

Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2017

UAN v2018.1

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	\$54,787	\$213,583	\$0	\$0	\$0	\$268,370
Charges for Services	0	0	0	0	0	0
Licenses, Permits and Fees	2,125	19,446	0	0	0	21,571
Fines and Forfeitures	0	0	0	0	0	0
Intergovernmental	19,124	139,344	0	0	0	158,468
Special Assessments	0	0	0	0	0	0
Earnings on Investments	9,275	2,320	0	0	416	12,011
Miscellaneous	8,209	11,979	0	0	0	20,188
<i>Total Cash Receipts</i>	<u>93,520</u>	<u>386,672</u>	<u>0</u>	<u>0</u>	<u>416</u>	<u>480,608</u>
Cash Disbursements						
Current:						
General Government	72,301	40,297	0	0	69	112,667
Public Safety	0	64,000	0	0	0	64,000
Public Works	0	127,495	0	0	0	127,495
Health	0	22,793	0	0	150	22,943
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	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Cash Disbursements</i>	<u>72,301</u>	<u>254,585</u>	<u>0</u>	<u>0</u>	<u>219</u>	<u>327,105</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>21,219</u>	<u>132,087</u>	<u>0</u>	<u>0</u>	<u>197</u>	<u>153,503</u>
Other Financing Receipts (Disbursements)						
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	5,900	0	0	0	5,900

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

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	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Advances In	0	0	0	0	0	0
Advances Out	0	0	0	0	0	0
Other Financing Sources	0	0	0	0	0	0
Other Financing Uses	(115)	0	0	0	0	(115)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(115)</u>	<u>5,900</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,785</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>21,104</u>	<u>137,987</u>	<u>0</u>	<u>0</u>	<u>197</u>	<u>159,288</u>
<i>Fund Cash Balances, January 1</i>	<u>441,230</u>	<u>600,897</u>	<u>0</u>	<u>0</u>	<u>24,290</u>	<u>1,066,417</u>
Fund Cash Balances, December 31						
Nonspendable	0	0	0	0	20,900	20,900
Restricted	0	738,884	0	0	3,587	742,471
Committed	0	0	0	0	0	0
Assigned	102,167	0	0	0	0	102,167
Unassigned (Deficit)	360,167	0	0	0	0	360,167
<i>Fund Cash Balances, December 31</i>	<u><u>\$462,334</u></u>	<u><u>\$738,884</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$24,487</u></u>	<u><u>\$1,225,705</u></u>

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

For the Year Ended December 31, 2017

UAN v2018.1

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
GASB 54 Worksheet/Note Disclosure						
<i>Net Change in Fund Cash Balances</i>	\$21,104	\$137,987	\$0	\$0	\$197	\$159,288
<i>Fund Cash Balances, January 1</i>	441,230	600,897	0	0	24,290	1,066,417
<i>Fund Cash Balances, December 31</i>	<u>\$462,334</u>	<u>\$738,884</u>	<u>\$0</u>	<u>\$0</u>	<u>\$24,487</u>	<u>\$1,225,705</u>
Fund Balances						
Amounts identified as:						
Nonspendable						
Cemetery Endowment	\$0	\$0	\$0	\$0	\$20,900	\$20,900
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,900</u>	<u>20,900</u>
Restricted for:						
Cemetery	0	27,378	0	0	3,587	30,965
Fire Operations	0	195,604	0	0	0	195,604
Road and Bridge Maintenance and Improvements	0	513,834	0	0	0	513,834
Street Lighting	0	2,068	0	0	0	2,068
<i>Total Restricted</i>	<u>0</u>	<u>738,884</u>	<u>0</u>	<u>0</u>	<u>3,587</u>	<u>742,471</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:						
Assigned	102,167	0	0	0	0	102,167
<i>Total Assigned</i>	<u>102,167</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>102,167</u>
<i>Unassigned</i>	<u>360,167</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>360,167</u>
<i>Total Fund Cash Balances, December 31</i>	<u>\$462,334</u>	<u>\$738,884</u>	<u>\$0</u>	<u>\$0</u>	<u>\$24,487</u>	<u>\$1,225,705</u>

**MAD RIVER TOWNSHIP
CHAMPAIGN COUNTY**
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Mad River Township, Champaign 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, fire protection and emergency medical services.

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

The Township contracts with the JSP Joint Fire District and German Township Fire Department to provide fire and ambulance services.

The Township participates in a public entity risk pool. The organization is Ohio Township Association Risk Management Authority (OTARMA). Note 6 to the financial statements provides additional information for this entity. 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 - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

Motor Vehicle Fund - This fund receives auto registration tax money to pay for constructing, maintaining, and repairing Township roads.

Permissive Motor Vehicle License Fund - This fund receives permissive motor vehicle license tax money to pay for constructing, maintaining, and repairing Township roads.

**MAD RIVER TOWNSHIP
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For the Year Ended December 31, 2017

Cemetery Fund - This fund receives money from sales of Township Cemetery lots and charges for services to pay for maintaining the Township Cemeteries and services related to burials.

Fire and EMS Fund - This fund receives property tax money to pay for Fire and EMS protection services.

Outside Road Fund - This fund receives property tax money to for the general construction, reconstruction, resurfacing and repair of streets, roads, and bridges.

Street Lighting Fund - This fund receives tax assessment money to pay for street lighting in the unincorporated communities of Terre Haute, Thackery, and Westville.

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Bequest/Memorial Fund – This fund receives interest earned on the nonexpendable donated money. These earnings are used for the general maintenance and upkeep of one small-specified cemetery and flowers for specified graves in the Township's cemeteries.

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 (except certain agency funds) be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the Fund level of control, and appropriations may not exceed estimated resources. The Board of Trustees 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 re-appropriated.

A summary of 2017 budgetary activity appears in Note 3.

**MAD RIVER TOWNSHIP
CHAMPAIGN COUNTY**
Notes to the Financial Statements
For the Year Ended December 31, 2017

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.

The Township maintains a checking account at Security National Bank, and Certificate of Deposits at Perpetual Federal Savings Bank. Interest is posted monthly on the checking and most of the CDs, but 1 CD the interest is posted quarterly.

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.

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 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.

**MAD RIVER TOWNSHIP
CHAMPAIGN COUNTY**
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 3 – Budgetary Activity

Budgetary activity for the year ending follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$80,603	\$93,518	\$12,915
Special Revenue	365,703	392,573	26,870
Debt Service			0
Capital Projects			0
Internal Service			0
Permanent	400	415	15
Fiduciary			0
Total	<u>\$446,706</u>	<u>\$486,506</u>	<u>\$39,800</u>

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$102,167	\$72,553	\$29,614
Special Revenue	586,750	255,682	331,068
Debt Service			0
Capital Projects			0
Internal Service			0
Permanent	850	218	632
Fiduciary			0
Total	<u>\$689,767</u>	<u>\$328,453</u>	<u>\$361,314</u>

Note 4 – Deposits and Investments

The Township maintains a deposit 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:

	2017
Certificates of deposit	578,568
Other time deposits (NOW accounts)	675,416
Total deposits	<u>1,253,984</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; and collateralized by securities specifically pledged by the financial institutions to the Township.

Note 5 – 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 homestead and rollback deductions. The financial statements include homestead and rollback 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.

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

**MAD RIVER TOWNSHIP
CHAMPAIGN COUNTY**
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 6 – Risk Management

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

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

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

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016.

	2016
Assets	\$38,473,283
Liabilities	8,244,140
Net Position	\$30,229,143

At December 31, 2016, the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township's share of these unpaid claims collectible in future years is approximately **\$4,000**.

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

<u>2016 Contributions to OTARMA</u>
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\$8,311.00

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2017, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2017.

Ohio Deferred Comp

The Township also allows employees to put additional retirement income into the Ohio Deferred Compensation plan. The Township does not contribute to this plan. Ohio Deferred Compensation is a supplemental 457(b) retirement plan for all Ohio public employees and one of the largest 457(b) plans in the country. Deferred compensation has been the Program's only responsibility since 1976. The Program is unique that it is a public, non-profit organization created by Ohio legislation. A 13-member Board, composed of public employees, retirees, and appointed investment experts, governs the Program as required by Ohio Revised Code Chapter 148. The staff manages and administers the Program with public employees' best interests in mind. External managers professionally manage the Program's investment options. Investment options are selected and monitored by the Board and its independent investment consultant.

Note 8 – Postemployment Benefits

OPERS offer 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 2.0 percent during calendar year 2016, and 1.0 percent during calendar year 2017.