

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)  
All Governmental Fund Types**

For the Year Ended December 31, 2019

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>						
Property and Other Local Taxes	\$34,945	\$1,464,453	\$0	\$0	\$0	\$1,499,398
Charges for Services	0	298,332	0	0	0	298,332
Licenses, Permits and Fees	7,150	70,276	0	0	0	77,426
Fines and Forfeitures	3,104	868	0	0	0	3,972
Intergovernmental	35,090	165,446	0	0	0	200,536
Special Assessments	0	2,830	0	0	0	2,830
Earnings on Investments	16,770	2,576	0	0	0	19,346
Miscellaneous	2,984	151,733	0	0	0	154,717
<i>Total Cash Receipts</i>	<u>100,043</u>	<u>2,156,514</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,256,557</u>
<b>Cash Disbursements</b>						
Current:						
General Government	55,870	33,651	0	0	0	89,521
Public Safety	0	1,348,107	0	0	0	1,348,107
Public Works	0	597,678	0	0	0	597,678
Health	0	71,861	0	0	0	71,861
Human Services	0	0	0	0	0	0
Conservation-Recreation	0	0	0	0	0	0
Other	0	0	0	0	0	0
Capital Outlay	0	5,901	0	0	0	5,901
Debt Service:						
Principal Retirement	0	24,838	0	0	0	24,838
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0
Interest and Fiscal Charges	0	3,779	0	0	0	3,779
<i>Total Cash Disbursements</i>	<u>55,870</u>	<u>2,085,815</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,141,685</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>44,173</u>	<u>70,699</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>114,872</u>
<b>Other Financing Receipts (Disbursements)</b>						
Sale of Bonds	0	0	0	0	0	0
Sale of Refunding Bonds	0	0	0	0	0	0
Sale of Notes	0	0	0	0	0	0
Loans Issued	0	0	0	0	0	0
Other Debt Proceeds	0	0	0	0	0	0
Premium and Accrued Interest on Debt	0	0	0	0	0	0
Discount on Debt	0	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0
Sale of Capital Assets	0	0	0	0	0	0

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)  
All Governmental Fund Types**

For the Year Ended December 31, 2019

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Advances In	700	0	0	0	0	700
Advances Out	0	(700)	0	0	0	(700)
Other Financing Sources	0	0	0	0	0	0
Other Financing Uses	(548)	0	0	0	0	(548)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>152</u>	<u>(700)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(548)</u>
Special Item	0	0	0	0	0	0
Extraordinary Item	0	0	0	0	0	0
<i>Net Change in Fund Cash Balances</i>	<u>44,325</u>	<u>69,999</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>114,324</u>
<i>Fund Cash Balances, January 1</i>	<u>45,579</u>	<u>1,386,288</u>	<u>0</u>	<u>40,892</u>	<u>0</u>	<u>1,472,759</u>
<b>Fund Cash Balances, December 31</b>						
Nonspendable	0	0	0	0	0	0
Restricted	0	1,456,287	0	40,892	0	1,497,179
Committed	0	0	0	0	0	0
Assigned	0	0	0	0	0	0
Unassigned (Deficit)	89,904	0	0	0	0	89,904
<i>Fund Cash Balances, December 31</i>	<u>\$89,904</u>	<u>\$1,456,287</u>	<u>\$0</u>	<u>\$40,892</u>	<u>\$0</u>	<u>\$1,587,083</u>

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)  
All Governmental Fund Types**

For the Year Ended December 31, 2019

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
<b>GASB 54 Worksheet/Note Disclosure</b>						
<i>Net Change in Fund Cash Balances</i>	\$44,325	\$69,999	\$0	\$0	\$0	\$114,324
<i>Fund Cash Balances, January 1</i>	45,579	1,386,288	0	40,892	0	1,472,759
<i>Fund Cash Balances, December 31</i>	<u>\$89,904</u>	<u>\$1,456,287</u>	<u>\$0</u>	<u>\$40,892</u>	<u>\$0</u>	<u>\$1,587,083</u>
<b>Fund Balances</b>						
Amounts identified as:						
Nonspendable						
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Restricted for:						
Cemetery	\$0	\$104,633	\$0	\$0	\$0	\$104,633
Drug and Alcohol Education and Enforcement	0	1,568	0	0	0	1,568
ED/GE GRANT	0	0	0	0	0	0
Fire Operations	0	1,382	0	0	0	1,382
Garbage and Waste Disposal	0	88,340	0	0	0	88,340
Issue II Projects	0	0	0	40,892	0	40,892
JEDD OPERATIONS	0	429,970	0	0	0	429,970
LIGHTING DISTRICT	0	1,634	0	0	0	1,634
Police Operations	0	525,962	0	0	0	525,962
Road and Bridge Maintenance and Improvements	0	302,798	0	0	0	302,798
<i>Total Restricted</i>	<u>0</u>	<u>1,456,287</u>	<u>0</u>	<u>40,892</u>	<u>0</u>	<u>1,497,179</u>
Committed to:						
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Assigned to:						
<i>Total Assigned</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Unassigned</i>	89,904	0	0	0	0	89,904
<i>Total Fund Cash Balances, December 31</i>	<u>\$89,904</u>	<u>\$1,456,287</u>	<u>\$0</u>	<u>\$40,892</u>	<u>\$0</u>	<u>\$1,587,083</u>

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Clay Township, Montgomery County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, police protection, fire protection and emergency medical services.

The Township contracts with the City of Brookville, the Village of Verona and the Village of Phillipsburg to provide fire and ambulance services

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Township participates in jointly governed organizations, joint ventures, and a public entity risk pool. Notes 15 (JEDD and ClayPhil Waste District) and 16 (OTARMA) to the financial statements provide additional information for these entities. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

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

***Basis of Presentation***

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

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

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported 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.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

***Road and Bridge Fund*** The Road and Bridge Fund accounts for and reports all activities on the Township roads including maintenance, salaries repairs and upkeep of equipment.

***Gas Tax Fund*** The Gas Tax Fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

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**Motor Vehicle License Tax Fund** The Motor Vehicle License Tax Fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

**Police Fund** The Police Fund is for 24 hour 7 day a week police protection for the Township's residents.

**Fire/EMS Fund** The Fire/EMS Fund is used for distribution of the Fire/EMS levy monies to the three Fire/EMS departments contracted with for fire protection and EMS services.

**Capital Project Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

**Issue II Fund** The Township received a grant from the state for capital improvements. The proceeds are restricted for capital improvement.

**Enterprise Funds** These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges.

**Cemetery Fund** The Cemetery Fund account t from the sale of plots, burials and other related services for all maintenance and upkeep of the cemeteries in Clay Township.

**Garbage and Waste Fund** The Garbage and Waste Fund is used for collection of trash payments from billings of trash services, expenses related to providing trash services and distribution of payments to the trash hauler.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations of the fund and appropriations may not exceed estimated resources. The Board of Trustees

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must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

***Encumbrances*** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 4.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured 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.

***Capital Assets***

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

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

***Nonspendable*** The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also

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incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

**Note 3 – Compliance**

There were no known material budgetary violations noted during the year.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$89,488	\$100,042	\$10,554
Special Revenue	1,707,889	1,761,765	53,876
Debt Service			0
Capital Projects			0
Internal Service			0
Permanent			0
Enterprise	406,900	394,748	(12,152)
Fiduciary			0
<b>Total</b>	<b>\$2,204,277</b>	<b>\$2,256,555</b>	<b>\$52,278</b>

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2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$78,650	\$56,418	\$22,232
Special Revenue	1,870,061	1,701,309	168,752
Debt Service			0
Capital Projects			0
Internal Service			0
Permanent			0
Enterprise	459,025	385,204	73,821
Fiduciary			0
<b>Total</b>	<b>\$2,407,736</b>	<b>\$2,142,931</b>	<b>\$264,805</b>

**Note 5 – Deposits and Investments**

The Township maintains a deposits and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2019
Demand deposits	\$1,201,772
Certificates of deposit	0
Other time deposits (savings and NOW accounts)	0
Total deposits	1,201,772
U.S. Treasury Notes	0
STAR Ohio	339,586
Repurchase agreement	0
Common stock (at cost December 31, 2019)	0
Total investments	339,586
Total deposits and investments	<b>\$1,541,357</b>

At December 31, 2019, the Township held no equity securities.

***Deposits***

Deposits are collateralized through 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.



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***Investments***

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 6 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

**Note 7 – Interfund Balances**

There were no outstanding advances at December 31, 2019.

**Note 8 – Risk Management**

**Risk Pool Membership**

Clay 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 Clay 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

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The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2019
Cash and investments	<u>\$33,097,416</u>
Actuarial liabilities	<u>\$ 7,874,610</u>

***Workers' Compensation***

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

***Ohio Police and Fire Retirement System***

The Township does not contribute to Police and Fire Pension Fund.

**Note 9 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

All employees belong to the Ohio Public Employees System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. OPERS members contributed 13 percent of their gross salaries, and the Township contributed an amount equaling 18.1 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2019</i>	<i>10%</i>	<i>14%</i>
<i>OPERS – Law Enforcement</i>	<i>2014-2019</i>	<i>13.00%</i>	<i>18.10%</i>

***Ohio Police and Fire Retirement System***

The Township does not contribute to Police and Fire Pension Funds.

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**Note 10 – Postemployment Benefits**

OPERS cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

**Note 11 – Debt**

Debt outstanding at December 31, 2019, was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$0	
General Obligation Notes	69,907	3.82%
Total	\$69,907	

The Township issued general obligation bonds to finance the purchase of a new backhoe for Township road maintenance. The Township’s taxing authority collateralized the note.

The loans are collateralized by the equipment which is not in compliance with ORC 505.262(a).

***Leases***

The Township has no leases.

***Amortization***

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	Leases	General Obligation Bonds	General Obligation Notes
2020			\$16,453
2021			17,117
2022			17,809
2023			18,528
2024			0
2024-on			0
Total	\$0	\$0	\$69,907

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***Debt Service Trust Funds***

The Township has no Debt Service Trust Funds.

**Note 12 – Construction and Contractual Commitments**

The Township has no Construction or Contractual Commitments.

**Note 13 – Contingent Liabilities**

The Township's legal counsel has indicated no potentially material suits at this time.

**Note 14 – Joint Ventures**

See Note 15 below.

**Note 15 – Jointly Governed Organizations**

Clay Township is in a Joint Economic Development District (JEDD) with the City of Clayton. The JEDD has a designated area for development. Currently, the City of Clayton collects income tax from the businesses in the area. These monies are set aside to facilitate, encourage and promote economic development for those working and residing within the Township.

The income tax monies will be used for future development and provide economic development for Clay Township, its residents and individuals working in the Township.

The Township along with the Village of Phillipsburg has formed the ClayPhil Waste District. This service provides refuse removal and recycling to the Township residents. The Township is responsible for billing residents for this service.

**Note 16 – Public Entity Risk Pool**

The Township is grouped with other Townships through OTARMA. This allows the Township to obtain cost-effective insurance rates for the Township's property and liability. See Note 8.

**Note 17 – Related Organizations**

The Township is not involved with any Related Organizations per GASB Codification 2600 paragraph .128.

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**Note 18 – Related Party Transactions**

The Township does not have any material related party transactions.

**Note 19 – Subsequent Events**

The Township does not have any material subsequent events through February 17, 2020.