224,439)</u>
Other financing sources:				
Loan issuance	667,963	667,963	667,963	-
Total other financing sources	<u>667,963</u>	<u>667,963</u>	<u>667,963</u>	<u>-</u>
Net change in fund cash balances	(588,165)	(588,165)	(812,604)	(224,439)
Fund cash balance at beginning of year	542,262	542,262	542,262	-
Prior year encumbrances appropriated	928,861	928,861	928,861	-
Fund cash balance at end of year	<u>\$ 882,958</u>	<u>\$ 882,958</u>	<u>\$ 658,519</u>	<u>\$ (224,439)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS
AMBULANCE AND EMERGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
(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>		
Budgetary basis receipts:				
Charges for services	\$ 1,350,000	\$ 1,467,367	\$ 1,026,495	\$ (440,872)
Total budgetary basis receipts	<u>1,350,000</u>	<u>1,467,367</u>	<u>1,026,495</u>	<u>(440,872)</u>
Budgetary basis disbursements:				
Current:				
Public safety	2,115,957	2,901,947	2,098,185	803,762
Capital outlay	18,738	25,699	18,581	7,118
Debt service:				
Principal retirement	18,126	24,859	17,974	6,885
Interest and fiscal charges	849	1,165	842	323
Total budgetary basis disbursements	<u>2,153,670</u>	<u>2,953,670</u>	<u>2,135,582</u>	<u>818,088</u>
Net change in fund cash balances	(803,670)	(1,486,303)	(1,109,087)	377,216
Fund cash balance at beginning of year	4,277,099	4,277,099	4,277,099	-
Prior year encumbrances appropriated	39,965	39,965	39,965	-
Fund cash balance at end of year	<u>\$ 3,513,394</u>	<u>\$ 2,830,761</u>	<u>\$ 3,207,977</u>	<u>\$ 377,216</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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Private-Purpose Trust</u>
Assets:	
Equity in pooled cash and investments	\$ 5,153
Total assets	<u>5,153</u>
Net cash position:	
Held in trust for other purposes	<u>5,153</u>
Total net cash position	<u><u>\$ 5,153</u></u>

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, 2021
(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, 2021
(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, 2021
(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).

Fire Station Capital Equipment Fund - This fund is used to account for all financial activities related to the construction of the new fire station.

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 custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The Township has one private-purpose trust fund used for grave site maintenance in the Township cemetery. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The Township does not maintain any custodial 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.

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.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

E. Budgetary Process

All funds, except custodial 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 2021, investments were limited to non-negotiable certificates of deposit, State Treasury Asset Reserve of Ohio (STAR Ohio), municipal bonds, and U.S. Government money market funds.

During 2021, the Township invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Township measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2021 were \$9,587 which includes \$8,861 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.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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 2021.

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, and Government National Mortgage 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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio); and,

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

8. Certain banker's acceptance (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the 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, 2021, the carrying amount of all Township deposits was \$3,641,871, including \$1,168,965 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, 2021, \$2,750,638 of the Township's bank balance of \$4,169,603 was exposed to custodial risk as discussed below, while \$1,418,965 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.

B. Investments

As of December 31, 2021, the Township had the following investments and maturities:

Investment type	Carrying Value	Fair Value	Investment Maturities	
			6 months or less	7 to 12 months
STAR Ohio	\$ 4,042,206	\$ 4,042,206	\$ 4,042,206	\$ -
Municipal Bond	1,106,350	1,102,372	-	1,102,372
U.S. Government Money Market	<u>2,299,580</u>	<u>2,299,531</u>	<u>2,299,531</u>	<u>-</u>
Total	<u>\$ 7,448,136</u>	<u>\$ 7,444,109</u>	<u>\$ 6,341,737</u>	<u>\$ 1,102,372</u>

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

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. The municipal bond was not rated.

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, 2021:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 4,042,206	54.30
Municipal Bond	1,102,372	14.81
U.S. Government Money Market	<u>2,299,531</u>	<u>30.89</u>
Total	<u>\$ 7,444,109</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, 2021:

Cash and investments per note

Carrying amount of deposits	\$ 3,641,871
Investments	<u>7,444,109</u>
Total	<u>\$ 11,085,980</u>

Cash and investments per Statement of Net Position

Governmental activities	\$ 11,080,827
Private purpose trust	<u>5,153</u>
Total	<u>\$ 11,085,980</u>

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.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 4 - PROPERTY TAX – (Continued)

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. 2021 public utility property taxes became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 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 2021 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 were 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 2021 property tax receipts were based are as follows:

	<u>2021</u>
Real property tax	\$ 1,218,899,780
Public utility tangible personal property	<u>46,850,280</u>
Total assessed valuation	<u>\$ 1,265,750,060</u>

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**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 5 - DEBT OBLIGATIONS

Transactions for the year ended December 31, 2021 are summarized as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Restated Balance December 31, 2020</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance December 31, 2021</u>
<i>General Obligation Bonds:</i>					
2019 Pierce Fire Engine Bond	2.64%	\$ 540,000	\$ -	\$ (62,000)	\$ 478,000
Series 2017 Various Purpose Refunding Bonds	2.24%	2,075,000	-	(275,000)	1,800,000
2020 Fire Station Bonds	1.85% to 4.00%	3,400,000	-	(70,000)	3,330,000
2020 Township Administration Building Bonds	1.85% to 4.00%	5,830,000	-	(125,000)	5,705,000
Total Bonds		<u>11,845,000</u>	<u>-</u>	<u>(532,000)</u>	<u>11,313,000</u>
<i>Lease Purchase Agreements:</i>					
2017 Police Ford Explorers (2)	1.75%	11,040	-	(11,040)	-
2017 Carolina Tractor	2.67%	34,885	-	(34,885)	-
2018 Fire Ford Interceptor	4.23%	11,202	-	(5,486)	5,716
2018 Police GeTax Laptops (4)	4.26%	5,100	-	(5,100)	-
2019 Police Dodge Charger (2)	3.86%	29,982	-	(29,982)	-
2019 Ford Transit	3.86%	14,137	-	(6,934)	7,203
Total Lease Purchase Agreements		<u>106,346</u>	<u>-</u>	<u>(93,427)</u>	<u>12,919</u>
<i>Loans:</i>					
2021 Pierce Pumper Fire Engine	2.45%	-	667,963	-	667,963
2021 Ambulances (3) and Fire Vehicles (3)	2.85%	-	917,467	-	917,467
Total Loans		<u>-</u>	<u>1,585,430</u>	<u>-</u>	<u>1,585,430</u>
Total Outstanding Debt		<u>\$ 11,951,346</u>	<u>\$ 1,585,430</u>	<u>\$ (625,427)</u>	<u>\$ 12,911,349</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, 2021 was \$380,000. The bond is being paid from the general bond retirement fund.

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.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 5 - DEBT OBLIGATIONS - (Continued)

2020 Fire Station Bonds – The Township issued acquisition bonds, Series 2020, in January 2020 in the amount of \$3,500,000 for the construction of a new fire station. The bond is being paid from the general bond retirement fund (a nonmajor governmental fund). The final maturity of the bonds is December 1, 2049 and has an interest rate that ranges from 1.85 to 4.00%.

2020 Township Administration Building Bonds – During January 2020, the Township issued \$6,000,000 in Series 2020 Township Administration Building Bonds to purchase and renovate the former Columbus Metropolitan Library Operations Center. The bond is being paid from the general bond retirement fund (a nonmajor governmental fund). The final maturity of the bonds is December 1, 2049 and has an interest rate that ranges from 1.85 to 4.00%.

Lease Purchase Agreements

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 had 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 had 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 had a final maturity date of August 17, 2021. The lease purchase agreement is being paid from the police district fund (a nonmajor governmental fund).

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 four-year period with one payment made in advance, carries an interest rate of 3.86% and matured in 2021. The lease purchase agreement is being paid from the police district fund (a nonmajor governmental 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 is expected to mature in 2022. The lease purchase agreement is being paid from the motor vehicle license tax fund (a nonmajor governmental fund).

Loans

In 2020, the Township entered into a loan with Heartland Bank to finance a new fire engine. The fire engine was purchased from Pierce Manufacturing on December 31, 2020. The loan amount is for a 10 year period ending December 31, 2030 in the amount of \$667,963 at an interest rate of 2.85%. The loan is being paid from the general bond retirement fund (a nonmajor governmental fund).

In 2021, the Township entered into a loan with Heartland Bank to finance three ambulances and three fire vehicles. The loan amount is for a 5 year period ending March 12, 2026 in the amount of \$917,467 at an interest rate of 2.85%. The loan is being paid from the general bond retirement fund (a nonmajor governmental fund).

All loans are considered direct borrowings. Direct borrowings have terms negotiated directly between the Township and the lender of the loans and are not offered for public sale.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
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NOTE 5 - DEBT OBLIGATIONS - (Continued)

The principal and interest requirements to retire the bonds outstanding at December 31, 2021, are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 543,000	316,793	\$ 859,793
2023	560,000	300,768	860,768
2024	571,000	284,181	855,181
2025	593,000	267,255	860,255
2026	605,000	249,651	854,651
2027 - 2031	1,831,000	1,044,600	2,875,600
2032 - 2036	1,545,000	784,332	2,329,332
2037 - 2041	1,745,000	587,889	2,332,889
2042 - 2046	1,990,000	349,464	2,339,464
2047 - 2049	<u>1,330,000</u>	<u>73,838</u>	<u>1,403,838</u>
Total	<u>\$ 11,313,000</u>	<u>\$ 4,258,771</u>	<u>\$ 15,571,771</u>

The principal and interest requirements to retire the lease purchase agreements outstanding at December 31, 2021, are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 12,919	\$ 518	\$ 13,437
Total	<u>\$ 12,919</u>	<u>\$ 518</u>	<u>\$ 13,437</u>

The principal and interest requirements to retire the loans (excluding the 2021 Heartland Bank loan) outstanding at December 31, 2021, are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 118,831	\$ 36,910	\$ 155,741
2023	62,003	15,868	77,871
2024	63,756	14,115	77,871
2025	65,637	12,234	77,871
2026	67,533	10,337	77,870
2027 - 2030	<u>290,203</u>	<u>21,280</u>	<u>311,483</u>
Total	<u>\$ 667,963</u>	<u>\$ 110,744</u>	<u>\$ 778,707</u>

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 6 - DEFINED BENEFIT PENSION PLANS

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Township employees, other than 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

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**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
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(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2021 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2021 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0 %	0.0 %	0.0 %
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

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

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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 \$315,446 for 2021.

**MIFFLIN TOWNSHIP
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
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NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of 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 July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.00% 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 (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OP&F was \$2,737,309 for 2021.

NOTE 7 - DEFINED BENEFIT OPEB PLANS

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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FRANKLIN COUNTY, OHIO**

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FOR THE YEAR ENDED DECEMBER 31, 2021
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NOTE 7 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. 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 2021, 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 2021 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$2,874 for 2021.

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FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
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NOTE 7 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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 health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

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

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org 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 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The Township's contractually required contribution to OP&F was \$58,241 for 2021.

**MIFFLIN TOWNSHIP
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 8 - RISK MANAGEMENT

A. Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2020 (the latest information available):

	<u>2020</u>
Cash and investments	36,348,066
Actuarial liabilities	10,894,146

B. Worker's Compensation

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation. The Township pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The Township has paid all premiums required through December 31, 2021.

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, 2021.

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FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 10 - 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	\$ 130,295
Fire District	212,827
Ambulance and Emergency	121,274
Fire Station Capital Equipment	123,826
Other Nonmajor Governmental	<u>163,676</u>
Total	<u>\$ 751,898</u>

NOTE 11 - 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, and the Ambulance and Emergency 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, 2021, the encumbrances outstanding at year end (budgetary basis) amounted to \$130,295 for the General Fund, \$11,871 for the Fire District Fund, and \$121,274 for the Ambulance and Emergency Fund.

NOTE 12 – ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2021, the Township has implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. Since the Township does not prepare financial statements using generally accepted accounting principles, the implementation of GASB Statement No. 89 did not have an effect on the financial statements of the Township.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
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NOTE 12 – ACCOUNTABILITY AND COMPLIANCE – (Continued)

For 2021, the Township has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncements are postponed by one year and the Township has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following pronouncements are postponed by eighteen months and the Township has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

B. Deficit Fund Balances

Fund balances at December 31, 2021 included the following individual fund deficits:

<u>Nonmajor Fund</u>	<u>Deficit</u>
General Note Retirement	\$ 548,569

The general fund is liable for any deficit in these funds.

NOTE 13 - 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 \$205,000. The Township received \$205,039 from the City of Gahanna in association with the forgone property tax revenue.

NOTE 14 - COVID-19

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

NOTE 15 – SUBSEQUENT EVENT

At the January 3, 2022, meeting of the Board of Trustees, Nancy White was appointed as the Fiscal Officer for the remainder of the term expiring in 2024.