

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

	<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	\$1,937,517	\$2,382,961	\$0	\$0	\$0	\$4,320,478
Charges for Services	0	165,199	0	0	0	165,199
Licenses, Permits and Fees	262,271	18,799	0	0	0	281,070
Fines and Forfeitures	0	0	0	0	0	0
Intergovernmental	140,230	589,582	0	0	0	729,812
Special Assessments	0	335,272	0	0	0	335,272
Earnings on Investments	62,813	551	0	0	0	63,364
Miscellaneous	125,540	255,796	0	0	0	381,336
<i>Total Cash Receipts</i>	<u>2,528,371</u>	<u>3,748,160</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,276,531</u>
Cash Disbursements						
Current:						
General Government	715,716	0	0	0	0	715,716
Public Safety	3,130	1,779,618	0	0	0	1,782,748
Public Works	274,017	1,541,080	0	0	0	1,815,097
Health	91,824	28,465	0	0	0	120,289
Human Services	0	0	0	0	0	0
Conservation-Recreation	260,055	0	0	0	0	260,055
Other	0	0	0	0	0	0
Capital Outlay	32,197	41,334	0	591,468	0	664,999
Debt Service:						
Principal Retirement	0	32,386	0	0	0	32,386
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>1,376,939</u>	<u>3,422,883</u>	<u>0</u>	<u>591,468</u>	<u>0</u>	<u>5,391,290</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,151,432</u>	<u>325,277</u>	<u>0</u>	<u>(591,468)</u>	<u>0</u>	<u>885,241</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	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, 2017

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	Totals (Memorandum Only)
Transfers In	0	0	56,782	0	0	56,782
Transfers Out	(56,782)	0	0	0	0	(56,782)
Advances In	0	0	0	334,034	0	334,034
Advances Out	(334,034)	0	0	0	0	(334,034)
Other Financing Sources	0	0	0	685,320	0	685,320
Other Financing Uses	0	0	0	0	0	0
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(390,816)</u>	<u>0</u>	<u>56,782</u>	<u>1,019,354</u>	<u>0</u>	<u>685,320</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>	760,616	325,277	56,782	427,886	0	1,570,561
<i>Fund Cash Balances, January 1</i>	<u>6,940,943</u>	<u>3,057,074</u>	<u>18,096</u>	<u>86,049</u>	<u>0</u>	<u>10,102,162</u>
Fund Cash Balances, December 31						
Nonspendable	0	0	0	0	0	0
Restricted	0	3,382,351	74,878	513,935	0	3,971,164
Committed	0	0	0	0	0	0
Assigned	0	0	0	0	0	0
Unassigned (Deficit)	7,701,559	0	0	0	0	7,701,559
<i>Fund Cash Balances, December 31</i>	<u>\$7,701,559</u>	<u>\$3,382,351</u>	<u>\$74,878</u>	<u>\$513,935</u>	<u>\$0</u>	<u>\$11,672,723</u>

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

For the Year Ended December 31, 2017

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
GASB 54 Worksheet/Note Disclosure						
<i>Net Change in Fund Cash Balances</i>	\$760,616	\$325,277	\$56,782	\$427,886	\$0	\$1,570,561
<i>Fund Cash Balances, January 1</i>	6,940,943	3,057,074	18,096	86,049	0	10,102,162
<i>Fund Cash Balances, December 31</i>	<u>\$7,701,559</u>	<u>\$3,382,351</u>	<u>\$74,878</u>	<u>\$513,935</u>	<u>\$0</u>	<u>\$11,672,723</u>
Fund Balances						
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:						
Capital Project	\$0	\$0	\$0	\$513,935	\$0	\$513,935
Cemetery	0	40,618	0	0	0	40,618
Debt Service	0	0	74,878	0	0	74,878
Emergency Medical Services	0	161,474	0	0	0	161,474
Fire Operations	0	1,090,484	0	0	0	1,090,484
Police Operations	0	83,078	0	0	0	83,078
Road and Bridge Maintenance and Improvements	0	1,668,239	0	0	0	1,668,239
Street Lighting Special Assessment	0	338,458	0	0	0	338,458
<i>Total Restricted</i>	<u>0</u>	<u>3,382,351</u>	<u>74,878</u>	<u>513,935</u>	<u>0</u>	<u>3,971,164</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>	7,701,559	0	0	0	0	7,701,559
<i>Total Fund Cash Balances, December 31</i>	<u>\$7,701,559</u>	<u>\$3,382,351</u>	<u>\$74,878</u>	<u>\$513,935</u>	<u>\$0</u>	<u>\$11,672,723</u>

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Monclova Township, Lucas 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 Lucas County Sheriff to provide police protection services to the Township.

Township participates in one public entity risk pool. Note 9 to the financial statements provides additional information for these entities. These organizations are:

Public Entity Risk Pool:
Ohio Township Association Risk Management Authority (OTARMA)

The Township's management believes these financial statements present all activities for which the Township is financially accountable

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 Auditor of State prescribes or permits.

C. 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.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. 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.

Fire Levy Fund - This fund receives property tax money to pay for fire department expenses.

Police Levy Fund – This fund received property tax money to pay for police service expenses.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Funds:

Keener Rd. Fund – This fund is used to repay Ohio Public Works Commission (OPWC) for debt incurred to facilitate this road project.

Weckerly, Salisbury, Maplesburg, and Cedarsburg Road Fund - This fund is used to repay Ohio Public Works Commission (OPWC) for debt incurred to facilitate this road project.

Strayer Farms Fund - This fund is used to repay Ohio Public Works Commission (OPWC) for debt incurred to facilitate this road project.

Lose Road Fund - This fund is used to repay Ohio Public Works Commission (OPWC) for debt incurred to facilitate this road project.

4. 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 funds

Strayer Farms Fund - This fund received OPWC loan funds for the reconstruction of Strayer Farms Subdivision roads.

Lose Road Fund - This fund received OPWC loan funds for the reconstruction of Lose road.

Laplante Rd. Fund - This fund received OPWC loan funds for the reconstruction of Laplante road.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. 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 also approve estimated resources.

3. 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.

F. 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:

1. Nonspendable

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

2. 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.

3. 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.

4. 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.

5. 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.

G. Property, Plant, and Equipment

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

H. 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.

2. Equity in Pooled 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
Demand deposits	\$6,603,789
Certificates of deposit	0
Other time deposits (savings and NOW accounts)	5,072,888
Total deposits	<u>\$11,676,677</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation by some institutions and collateralized by other financial institution's public entity deposit pool.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2017 as follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,024,500	\$2,528,370	\$503,870
Special Revenue	4,383,720	3,748,159	(635,561)
Debt Service	56,781	56,781	0
Capital Projects	1,309,120	685,320	(623,800)
Internal Service			0
Permanent			0
Fiduciary			0
Total	<u>\$7,774,121</u>	<u>\$7,018,630</u>	<u>(\$755,491)</u>

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,721,729	\$1,433,720	\$1,288,009
Special Revenue	5,234,334	3,422,881	1,811,453
Debt Service			0
Capital Projects	1,105,003	591,468	513,535
Internal Service			0
Permanent			0
Fiduciary			0
Total	<u>\$9,061,066</u>	<u>\$5,448,069</u>	<u>\$3,612,997</u>

4. Property Tax

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. Real property tax receipts received in 2017 represent the collection of 2016 taxes. Real property taxes received in 2017 were levied after October 1, 2016 on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. Taxes paid semi-annually are due January 31, with the remainder payable by July 31. Under certain circumstances, State statute permits alternate payment dates to be established.

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.

5. Debt

Debt outstanding at December 31, 2017 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commissions Loans	\$282,249	0%
Total	<u>\$282,249</u>	

The general obligation notes are supported by the full faith and credit of the Township and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. The Ohio Public Works Commission (OPWC) loans were received to finance improvements to various township roads. The zero interest loans will be repaid in semiannual installments over ten years

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

Year ending December 31:	<u>Principal</u>		
2018	\$61,748		
2019	73,090		
2020	49,500		
2021	30,592		
2022	23,786		
2023-25	43,533		
Total	<u>\$282,249</u>	<u>\$0</u>	<u>\$0</u>

6. Retirement Systems

The Township's certified Full-Time Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are 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, OP&F participants contributed 12.25% of their wages. For 2017, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages, respectively. 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.

8. Risk Management

Risk Pool Membership

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

- General liability and casualty;
- Public official's liability; and
- Vehicle.

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

Casualty & Property
Coverage

	2017
Assets	38,473,283
Liabilities	<u>(8,244,140)</u>
Net Position – Unrestricted	30,229,143

9. Contingent Liabilities

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.