

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

For the Year Ended December 31, 2023

	<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	\$39,439	\$22,861	\$0	\$0	\$0	\$62,300
Charges for Services	0	0	0	0	0	0
Licenses, Permits and Fees	240	250	0	0	0	490
Fines and Forfeitures	0	0	0	0	0	0
Intergovernmental	23,685	157,695	0	0	0	181,380
Special Assessments	0	0	0	0	0	0
Earnings on Investments	38,310	13,445	0	0	0	51,755
Miscellaneous	240	600	0	0	0	840
<i>Total Cash Receipts</i>	<u>101,914</u>	<u>194,851</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>296,765</u>
Cash Disbursements						
Current:						
General Government	59,523	12,595	0	0	0	72,118
Public Safety	420	0	0	0	0	420
Public Works	0	87,803	0	0	0	87,803
Health	7,271	12,390	0	0	0	19,661
Human Services	0	0	0	0	0	0
Conservation-Recreation	0	1,931	0	0	0	1,931
Other	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Capital Outlay	88,834	81,845	0	0	0	170,679
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>156,048</u>	<u>196,564</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>352,612</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(54,134)</u>	<u>(1,713)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(55,847)</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

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, 2023

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0
Sale of Capital Assets	0	28,500	0	0	0	28,500
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>28,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,500</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>(54,134)</u>	<u>26,787</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(27,347)</u>
<i>Fund Cash Balances, January 1</i>	<u>748,366</u>	<u>320,074</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,068,440</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$694,232</u></u>	<u><u>\$346,861</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$1,041,093</u></u>

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

For the Year Ended December 31, 2023

	<u>Private Purpose Trust</u>	<u>Investment Trust</u>	<u>External Investment Pool</u>	<u>Other Custodial</u>	<u>Totals (Memorandum Only)</u>
Additions					
Property and Other Local Taxes Collected for Distribution	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0
Fines, Licenses and Permits for Distribution	0	0	0	0	0
Earnings on Investments (trust funds only)	0	0	0	0	0
Gifts and Donations (trust funds only)	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Special Assessment Collections for Distribution	0	0	0	0	0
Deposits Received	0	0	0	0	0
Amounts Held for Employees	0	0	0	0	0
Amounts Received as Fiscal Agent	0	0	0	0	0
Other Amounts Collected for Distribution	0	0	0	0	0
<i>Total Additions</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deductions					
Distributions as Fiscal Agent	0	0	0	0	0
Distributions to Other Governments	0	0	0	0	0
Distributions to Other Funds (Primary Gov't)	0	0	0	0	0
Distributions of Deposits	0	0	0	0	0
Distributions on Behalf of Employees	0	0	0	0	0
Other Distributions	0	0	0	0	0
<i>Total Deductions</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	0	0	0	0
<i>Fund Cash Balances, January 1</i>	<u>321</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>321</u>
<i>Fund Cash Balances, December 31</i>	<u>\$321</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$321</u>

Cessna Township

AOS Regulatory Basis 2023

Cessna Township
Hardin County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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 to provide ambulance services.

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

The Township participates in jointly governed organizations and a public entity risk pool and is associated with a related organization. Notes 6, 10, and 11 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 fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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.

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.

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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.

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:

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).

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

Internal Service Fund This fund accounts for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

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.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

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Notes to the Financial Statements
For the Year Ended December 31, 2023

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, 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. 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 2023 budgetary activity appears in Note 3.

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.

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.

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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 12.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,608	\$101,914	\$19,306
Special Revenue	173,382	223,350	49,968
Debt Service			0
Capital Projects			0
Internal Service			0
Permanent			0
Trust	1	0	(1)
Total	\$255,991	\$325,264	\$69,273

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Notes to the Financial Statements
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2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$370,950	\$156,048	\$214,902
Special Revenue	442,596	196,564	246,032
Debt Service			0
Capital Projects			0
Internal Service			0
Permanent			0
Trust	22		22
Total	\$813,568	\$352,612	\$460,956

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. A summary of the Township’s deposit and investment accounts are as follows:

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$123,194
Certificates of deposit	300
Other time deposits (savings and NOW accounts)	
Total deposits	123,494
U.S. Treasury Notes	
STAR Ohio	917,921
Repurchase agreement	
Common stock (at cost, fair value was \$X,XXX at December 31, 20XCXY)	
Total investments	917,921
<i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i>	\$1,041,415
<i>Segregated Accounts - Not held in the Pool:</i>	
Payroll Clearing Account (Not held in the Pool) **	
Retainage Accounts (Not held in the Pool) **	
Debt Accounts (Related to Bond Indenture and Note held in the Pool) **	
Other Paying Agent Outside Account (Not held in the Pool) **	
<i>Total Outside Accounts ** (ties to worksheet tab outside accounts receivable)</i>	\$0

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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, 2023, the Township is holding \$0 unremitted employee payroll withholdings.

At December 31, 2023, the Township held \$0 in equity securities. Equity securities are not eligible investments for the Township under Ohio law.

Deposits

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

At December 31, 2023, \$0 of deposits were not insured or collateralized.

Investments

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.

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 6 – Risk Management

Risk Pool Membership

The (local entity) 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

Cessna Township
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Notes to the Financial Statements
For the Year Ended December 31, 2023

- 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>2022</u>	
Cash and investments	\$32,288,098
Actuarial liabilities	\$9,146,434

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.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Township 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, 2023.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2023</i>	<i>10.00%</i>	<i>14.00%</i>

Cessna Township
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Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Construction and Contractual Commitments

The township sought bids for the construction of a new equipment storage building in 2023. A contract for the construction of the 80' by 40' post building was awarded to DryLane Construction and is currently under construction as of the end of 2023. The building is scheduled for completion in January of 2024 and will be paid for by current cash assets on hand.

Note 10 – Jointly Governed Organizations

1. **BKP Ambulance District**- This entity provides ambulance service within the township. Cessna Township has a trustee that serves on the BKP board of directors.
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**- The township supports the park district with a levy.

Note 11 – Public Entity Risk Pool

The Township participates in the Ohio Township Association Risk Management Pool. OTARMA serves Ohio townships by providing a risk sharing pool for the purpose of property fleet and liability insurance to its member townships.

Cessna Township
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Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 12 – 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						0
Outstanding Encumbrances	70,289	47,455				117,744
Total	<u>\$70,289</u>	<u>\$47,455</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$117,744</u>

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 including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 13 – 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 ended in April 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.