

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

For the Year Ended December 31, 2017

	General	Special Revenue	Debt Service	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts						
Property and Other Local Taxes	\$1,050,480	\$8,037,273	\$0	\$0	\$0	\$9,087,753
Charges for Services	0	514,655	0	0	0	514,655
Licenses, Permits and Fees	210,536	60,029	0	0	0	270,565
Fines and Forfeitures	23,281	0	0	0	0	23,281
Intergovernmental	392,484	1,143,526	0	0	0	1,536,010
Special Assessments	0	201,844	0	0	0	201,844
Earnings on Investments	141,514	3,770	0	0	0	145,284
Miscellaneous	62,291	284,665	0	0	0	346,956
<i>Total Cash Receipts</i>	<u>1,880,586</u>	<u>10,245,762</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,126,348</u>
Cash Disbursements						
Current:						
General Government	762,593	988	0	0	0	763,581
Public Safety	482	8,691,529	0	0	0	8,692,011
Public Works	55,513	1,109,982	0	0	0	1,165,495
Health	9,766	0	0	0	0	9,766
Human Services	0	0	0	0	0	0
Conservation-Recreation	521,115	1,117	0	0	0	522,232
Other	0	0	0	0	0	0
Capital Outlay	49,312	180,664	0	0	0	229,976
Debt Service:						
Principal Retirement	71,374	0	0	0	0	71,374
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>1,470,155</u>	<u>9,984,280</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,454,435</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>410,431</u>	<u>261,482</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>671,913</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.

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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>
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>410,431</u>	<u>261,482</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>671,913</u>
<i>Fund Cash Balances, January 1</i>	<u>1,855,096</u>	<u>10,707,793</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,562,889</u>
Fund Cash Balances, December 31						
Nonspendable	0	0	0	0	0	0
Restricted	0	10,969,275	0	0	0	10,969,275
Committed	0	0	0	0	0	0
Assigned	6,340	0	0	0	0	6,340
Unassigned (Deficit)	2,259,187	0	0	0	0	2,259,187
<i>Fund Cash Balances, December 31</i>	<u>\$2,265,527</u>	<u>\$10,969,275</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$13,234,802</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>	\$410,431	\$261,482	\$0	\$0	\$0	\$671,913
<i>Fund Cash Balances, January 1</i>	1,855,096	10,707,793	0	0	0	12,562,889
<i>Fund Cash Balances, December 31</i>	<u>\$2,265,527</u>	<u>\$10,969,275</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$13,234,802</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:						
computer upgrades	\$0	\$0	\$0	\$0	\$0	\$0
Drug and Alcohol Education and Enforcement	0	5,957	0	0	0	5,957
Emergency Medical Services	0	763,832	0	0	0	763,832
employee vending machine	0	2,354	0	0	0	2,354
Fire Operations	0	5,642,958	0	0	0	5,642,958
park enhancements	0	1,603	0	0	0	1,603
police education	0	0	0	0	0	0
Police Operations	0	3,896,623	0	0	0	3,896,623
Recreation Programs	0	0	0	0	0	0
Road and Bridge Maintenance and Improvements	0	576,819	0	0	0	576,819
Street Lighting Districts	0	79,129	0	0	0	79,129
<i>Total Restricted</i>	<u>0</u>	<u>10,969,275</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,969,275</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:						
2017 outstanding POs	6,340	0	0	0	0	6,340
<i>Total Assigned</i>	<u>6,340</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,340</u>
<i>Unassigned</i>	<u>2,259,187</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,259,187</u>
<i>Total Fund Cash Balances, December 31</i>	<u>\$2,265,527</u>	<u>\$10,969,275</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$13,234,802</u>

**CLEARCREEK TOWNSHIP
WARREN COUNTY**

2017 NOTES FOR YEAREND CLOSEOUT

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 the Clearcreek Township, Warren County, Ohio (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, police and fire protection and emergency medical services.

The Township participates in Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

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 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.

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.

The Township values U.S. Treasury Notes at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

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.

**CLEARCREEK TOWNSHIP
WARREN COUNTY**

2017 NOTES FOR YEAREND CLOSEOUT

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:

Fire Fund – This fund receives property tax money for providing fire protection to Township residents.

Police Fund – This fund receives property tax money for providing police protection to Township residents.

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.

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. 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 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 re-appropriated if they were secured by a Purchase Order. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year, if they were secured using a blanket certificate.

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. Non-spendable

**CLEARCREEK TOWNSHIP
WARREN COUNTY**

2017 NOTES FOR YEAREND CLOSEOUT

The Township classifies assets as *non-spendable* 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:

**CLEARCREEK TOWNSHIP
WARREN COUNTY**

2017 NOTES FOR YEAREND CLOSEOUT

		2017
Demand deposits		\$18,233
Memo deposits		0
Other time deposits (savings and NOW accounts)		0
Total deposits		18,233
NB&T Investments		12,046,409
STAR Ohio		213,344
Total investments		12,259,753
Total deposits and investments		\$12,259,753

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

Investments: The financial institution maintains records identifying the Township as owner of these securities.

A financial institution's trust department holds the Township's individual bonds and certificates of deposits 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.

3. Budgetary Activity

Budgetary activity for the years ending 2013 and 2014 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,673,600	\$1,817,408	\$143,808
Special Revenue	9,546,400	10,308,942	526,637
Total	\$11,220,000	\$12,126,350	\$670,445

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,680,247	\$1,395,683	\$284,564
Special Revenue	\$ 12,153,776	10,058,755	2,094,021
Total	\$13,834,023	\$11,454,438	\$2,378,585

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the

**CLEARCREEK TOWNSHIP
WARREN COUNTY**

2017 NOTES FOR YEAREND CLOSEOUT

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.

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, 2016 was as follows:

	Principal	Interest Rate
Promissory Note	71,374	0%
Total	\$71,374	

The Township owes four years of annual payments of \$71,374 each for 2015, 2016, 2017 and 2018 to finalize the purchase of the Thomas Gitzinger land for future park land. Mr. Gitzinger has agreed to not charge interest.

	Promissory Note
Year ending December 31:	
2018	71,374
Total	\$71,374

6. Retirement Systems

The Township's certified full-time Fire Fighters/Paramedics belong to Ohio Police & Fire Pension Fund (OP&F). Full-time Police Officers receive Ohio Public Employee Retirement System (OPERS) benefits. Other employees, including part-time police officers, also 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. Part-time firefighters pay into Social Security.

The Ohio Revised Code also prescribes contribution rates. For the first half of 2013, OP&F firefighters contributed 10-percent of their wages, while the Township contributed 24-percent. Beginning on July 1, 2013 and throughout 2014, participants contributed 10.75-percent, with the Township contributing 24-percent. OPERS Law members contributed 12.6-percent and 13-percent, respectively, of their gross salaries for 2013 and 2014, and the Township contributed an amount equaling 18.10-percent for both years, respectively, of participants' gross salaries.

Additionally, all other departments and part-time police officers contributed to the OPERS-G account. They paid 10-percent of their wages, which was matched by 14-percent from the

**CLEARCREEK TOWNSHIP
WARREN COUNTY**

2017 NOTES FOR YEAREND CLOSEOUT

The Casualty & Property Coverage assets and retained earnings above include approximately \$7.2 million of unpaid claims to be billed to approximately 957 member governments in the future, as of December 31, 2015. OTARMA will collect these amounts in future annual contributions billings when OTARMA's related liabilities are due for payment. The District's share of these unpaid claims is approximately \$40,000.

The Pool's membership increased from 957 members in 2014 to 989 members in 2015.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York Risk Pooling Services, Inc. (YORK). APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2015 the Pool retained \$350,000 for casualty claims and \$250,000 for property claims). The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

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

At December 31, 2014 and 2015, respectively, the liabilities above include approximately \$8.3 million and \$7.9 million of estimated incurred claims payable. The assets above also include approximately \$7.2 and \$7.5 million of unpaid claims to be billed to approximately 957 member governments in the future, as of December 31, 2014 and 2015, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the Township's share of these unpaid claims collectible in future years is approximately \$40,000.

