

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

For the Year Ended December 31, 2022

| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Permanent</u> | <u>Totals (Memorandum Only)</u> |
|--|----------------|------------------------|---------------------|-------------------------|------------------|---|
| Cash Receipts | | | | | | |
| Property and Other Local Taxes | \$59,522 | \$217,869 | \$0 | \$0 | \$0 | \$277,391 |
| Charges for Services | 0 | 0 | 0 | 0 | 0 | 0 |
| Licenses, Permits and Fees | 2,925 | 30,238 | 0 | 0 | 0 | 33,163 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 29,531 | 337,086 | 0 | 0 | 0 | 366,617 |
| Special Assessments | 0 | 3,031 | 0 | 0 | 0 | 3,031 |
| Earnings on Investments | 15,679 | 3,898 | 0 | 0 | 216 | 19,793 |
| Miscellaneous | 6,733 | 42,970 | 0 | 0 | 0 | 49,703 |
| <i>Total Cash Receipts</i> | <u>114,390</u> | <u>635,092</u> | <u>0</u> | <u>0</u> | <u>216</u> | <u>749,698</u> |
| Cash Disbursements | | | | | | |
| Current: | | | | | | |
| General Government | 60,629 | 46,590 | 0 | 0 | 0 | 107,219 |
| Public Safety | 765 | 68,500 | 0 | 0 | 0 | 69,265 |
| Public Works | 0 | 212,881 | 0 | 0 | 0 | 212,881 |
| Health | 13,546 | 142,520 | 0 | 0 | 200 | 156,266 |
| Human Services | 0 | 0 | 0 | 0 | 0 | 0 |
| Conservation-Recreation | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 85,622 | 0 | 0 | 0 | 85,622 |
| 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>74,940</u> | <u>556,113</u> | <u>0</u> | <u>0</u> | <u>200</u> | <u>631,253</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>39,450</u> | <u>78,979</u> | <u>0</u> | <u>0</u> | <u>16</u> | <u>118,445</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 |

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, 2022

| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Permanent</u> | <u>Totals (Memorandum Only)</u> |
|---|-------------------------|---------------------------|---------------------|-------------------------|------------------------|---|
| Sale of Capital Assets | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Total Other Financing Receipts (Disbursements)</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</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>39,450</u> | <u>78,979</u> | <u>0</u> | <u>0</u> | <u>16</u> | <u>118,445</u> |
| <i>Fund Cash Balances, January 1</i> | <u>620,415</u> | <u>1,311,344</u> | <u>0</u> | <u>0</u> | <u>25,868</u> | <u>1,957,627</u> |
| <i>Fund Cash Balances, December 31</i> | <u><u>\$659,865</u></u> | <u><u>\$1,390,323</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$25,884</u></u> | <u><u>\$2,076,072</u></u> |

**MAD RIVER TOWNSHIP
CHAMPAIGN COUNTY**
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

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

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.

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 - 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.

Motor Vehicle 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.

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

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.

**MAD RIVER TOWNSHIP
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For the Year Ended December 31, 2022

Outside Road Fund - This fund receives property tax money 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.

Terre Haute Cemetery Donation Fund – This fund received a restricted donation for Terre Haute Cemetery use only.

ARP Fund – This fund received Federal Aid money as part of the American Rescue Plan Act to assist with costs related to the negative effects of the Corona Virus with restricted use.

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 to be place for memorial Day 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 (C). 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 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function 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 canceled, and re-appropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 3.

MAD RIVER TOWNSHIP
CHAMPAIGN COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 values U.S. Treasury Notes and common stock at cost. Money market mutual funds are recorded at share values the mutual funds report. 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.

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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

**MAD RIVER TOWNSHIP
CHAMPAIGN COUNTY**
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

| 2022 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$100,140 | \$114,391 | \$14,251 |
| Special Revenue | 546,600 | 635,092 | 88,491 |
| Permanent | 300 | 216 | (84) |
| Total | \$647,040 | \$749,699 | \$102,658 |

| 2022 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$233,100 | \$74,941 | \$158,159 |
| Special Revenue | 1,006,637 | 556,112 | 450,524 |
| Permanent | 700 | 200 | 500 |
| Total | \$1,240,437 | \$631,253 | \$609,184 |

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The Township also has segregated accounts, which include clearing accounts and amounts with fiscal and escrow agents that are not part of this pool. A summary of the Township’s deposit and investment accounts are as follows:

| Cash Management Pool: | |
|--|-------------|
| Demand deposits | \$98,217 |
| Certificates of deposit | 400,800 |
| Total deposits | 499,017 |
| STAR Ohio | 1,411,727 |
| ICS Money Market | 165,329 |
| Total investments | 1,577,056 |
| <i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i> | \$2,076,073 |

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$0 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; [or] collateralized by securities specifically pledged by the financial institution to the Township; or 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.

**MAD RIVER TOWNSHIP
CHAMPAIGN COUNTY**
Notes to the Financial Statements
For the Year Ended December 31, 2022

Investments

A financial institution's trust department holds the Township's equity securities in book-entry form in the Township's name.

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

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 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.

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

Note 6 – Risk Management

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.

Risk Pool Membership

Mad River 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 Mad River Township 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:

| | <u>2021</u> |
|-----------------------|--------------|
| Cash and investments | \$34,880,599 |
| Actuarial liabilities | \$10,601,444 |

**MAD RIVER TOWNSHIP
CHAMPAIGN COUNTY**
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. 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, 2022.

Social Security

One Township employee contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

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 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Note 9 – Construction and Contractual Commitments

The Township has committed to a construction contract with EBCO Structures for \$119,400 for the construction of a garage/salt storage building. This should be completed in 2023.

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**MAD RIVER TOWNSHIP
CHAMPAIGN COUNTY**
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

| Fund Balances | General | Special Revenue | Debt Service | Capital Projects | Permanent | Total |
|--------------------------|------------|--------------------|-----------------|---------------------|-----------------|-----------------|
| Nonspendable: | | | | | | |
| Unclaimed Monies | | | | | | \$0 |
| Corpus | | | | | 20,900 | 20,900 |
| Outstanding Encumbrances | | | | | | 0 |
| Total | \$0 | \$0 | \$0 | \$0 | \$20,900 | \$20,900 |

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – COVID-19

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

During 2022, the Township charged prior year expenditures to the ARP Fund. The Cemetery Fund billed the ARP Fund for these costs. The Cemetery Fund is reflecting this receipt of \$23,553 as a Misc. Non-Operating Revenue in the accompanying financial statements.