

**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>Cash Receipts</b>						
Property and Other Local Taxes	\$44,510	\$22,061	\$0	\$0	\$0	\$66,571
Charges for Services	0	0	0	0	0	0
Licenses, Permits and Fees	660	2,100	0	0	0	2,760
Fines and Forfeitures	0	0	0	0	0	0
Intergovernmental	21,700	123,877	0	0	0	145,577
Special Assessments	0	0	0	0	0	0
Earnings on Investments	15,995	1,190	0	0	0	17,185
Miscellaneous	517	0	0	0	0	517
<i>Total Cash Receipts</i>	<u>83,382</u>	<u>149,228</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>232,610</u>
<b>Cash Disbursements</b>						
Current:						
General Government	52,149	418	0	0	0	52,567
Public Safety	0	12,438	0	0	0	12,438
Public Works	0	99,515	0	0	0	99,515
Health	6,462	12,548	0	0	0	19,010
Human Services	0	0	0	0	0	0
Conservation-Recreation	0	2,181	0	0	0	2,181
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>58,611</u>	<u>127,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>185,711</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>24,771</u>	<u>22,128</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,899</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	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>	24,771	22,128	0	0	0	46,899
<i>Fund Cash Balances, January 1</i>	<u>711,061</u>	<u>179,891</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>890,952</u>
<b>Fund Cash Balances, December 31</b>						
Nonspendable	0	0	0	0	0	0
Restricted	0	202,019	0	0	0	202,019
Committed	0	0	0	0	0	0
Assigned	0	0	0	0	0	0
Unassigned (Deficit)	735,832	0	0	0	0	735,832
<i>Fund Cash Balances, December 31</i>	<u>\$735,832</u>	<u>\$202,019</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$937,851</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>	\$24,771	\$22,128	\$0	\$0	\$0	\$46,899
<i>Fund Cash Balances, January 1</i>	711,061	179,891	0	0	0	890,952
<i>Fund Cash Balances, December 31</i>	<u>\$735,832</u>	<u>\$202,019</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$937,851</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	\$1,995	\$0	\$0	\$0	\$1,995
Fire Operations	0	2,702	0	0	0	2,702
Recreation Programs	0	0	0	0	0	0
Road and Bridge Maintenance and Improvements	0	197,322	0	0	0	197,322
<i>Total Restricted</i>	<u>0</u>	<u>202,019</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>202,019</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>	735,832	0	0	0	0	735,832
<i>Total Fund Cash Balances, December 31</i>	<u>\$735,832</u>	<u>\$202,019</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$937,851</u>

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)**  
**All Proprietary and Fiduciary Fund Types**  
 For the Year Ended December 31, 2019

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Custodial</u>	<u>Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Totals (Memorandum Only)</u>
<b>Operating Cash Receipts</b>						
Charges for Services	\$0	\$0	\$0	\$0	\$0	\$0
Licenses, Permits and Fees	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0
Earnings on Investments (trust funds only)	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
<i>Total Operating Cash Receipts</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Operating Cash Disbursements</b>						
Salaries	0	0	0	0	0	0
Employee Fringe Benefits	0	0	0	0	0	0
Purchased Services	0	0	0	0	0	0
Supplies and Materials	0	0	0	0	0	0
Claims	0	0	0	0	0	0
Other	0	0	0	0	0	0
<i>Total Operating Cash Disbursements</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Operating Income (Loss)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Non-Operating Receipts (Disbursements)</b>						
Property and Other Local Taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Special Assessments	0	0	0	0	0	0
Miscellaneous Receipts	0	0	0	0	0	0
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
Earnings on Investments (proprietary funds only)	0	0	0	0	0	0
Sale of Capital Assets	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Principal Retirement	0	0	0	0	0	0
Interest and Other Fiscal Charges	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
Other Financing Sources	0	0	0	0	0	0
Other Financing Uses	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 Proprietary and Fiduciary Fund Types**  
For the Year Ended December 31, 2019

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Custodial</u>	<u>Investment Trust</u>	<u>Private Purpose Trust</u>	<u>Totals (Memorandum Only)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	0	0	0	0	0	0
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	0	0	0	0	0	0
Capital Contributions	0	0	0	0	0	0
Special Item	0	0	0	0	0	0
Extraordinary Item	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
<i>Net Change in Fund Cash Balance</i>	0	0	0	0	0	0
<i>Fund Cash Balances, January 1</i>	0	0	0	0	320	320
<i>Fund Cash Balances, December 31</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$320</u>	<u>\$320</u>

**Notes to the Financial Statements**

**Cessna Township**

**Hardin County**

**2019**

**Cessna Township**  
*Hardin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Cessna Township, Hardin 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 McGuffey Volunteer Fire Company to provide fire services and BKP Ambulance Service to provide 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 and is associated with a related organization.

**Jointly Governed Organization:**

1. BKP Ambulance District – Provides ambulance service within the township
2. Hardin County Regional Planning Commission- This entity provides grant writing assistance and helps with zoning matters within Hardin County
3. Hardin County Veterans Memorial Park District- Support of the park district is through a levy.

**Public Entity Risk Pool:**

1. **Ohio Township Association Risk Management Authority (OTARMA)** – A risk sharing pool available to Ohio Townships

**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:

***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.

**Cessna Township**  
*Hardin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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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.

***Cemetery Fund*** The cemetery Fund accounts for the majority of expenses that occur in the operation and maintenance of the townships cemeteries.

***Fire Protection Fund*** The fire protection fund accounts for the majority of expenses that are incurred in providing fire protection to the residents of Cessna township.

***Park Levy*** The park levy fund is a special revenue fund that serves the operation of the Veterans Memorial Park in Kenton, Ohio.

***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:

***Fiduciary Funds*** Fiduciary funds include private purpose trust funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs.

The Township's private purpose trust fund is for the benefit of the Mathews Cemetery Bequest. The donated funds are maintained in perpetuity and the interest earnings are used to maintain the named grave as per the request was written.

***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 at the fund level of control, and appropriations may not exceed estimated resources. The



**Cessna Township**  
*Hardin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus 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. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Township did not use the encumbrance method of accounting.

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.

The Township values U.S. Treasury Notes and common stock at cost. 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.

***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

**Cessna Township**  
*Hardin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$69,825	\$83,381	\$13,556
Special Revenue	136,525	149,227	12,702
Debt Service			0
Capital Projects			0
Internal Service			0
Permanent			0
Trust	0	0	0
<b>Total</b>	<b>\$206,350</b>	<b>\$232,609</b>	<b>\$26,259</b>

**Cessna Township**  
*Hardin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$780,886	\$58,610	\$722,276
Special Revenue	316,416	127,401	189,016
Debt Service			0
Capital Projects			0
Internal Service			0
Permanent			0
Trust	320	0	320
<b>Total</b>	<u>\$1,097,623</u>	<u>\$186,011</u>	<u>\$911,612</u>

**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	\$188,366
Savings Account	300
<b>Total deposits</b>	<u>188,666</u>
U.S. Treasury Notes	
STAR Ohio	749,505
<b>Total investments</b>	<u>749,505</u>
<b>Total deposits and investments</b>	<u>\$938,171</u>

***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

**Cessna Township**  
*Hardin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2019, \$0 of deposits were not insured or collateralized, contrary to Ohio law.

***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**

*None*

**Note 8 – Risk Management**

**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 (local entity'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

**Cessna Township**  
*Hardin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

those liabilities as of December 31:

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

*The above note was the latest available to the township at the time of this report.*

**Note 9 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

All (6) employees belong to the Ohio Public Employees Retirement 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. 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>

**Note 10 – Postemployment Benefits**

Both OPERS and OP&F 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 2019.

**Note 16 – Public Entity Risk Pool**

The Township participates in the Ohio Township Association Group Rating Plan (GRP) for worker’s compensation. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.