



OHIO AUDITOR OF STATE
KEITH FABER



DEERFIELD TOWNSHIP
WARREN COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Deerfield Township
Warren County
4900 Parkway Drive, Suite 150
Mason, Ohio 45040

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Deerfield Township, Warren County, (the Township) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 28, 2019, wherein we noted that the Township adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

June 28, 2019

**DEERFIELD TOWNSHIP
WARREN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018**

FINDING NUMBER 2018-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The Ohio Public Works Commission (OPWC) made on-behalf payments in the amount of \$396,925 which were not posted to the Township's receipts and expenditures ledgers.

The financial statements and accounting records have been adjusted for these errors, where applicable.

The Township did not have procedures in place for effective monitoring of the Township's financial activity and the accuracy of accounting and financial reporting. Failure to accurately post financial activity and monitor financial activity increases the risk that errors, theft and fraud could occur and not be detected in a timely manner.

Due care should be exercised when posting entries to the financial records and preparation of the financial statements to prevent errors and to assist in properly reflecting the Township's financial activity.

Officials' Response:

The Township agrees with the recommendation and wishes to emphasize that OPWC on-behalf payments did not impact the Township's carrying balances of cash as on-behalf payments involve a memo receipt and memo disbursement that offset to zero. Further, in connection with the preparation of the accrual-based financial statements at year-end, the Township posted the on-behalf payments to the financial statements. Moving forward, the Township will post the on-behalf payments in the Township's accounting system when notification is received from OPWC.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31st

Deerfield
Township

2018

WARREN COUNTY

INTRODUCTORY SECTION



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31st

Director of Finance:
Jennifer Wagner

Township Administrator:
Eric Reiners

Board of Trustees:
Lelle Hedding
Kristin Malhotra
Lonnie Vestal



Deerfield Township, Warren County, Ohio

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DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

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June 30, 2019

Citizens of Deerfield Township
Trustees of Deerfield Township

Deerfield Township is pleased to submit to you our 2018 Comprehensive Annual Financial Report (CAFR). The report covers calendar year ending December 31, 2018. The CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America that apply to governmental entities. Accuracy of the data presented, as well as the completeness and fairness of the presentation, including all disclosures, are the responsibility of the Township.

The report provides the taxpayers of Deerfield Township with comprehensive financial data in a format that will enable them to gain a true understanding of the financial affairs of the Township. This report will be published on the Ohio Auditors website and the Township website (www.choosedeerfield.com). A press release will be sent to the area media and hard copies will be provided upon request.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Deerfield Township's MD&A can be found immediately following the independent auditors' report.

Financial Statement Format

The Comprehensive Annual Financial Statement is divided into the following three sections:

1. Introductory Section
 - a. Table of Contents
 - b. Letter of Transmittal
 - c. List of Principal Officers
 - d. Township Organization Chart
2. Financial Section
 - a. Independent Auditors' Report
 - b. Management's Discussion and Analysis
 - c. Basic Financial Statements and Notes
 - d. Required Supplemental Information
 - e. Combining Statements by Fund Type
 - f. Non-major funds and other schedules that provide detailed information
3. Statistical Section
 - a. Financial Trends
 - b. Economic Data
 - c. Demographic Data

TOWNSHIP OVERVIEW

Deerfield Township is a vibrant community of nearly 40,000 residents, making it the most populous jurisdiction in Warren County. We are also a primary economic driver for the county with over 1,000 companies employing over 23,000 employees. These companies span across many business sectors and range in sizes from small firms to large, multinational corporations. With a strong residential and commercial base, Deerfield Township is *committed to service excellence* to our residential and corporate citizens.

The Township is located along the Interstate 71 corridor just north of Interstate 275; approximately 18 miles northeast of downtown Cincinnati and 29 miles from downtown Dayton. The region is positioned within 600 miles of approximately 50% of the United States population, purchasing power and manufacturing firms.

TOWNSHIP ORGANIZATION AND REPORTING ENTITY

The Township operates as a limited home rule form of government and is directed by a publicly elected three-member Board of Trustees. The Trustees are elected for overlapping terms of four years. The board has an elected Township Fiscal Officer and appoints the Township Administrator.

The reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements of the Township are not misleading.

The primary government of the Township consists of all funds, departments, boards and agencies that are legally separate from the Township. For Deerfield Township, this includes providing police protection, fire and emergency medical services, road maintenance and repairs, parks and recreation, planning and zoning, economic development, and cemeteries.

ITEMS OF LOCAL INTEREST

Parks and Recreation

The Township features active and passive parks along with green spaces covering over 500 acres within the boundaries of Deerfield Township that are owned or supported by Deerfield Township. Parks are generally described as land owned by a public entity that provides passive or active recreation opportunities. Additionally, there are over 30 acres of open space that is undeveloped area of natural landscape and tree growth preserved for public or private natural beauty and semi-rural character. The Township offers recreational programs throughout the year including camps, Movies in the Park and Educational Programs.

Kingswood Park

Kingswood Park, a former golf course is primarily a passive park located along the I-71 corridor in Deerfield Township. The park is approximately 100 acres with a newly developed Innovation Way extension in-between the North and South properties. Kingswood is home to many activities including Cyclocross bicycle races, High School and Collegiate Cross Country Events, Farmers Market, Community Garden and extensive trails. The park has broad mature trees, water features and beautiful views of the rolling landscape.

Fleckenstein Park

Fleckenstein Park is 50 acres of active and passive park land, located in the Northwest Quadrant of Deerfield Township. The park features baseball fields, tennis courts, playground, soccer fields, water features, concession stands and extensive walking paths. In addition, the park has a unique barn that was recently restored and has potential for future programming opportunities. The park is home to the Fleckenstein Park quilt barn that was installed as part of a larger quilt barn trail throughout the area.

Carter Park

In 2002, the Township purchased Carter Park along with the King Mansion. Located in Kings Mills, the park has several paths within the 100-acre park. The park provides the perfect setting for several of our nature camp programs along with various Eagle Scout projects. The park is adjacent to the Little Miami River and offers spectacular views of the river and Kings Mills history. Deerfield Township recently sold the King Mansion to a private resident, however, we still operate the park and continue to expand recreational opportunities in the Kings Mills Area.

Cottell Park

This 50-acre award-winning park is centrally located in the heart of Deerfield Township. Located at the intersection of Irwin-Simpson and Snider Road, the park is the busiest and most active of all the parks in Deerfield Township. Cottell Park received awards in both 2016 and 2017 as the Best of the North in Cincinnati as voted by residents and park users. The park has five baseball fields, four soccer fields, two multi-purpose fields, two playgrounds, two shelters and a Veterans Memorial Park that provide ample opportunities for recreation activities. In addition, the park is the site of the Snyder house, which was built in the mid-1850s. This building has been remodeled and updated over the years and is available for party rentals or business meetings. In addition, the Snyder House is home to the Arts Alliance, which in partnership with the Township, offers first class art events and programming for the community.

Schappacher Park

Located near the main business corridor, this 10-acre tree lined park has a playground, two shelters, restrooms, pathway connections and a dog run. Schappacher Park provides a natural buffer between the business district and the residential communities and provides a perfect location for workers in the area to enjoy their lunch. This park is heavily used and was named as the best dog park by a local magazine.

20 Mile Stand Park, Bowen Park, Carriage Gate, and Foster's Crossing

These four parks are located primarily in the areas of multi-family housing and allow residents a place to relax and enjoy a park like setting within walking distance of their homes. Totalling over 23 acres of parkland, these parks offer pathways, water features, benches, and green space. Situated at various locations throughout the Township, these areas provide beauty and green space along with a buffer for the multi-family and residential communities.

Landen Deerfield Park and Craig Minard Park

These two parks in Deerfield Township offer several recreational and program opportunities. The parks are funded by a partnership between Deerfield Township and Warren County that offer eight baseball fields, ten soccer fields, two football fields, mountain bike paths, amphitheater, Skate Park

and beautiful water features. With these superb amenities, the park is a perfect setting for many programs including the concert series, Movies in the Park and the annual St. Patrick's Day trail race. These two Warren County owned and maintained parks also provide a variety of pathways and fitness equipment that promote healthy lifestyles in a beautiful park setting.

Roberts Park

Deerfield Township accepted the donation of this unique 80-acre community park from the Roberts Family. This park is set apart from most of the other parks in Deerfield Township in that it was donated with specific restrictions for the development, maintenance and use of the park. The primary use of the park is to provide open green space to the surrounding subdivisions and to allow the new homeowners in Roberts Park a beautiful backdrop to their subdivision. The overall look of the park is to be a natural setting with pockets of manicured grounds for residential activity. The park is restricted from having heavy activity such as organized sports teams and organized events. This park recently received significant funding from multiple sources and grants to install trees at various locations throughout the Park.

Green Space

Included in the park system, Deerfield owns several open space areas that account for over 100 additional acres of open space, woodlands and streams. These properties include the Townsley Road green space, the Loveland Park open space and Fosters Crossing. This is an example of how the Township enhances the quality of life in the community by offering natural areas that promote storm-water absorption, wildlife spaces and naturalized open areas.

Education, Culture and Nearby Attractions

Rated the number one place to live in Warren County, Deerfield Township is one of the area's most popular communities, named one of the top 15 communities in the Tri-State. We are a thriving community with over 38,200 residents and hundreds of businesses with all the advantages of central suburban living, and a few more besides. Residents know that Deerfield Township truly is the ideal place in which to raise a family, live, work and shop. Everything needed for a quality lifestyle is right here in Deerfield Township: entertainment, shopping, schools, restaurants and more. When it comes to entertainment, there are many popular attractions the whole family can enjoy without traveling far from home: Kings Island, Regal Cinemas, Little Miami Bike Trail, a plethora of parks and athletic fields, malls, fishing lakes, outdoor concerts, and festivals.

Deerfield Township is conveniently located within minutes of major interstates which allows, residents easy access to surrounding Greater Cincinnati and Dayton attractions such as: the Cincinnati Zoo and Botanical Gardens, the Cincinnati Art Museum, Contemporary Arts Center, the Freedom Center, Music Hall, the Aronoff Center, Major League Baseball, National Football League, the Museum of Natural History, the Dayton Art Institute, the Dayton Contemporary Dance Company, and the National Museum of the United States Air Force.

Educational choices abound in the area, with the Township served by three award-winning school districts, Kings, Mason and Princeton schools. Kings High School is currently ranked number 25 in the state by *US News and World Report*. Each district has had its share of state championship titles in basketball, football, track and field and other sports. And there are also a number of private schools from which to choose. Pursuing higher education is more convenient than ever with nearby campuses for those who need to juggle education with work and family. Xavier University, and Sinclair Community College all offer suburban locations in Deerfield. Major metropolitan colleges

such as Miami University, Xavier University, University of Cincinnati, Wright State University and the University of Dayton are also easy to access via interstates.

Shoppers will find they have many choices, too. Deerfield Towne Center is northern Cincinnati's premier lifestyle shopping center and home to over 50 national brand stores, specialty boutiques, one-of-a-kind furniture stores, exclusive restaurants, great entertainment, and Regal Cinemas, all close to home. After a day of shopping, relax and dine in one of the many Deerfield Towne Center restaurants or take in a movie.

While Deerfield Township continues to see a healthy increase in commercial development, there remain those qualities that have always made it an enjoyable place to live. Expansive parks and green space, picturesque neighborhoods and convenient amenities are features that draw so many people to settle in Deerfield Township.

Transportation

Deerfield Township lies in the vibrant southwest corner of Warren County. The Township has over 108 centerline miles of Township maintained roadways, along with additional state and county roads. Located along the I-71 corridor, the Township has a high level of interstate access with three interchanges located at Fields Ertel, Western Row and Kings Mills.

Deerfield Township strives to expand and enhance its transportation corridors and works closely with the Ohio Department of Transportation, Warren County Engineer, and the Warren County Transportation Improvement District. The Township provides its residents with miles of various pathways and sidewalks which connect the residential and commercial elements throughout the Township.

Deerfield Township is an active member of the Warren County Transportation Improvement District (TID). As a member of the TID, the Township is able to leverage valuable dollars on major infrastructure projects to obtain the largest return on its investment. The TID continues to implement construction of a series of projects within the Township over the last few years. These projects have provided a significant improvement to the safety and capacity of the I-71 interchanges at both Fields Ertel Road and Western Row Road, as well as the Township's main business corridor along Mason Montgomery Road.

Deerfield Township also provides convenient highway access to Downtown Cincinnati with a less than 30 min drive and the Cincinnati Northern Kentucky International Airport is only 40 minutes away. Rail access is conveniently located in Franklin, Ohio, 30 minutes from Deerfield as well.

ECONOMIC CONDITIONS AND OUTLOOK

Deerfield Township is located in one of the fastest growing counties in the state of Ohio and together with the City of Mason, Deerfield comprises almost a third of Warren County's population.

The township is the most populous jurisdiction in Warren County with nearly 40,000 residents. The area's attractiveness has meant that the township continues to see a tremendous amount of growth. Over the last 10 years the community has added over 5,000 residents, according to the US Census Bureau. Since 2011, on average, the population has grown approximately 1.4% each year.

Overall, the township is a great place to live, work, shop, learn, and play. Our community provides a variety of housing options and a strong education base with public schools that are among the top ranked in the State of Ohio.

Deerfield also has a lively daytime population and plenty of amenities in our retail and entertainment areas.

The township's housing stock ranges from apartments and starter homes to luxury homes, condominiums and homes targeted to empty nesters. Neighborhoods in Deerfield have been a popular choice for Homearama, the showcase of homes sponsored by the Homebuilders Association of Greater Cincinnati. In fact, the 2019 Homearama is being held in Deerfield Township at the Kensington housing community.

The business community is home to the largest suburban office center in the greater Cincinnati Region. The Governor's Pointe / Governor's Pointe North development totals over 1 million square feet of office space. Many of the largest employers in Warren County call Deerfield home, including Macy's Credit and Customer Service, Well Point, Eversana, Cengage, General Revenue Corp, Down Lite International, MedPlus Inc., Parallon, and Clopay Corporation. Overall, Deerfield offers a mix of office buildings from traditional multi-story to flex office to condo units for sale.

Deerfield is also home to the largest auto shopping experience in the region. The Kings Auto Mall includes dealers that represent over 20 auto makers on 85 acres. The Auto Mall has expanded over the years to accommodate the ever-changing auto sales market.

Deerfield's hotels offer nearly 2,000 rooms for the business traveler or the vacationer who is enjoying the many attractions conveniently located near Deerfield such as Kings Island, The Beach, Lindner Family Tennis Center, or Cincinnati Bengals and Cincinnati Reds games.

Deerfield has a strong dining, shopping and entertainment mix to the benefit of both its residents and guests.

- The Fields Ertel Road corridor continues to provide a mix of local and regional shopping opportunities and includes the Kings Auto Mall.
- The Mason Montgomery Road corridor includes the Deerfield Towne Center, a regional shopping center that provides upscale shopping as well as fine dining experience. Deerfield Village Square is a mixture of offices, condominiums, and restaurants designed in a charming 19th century architecture style creating a pedestrian friendly atmosphere; and Shoppes of Deerfield North and South and the Arbor Square Center provide local and regional shopping.
- Both the Fields Ertel and Mason Montgomery businesses are easily accessible from the Fields Ertel – Mason Montgomery interchange with Interstate 71.
- The Kings Mills interchange with Interstate 71 is primarily hospitality oriented with restaurants and hotels to complement Kings Island and the Beach Waterpark.
- The Montgomery Road corridor, the historic center of commerce for the northeast Cincinnati area, continues to provide a mix of local restaurants and shops to serve the community and has been improved with a road and sidewalk enhancement project.

Deerfield Township has evolved in the last decade to be one of the more prestigious and vibrant communities in Warren County providing its residents and business owners with all the services that represent quality of life.

In an effort to continue to evolve the township administrative to keep pace with the township's evolution, in 2018 the Board of Trustees approved the hiring of an Economic Development Director (EDD). The EDD is tasked with cultivating and maintaining close working relationships with relevant economic, community, and workforce development partners in Southwest Ohio to facilitate a collaborative framework for business recruitment and retention activities.

As a part of this effort the EDD is working to establish a community improvement corporation (CIC). CICs were established by the State of Ohio General Assembly in 1961 under Senate Bill 299 and are currently defined under the Ohio Revised Code (ORC) 1724.

The CIC is being created for the following purpose of:

Advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of a community.

According to Chapter 80 of the Ohio County Commissioners Handbook, "CIC's assist with the promotion and financing of economic development by providing loans to individuals and businesses; buying, selling, and leasing real and personal property for economic development purposes; and, by entering into contracts with the state and local governments."

By creating a CIC for economic development purposes, Deerfield Township is better able to control (re)development activity throughout the township to meet the needs of the residents, businesses, and visitors now and into the future.

PUBLIC PROJECTS

Deerfield Township has continued to stay focused on providing sound infrastructure throughout our community. In 2018, we performed our annual roadway resurfacing projects, in which approximately 5.64 miles of roadway were treated. Included in the program we resurfaced the pavement, cleaned storm sewers, upgraded signage and re-applied street markings. This program follows our annual Pavement Condition Rating Index inspection, which is performed on all roadways throughout the Township.

The Township continues to work closely with the Warren County Engineer's Office, Warren County Transportation Improvement District and the Ohio Department of Transportation to improve transportation and safety. Additionally, the Township continues to seek funding for infrastructure improvements by the application of state and federal grants available to Ohio townships.

In 2018, we worked with Warren County to successfully complete the widening of Mason-Montgomery Road. This project improved vehicular and pedestrian safety; while enhancing traffic movements through a high vehicular volume corridor.

In 2018 the Township also collaborated with the Warren County Engineer's Office on the Innovation Way Extension and Roundabout. This project included the construction of a roadway connection between Innovation Way and Duke Blvd and a roundabout to provide ease of traffic flow through the intersection of the two roads.

Additionally, over the course of 2018 the Township performed a number of other smaller maintenance and repair projects to ensure that our roadways and infrastructure remained of sound condition.

FINANCIAL INFORMATION

Internal Control Structure and Budgetary Controls

Development of the Township's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding –

- The safeguarding of assets against unauthorized use or disposition
- The reliability of financial records for preparing financial statements

The concept of reasonable assurance states that internal control should be evaluated to insure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from their implementation. This evaluation involves estimates and judgment by the Township administration and members of the Fiscal Office. The administrative and financial management personnel believe that the Township's financial controls adequately safeguard existing assets and provide reasonable assurance of proper recording of financial transactions.

The Township utilizes a fully automated accounting system. The system coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable. Budgets are controlled at the fund level. All purchase order requests must be approved by a Township manager and the Township Administrator with the Township Fiscal Officer or designee certifying that the funds are available; necessary funds are then encumbered and purchase orders are released.

Financial Condition

The Township's financial statements are presented in accordance with Generally Accepted Accounting Principles. The Township is committed to and will continue to provide and prepare financial statements following GASB Statement 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments." GASB 34 creates new basic financial statements for reports as follows:

- Government-wide financial statements – These statements are prepared on an accrual basis of accounting that is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the Township that are governmental and those that are considered business-type activities.
- Fund financial statements – Those statements are prepared to present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the governmental-wide financial statements. Fiduciary funds use the accrual basis of accounting.
- Schedules of budgetary comparison – These schedules present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

Long-Term Financial Planning

As part of the annual budgeting process, the Township administration along with the Finance Department prepares a capital improvement plan for the next five years. The Board of Trustees then reviews and prioritizes the projects. In addition to the capital improvement plan, Deerfield Township uses a financial forecast for both operating and capital expenditures. Using these tools, the Board makes decisions and allocates resources for long-term financial planning.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Deerfield Township for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

OTHER INFORMATION

Independent Audit

An audit team from the Auditor of State has performed this year's audit. The results of the audit are presented in the Independent Auditor's Report.

ACKNOWLEDGMENTS

Our appreciation is extended to the Deerfield Township Board of Trustees, all Department Managers and employees for contributing to the sound financial position of Deerfield Township. Additionally, we wish to thank Hurst Kelly and Company, CPA for their assistance with this year's CAFR. This report demonstrates a level of professionalism and accountability that Deerfield Township strives to maintain. A special thanks is due Jennifer Wagner, Deerfield Township's Director of Finance.

Sincerely,



Eric Reiners
Township Administrator



Dan Corey
Fiscal Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Deerfield Township
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

**Deerfield Township
Warren County, Ohio**

List of Principal Officials

Elected Officials

Trustee	Lelle Lutts Hedding
Trustee	Kristin Malhotra
Trustee	Lonnie Vestal
Fiscal Officer	Dan Corey

Appointed Officials

Administrator	Eric Reiners
Director of Finance	Jennifer Wagner
Director of Public Works	Billy Highfill
Director of Economic Development	James Flick
Director of Planning and Zoning	Sam Hill
Director of Park/Recreation	Joel Smiddy
Fire Chief	Chris Eisele



Deerfield Township Residents



Board of Trustees



Township Fiscal Officer



Township Law Director



Township Administrator



Public Works

Parks & Recreation

Finance Department

Fire & EMS

Warren County Sheriff Contract

Economic Development

Planning & Zoning

Administration

Director of Public Works
Public Works Coordinator
Road Supervisor
Road Crew
Fleet Mechanic

Director of Parks and Rec
Parks/Cemetery Supervisors
Park Crew
Cemetery Crew
Recreational Program Director
Recreational Staff

Director of Finance
Sr. Finance Associate
Finance Associate

Fire Chief
Battalion Chiefs
Captains
Lieutenants
Full Time Fire Fighters
Part Time Fire Fighters
Fleet Manager/Mechanic

Lieutenant
Sergeants
Warren County Deputies
Detectives
Crime Prevention Deputy

Director of Econ Dev./
Public Information Officer

Dir. of Planning & Zoning
Planning Manager
Zoning Coordinator
GIS/IT Manager

Human Resources Specialist
Administrative Asst
Administrative Clerk

FINANCIAL SECTION



Corporate Centre of Blue Ash
11117 Kenwood Road
Blue Ash, Ohio 45242-1817
(513) 361-8550 or (800) 368-7419
SouthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Deerfield Township
Warren County
4900 Parkway Drive, Suite 150
Mason, Ohio 45040

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Deerfield Township, Warren County, Ohio (the Township), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Deerfield Township, Warren County, Ohio, as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during 2018, the Township adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis, required budgetary comparison schedules* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Township's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2019, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

June 28, 2019

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DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

The discussion and analysis of Deerfield Township, Ohio's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the Township's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the Township's financial performance.

Financial Highlights

Key financial highlights for the year ended December 31, 2018, are as follows:

- Total net position (on the full accrual basis) increased by approximately \$7.3 million. Overall, net position increased in 2018 as the Township continued to closely monitor expenses and reduce the outstanding balances of both short-term notes and long-term obligations.
- Total assets of governmental activities (on the modified-accrual basis) increased by approximately \$2.6 million during 2018 compared to 2017, mainly due to the Township aggressively monitoring and improving its cash flows and related cash carryover balances.
- The \$9.2 million unassigned ending fund balance reported in the General Fund represents 333 percent of the total expenditures reported in the General Fund for 2018.
- On a budgetary basis, the General Fund realized an increase in fund balance of \$173,938. Ending budgetary fund balance at December 31, 2018 was approximately 256 percent of the General Fund's annual budgetary expenditures.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Deerfield Township, Ohio, as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole Township, presenting both an aggregated view of the Township's finances and a longer-term view of those statements. Major fund financial statements provide the next level of detail. These statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the Township's most significant funds with all other nonmajor funds presented in total in one column.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

Reporting the Township as a Whole

*Government-Wide Financial Statements-
Statement of Net Position and the Statement of Activities*

The analysis of the Township as a whole begins on page 16 with the Statement of Net Position and the Statement of Activities.

While this document contains a large number of funds used by the Township to provide programs and activities, the view of the Township as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred inflows of resource and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Township's net position and changes in net position. This change informs the reader whether the Township's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements should take into account non-financial factors that also impact the Township's financial well-being. Some of these factors include the Township's tax base and the condition of its capital assets.

In the Statement of Net Position and the Statement of Activities, the Township presents only governmental activities where all of the Township's services are reported including general government, public safety (which includes police, fire and emergency medical services), cemetery, public works and parks and recreation.

Reporting the Township's Most Significant Funds

Fund Financial Statements

The analysis of the Township's major funds begins on page 18. Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. Some funds are required by State law and other funds may be established by the Fiscal Officer, with approval of the Board of Trustees, to help control, manage and report money received for a particular purpose or to show that the Township is meeting legal responsibilities for use of grants. The Township's major funds include the General, Police District, Fire and EMS, 1998 TIF General Reserve, 1998 TIF General Revenue, TIF Debt Service and Capital Projects funds.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains many individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds: The financial activity of custodial funds, for which the Township acts as the fiscal agent, is reported separately in the Statement of Fiduciary Net Position. This financial activity is excluded from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring the assets reported in these funds are used for their intended purposes.

The Township as a Whole

Recall that the Statement of Net Position provides the perspective of the Township as a whole. In the case of Deerfield Township, Ohio, assets and deferred inflows of resources exceeded liabilities deferred inflows of resources by a total of \$101.7 million at December 31, 2018.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

Table 1 provides a summary of the Township's net position for 2018 compared to 2017:

TABLE 1
NET POSITION

	Governmental Activities	
	2018	(Restated) 2017
Assets:		
Current and Other Assets	\$ 79,505,009	\$ 76,394,601
Capital Assets, Net	80,582,096	81,079,886
Total Assets	160,087,105	157,474,487
Deferred Outflows of Resources:		
Pension	2,296,793	3,356,699
OPEB	947,077	30,948
Total Deferred Outflows of Resources	3,243,870	3,387,647
Liabilities:		
Current and Other Liabilities	877,993	5,340,549
Long-Term Liabilities:		
Due within One Year	1,727,176	1,800,277
Due in more than One Year	32,534,872	34,739,467
Total Liabilities	35,140,041	41,880,293
Deferred Inflows of Resources:		
Revenues Levied for the Next Year	24,877,200	24,577,700
Pension	1,129,022	38,736
OPEB	481,265	-
Total Deferred Inflows of Resources	26,487,487	24,616,436
Net Position:		
Net Investment in Capital Assets	67,515,118	62,098,217
Restricted:		
Other Purposes	23,528,541	20,996,591
Purposes Permitted by TIF Agreement	20,258,695	19,774,903
Unrestricted	(9,598,907)	(8,504,306)
Total Net Position	\$ 101,703,447	\$ 94,365,405

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

The net pension liability (NPL) is the largest single liability reported by the Township at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the Township adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB).

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability to equal the Township's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Township is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
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(Unaudited)

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion.

In accordance with GASB 68 and GASB 75, the Township's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the Township is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation had the effect of restating net position at December 31, 2017, from \$103,068,022 to \$94,365,405 for governmental activities.

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense.

As displayed in Table 1, total net position of the Township increased by approximately \$7.3 million from 2017 to 2018. This was the result of revenues exceeding the Township's carefully managed expenditures.

During 2018, the Township acquired approximately \$2.2 million of capital assets and paid \$1.7 million in annual long-term debt service as well as retired \$4,170,000 of short-term notes.

As noted earlier, the Township's net position, when reviewed over time, may serve as a useful indicator of the Township's financial position. A portion of the Township's net position (66%) reflects its investments in capital assets (e.g., land, buildings, machinery and equipment, vehicles and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investments in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Table 2 shows the changes in the governmental activities net position for the year ended December 31, 2018.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

TABLE 2
STATEMENT OF ACTIVITIES

	Governmental Activities	
	2018	(Restated) 2017
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,139,061	\$ 2,009,564
Operating Grants/Contributions	686,849	678,879
Capital Grants/Contributions	396,925	822,914
General Revenues:		
Property and Other Taxes	15,679,028	15,268,623
Grants and Entitlements	2,002,346	1,961,756
Payment in Lieu of Taxes	13,031,332	12,212,603
Investment Earnings	206,452	30,506
Total Revenues	34,141,993	32,984,845
Program Expenses:		
General Government	2,816,757	3,724,035
Payments to Schools	4,349,181	4,237,301
Public Safety	12,403,132	11,659,329
Public Works	4,458,088	4,419,219
Public Health	413,763	432,155
Conservation-Recreation	1,748,583	1,669,737
Interest and Fiscal Charges	614,447	743,344
Total Expenses	26,803,951	26,885,120
Changes in Net Position	7,338,042	6,099,725
Beginning Net Position, Resated	94,365,405	88,265,680
Ending Net Position	\$ 101,703,447	\$ 94,365,405

Overall, revenues for 2018 were mostly on par with those for 2017, with slight increases among all categories of general revenues. Gross expenses for 2018 were down slightly compared to 2017 as increased Fire and EMS services to its residents were more than offset by reduced general government expenditures.

**DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

Table 3 shows the percentage of total expenses each functional area comprises, the net cost of each functional area and the percentage of general revenues used to finance each function for 2018.

**TABLE 3
ANALYSIS OF PROGRAM EXPENSES
GOVERNMENTAL ACTIVITIES**

	Percentage of Total Program Expenses	Net Expense of Function	Percentage of General Revenues used to Finance Function
General Government	10.51%	\$ 2,030,395	6.89%
Payment to Schools	16.23%	4,349,181	14.76%
Public Safety	46.27%	11,307,344	38.36%
Public Works	16.63%	3,518,292	11.94%
Public Health	1.54%	105,002	0.36%
Conservation-Recreation	6.52%	1,656,455	5.62%
Interest & Fiscal Charges	2.29%	614,447	2.08%
Total	100.00%	\$ 23,581,116	80.01%

As indicated by Table 3, the Township is spending the majority of its resources (46.27 percent) on public safety. Public safety includes fire, emergency medical services and police services. Police services are provided by a contract with the Warren County Sheriff's office. Public safety services represent 46.27 percent of total program expenses and revenues generated by the department cover approximately 9 percent of functional expenses. This means that general revenues collected by the Township, principally property taxes, must cover the remaining 91 percent of those departmental expenses. The amount paid to schools is funded entirely by payments in lieu of taxes. General government functions include legislation, administration and service buildings and comprise 10.51 percent of the total governmental expenses. Charges for services cover approximately 18 percent of general government program expense. Thus the Township relies on taxes to furnish the quality of life to business and citizens that the current Township Trustees and previous Boards of Trustees have considered a priority.

The Township's Funds

Information about the Township's major governmental funds begins after the Statement of Activities. These funds are reported using the modified accrual basis of accounting. Governmental funds had total revenues of \$33.9 million and expenditures of \$26.9 million.

During 2018, the net change in fund balance of the governmental funds increased by \$7.1 million to a total fund balance of \$52.2 million at year end.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

While capital assets are included in the Statement of Net Position, capital outlay expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Township's General Fund realized an increase of \$0.3 million in fund balance during 2018. General fund revenues were down slightly in 2018 compared to 2017. Expenditures for 2018 compared to 2017 decreased due to the Township's decreased level of general government services that were provided such as economic development.

The General Fund is the primary fund that finances government services to citizens. The Township continues to maintain a General Fund balance reserve in an attempt to provide stability in years in which revenues may not support necessary spending levels. At December 31, 2018, the ending unassigned fund balance of the General Fund was \$9.2 million or 333 percent of the total General Fund expenditures reported for 2018.

The Police District Fund reported a net increase in fund balance of \$.6 million in 2018 which is consistent with the fund balance increase of \$.8 million in 2017. This fund is used to account for the tax levy collected and used to pay the Warren County Sheriff for police protection.

The Township's Fire and EMS Fund reported a net increase in fund balance of \$1.0 million. 2018 revenues and expenses both increased approximately \$.3 million compared to 2017.

The 1998 TIF General Reserve Fund and the 1998 TIF General Revenue Fund account for the receipt of payments in lieu of taxes used for economic development and payment to schools. The Township issued long-term tax increment financing notes that provided for investment in economic development within the Township. A portion of the monies received is returned to the school districts that would have been collected through property taxes. The net decrease in fund balance for the 1998 TIF General Reserve Fund was \$.3 million as approximately \$4.2 million was used in 2018 to retire the park notes. The 1998 TIF General Revenue Fund realized a net increase of \$.8 million as transfers out were less than payments in lieu of taxes. Both funds are required to keep a minimum balance per the tax increment financing agreement as is reflected in Cash and Cash Equivalents with Fiscal Agent.

The TIF Debt Service Fund accounts for monies transferred in from the 1998 TIF General Revenue and TIF Reserve Funds to make principal and interest payments on the tax increment long-term notes. Principal payments and interest payments made for the year were \$1,545,000 and \$614,356, respectively.

The Capital Projects Fund reported an ending fund balance of \$63,915, which is committed for future capital improvement projects.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

Budgeting Highlights

The Township's budget is prepared according to Ohio Law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The schedules comparing the Township's original and final budgets and actual results are included in the Required Supplementary Information for the General, Police District, Fire and EMS, 1998 TIF General Reserve and 1998 TIF General Revenue Funds.

General Fund Budget

There were various minor adjustments in budgeted revenues made to the General Fund during 2018. Appropriations were adjusted to allow for additional expenditures and to bring the final budget in-line with anticipated calendar-year expenditures as well as budget for actual debt service. Overall, the Township kept within its budgeted expenditures.

General Fund 2018 actual revenues were slightly above 2018 final budgeted revenues.

Due to the Township's continuing efforts to control expenditures, actual budgetary expenditures came in \$.3 million less than the \$3.2 million included in the final budget for 2018. Any significant variance within the departments was due to efforts in reducing expenditures.

Budgetary fund balance at December 31, 2018, was \$9.2 million compared to the \$8.7 million anticipated in the final 2018 budget.

Capital Assets

At the end of fiscal year 2018, the Township had a total of \$108.3 million invested in capital assets less accumulated depreciation of \$27.7 million resulting in total capital assets, net of accumulated depreciation of \$80.6 million.

The Township continued its efforts to upgrade its capital assets during 2018 by purchasing long-term capital assets including vehicles and equipment and completing various infrastructure projects.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

Table 4 shows 2018 balances compared to those of 2017:

TABLE 4
CAPITAL ASSETS, NET

	Governmental Activities	
	2018	2017
Land	\$ 19,651,385	\$ 19,651,385
Construction in Progress	977,156	1,400,018
Improvements to Land	1,786,832	1,823,122
Infrastructure	36,934,501	36,111,659
Buildings	17,676,805	18,363,713
Equipment	703,823	803,719
Vehicles	2,851,594	2,926,270
Total	\$ 80,582,096	\$ 81,079,886

Additional information on the Township's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration

At December 31, 2018, the Township had a total of \$12.8 million of long-term debt obligations compared with \$14.5 million reported at December 31, 2017. Table 5 shows outstanding debt obligations of the Township at December 31, 2018, compared with 2017:

TABLE 5
OUTSTANDING LONG-TERM DEBT OBLIGATIONS
AT YEAR END

	Governmental Activities	
	2018	2017
General Obligation Bonds	\$ -	\$ 155,000
Tax Increment Long-Term Notes	12,810,000	14,355,000
Total	\$ 12,810,000	\$ 14,510,000

See Notes 10, 11 and 12 of the notes to the basic financial statements for more detailed information on the debt obligations and debt activity of the Township.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

Current Issues

The challenge for all townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases, shrinking funding. The Township is located in Warren County, and both the County and the Township are among the fastest growing areas in the State of Ohio. Management believes the Township is well situated to be economically and financially stable for the foreseeable future.

Contacting the Township's Finance Department

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Fiscal Officer, Deerfield Township Administrative Office, 4900 Parkway Drive, Deerfield Township, Ohio 45040, or visit the Township's website at www.choosedeerfield.com.

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**DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO**

Statement of Net Position

December 31, 2018

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 31,727,788
Receivables:	
Property and Other Taxes	14,364,708
Payment in Lieu of Taxes	10,384,200
Accounts	203,587
Special Assessments	501,800
Intergovernmental	1,314,924
Supplies Inventory	156,000
Prepaid Items	243,077
Restricted Assets:	
Cash and Cash Equivalents with Fiscal Agent	20,608,925
Non-Depreciable Capital Assets	20,628,541
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>59,953,555</u>
Total Assets	<u>160,087,105</u>
Deferred Outflows of Resources:	
Pension	2,296,793
OPEB	<u>947,077</u>
Total Deferred Outflows of Resources	<u>3,243,870</u>
Liabilities:	
Accounts Payable	142,035
Contracts Payable	305,471
Accrued Wages and Benefits Payable	385,728
Accrued Interest Payable from Restricted Assets	44,759
Long-Term Liabilities:	
Due Within One Year	1,727,176
Due In More Than One Year	<u>32,534,872</u>
Total Liabilities	<u>35,140,041</u>
Deferred Inflows of Resources:	
Revenues Levied for the Next Year	24,877,200
Pension	1,129,022
OPEB	<u>481,265</u>
Total Deferred Inflows of Resources	<u>26,487,487</u>
Net Position:	
Net Investment In Capital Assets	67,515,118
Restricted For:	
Public Safety	14,170,761
Public Works	4,618,304
Conservation-Recreation	2,234,612
Other Purposes	2,504,864
Purposes Permitted by TIF Agreement	20,258,695
Unrestricted	<u>(9,598,907)</u>
Total Net Position	<u>\$ 101,703,447</u>

See accompanying notes to the basic financial statements.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Statement of Activities
For the Year Ended December 31, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental Activities	
Governmental Activities:					
General Government	\$ 2,816,757	\$ 786,362	\$ -	\$ -	\$ (2,030,395)
Payment to Schools	4,349,181	-	-	-	(4,349,181)
Public Safety	12,403,132	875,402	220,386	-	(11,307,344)
Public Works	4,458,088	76,408	466,463	396,925	(3,518,292)
Public Health	413,763	308,761	-	-	(105,002)
Conservation-Recreation	1,748,583	92,128	-	-	(1,656,455)
Interest and Fiscal Charges	614,447	-	-	-	(614,447)
Total Governmental Activities	26,803,951	2,139,061	686,849	396,925	(23,581,116)
General Revenues:					
Taxes:					
Property Taxes Levied For:					
General Purposes				982,154	
Public Works				1,514,494	
Public Safety				10,610,223	
Recreation				1,088,371	
Other Taxes				1,483,786	
Grants and Entitlements Not Restricted to					
Specific Programs				2,002,346	
Payment in Lieu of Taxes				13,031,332	
Investment Earnings				206,452	
Total General Revenues				30,919,158	
Changes in Net Position				7,338,042	
Net Position at Beginning of Year, Restated				94,365,405	
Net Position at End of Year				\$ 101,703,447	

See accompanying notes to the basic financial statements.

**DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO**

*Balance Sheet
Governmental Funds
December 31, 2018*

Major Governmental Funds

	General	Police District	Fire & EMS	1998 TIF General Reserve	1998 TIF General Revenue	TIF Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:									
Equity in Pooled Cash and Cash Equivalents	\$ 9,271,445	\$ 5,684,394	\$ 7,695,848	\$ -	\$ -	\$ -	\$ 63,915	\$ 9,012,186	\$ 31,727,788
Receivables:									
Property and Other Taxes	1,063,175	3,901,295	6,632,201	-	-	-	-	2,768,037	14,364,708
Payment in Lieu of Taxes	-	-	-	-	10,384,200	-	-	-	10,384,200
Accounts	130,984	-	72,603	-	-	-	-	-	203,587
Intergovernmental	257,803	433,146	382,500	-	-	-	-	241,475	1,314,924
Special Assessments	-	-	-	-	-	-	-	501,800	501,800
Supplies Inventory	-	-	-	-	-	-	-	156,000	156,000
Prepaid Items	33,369	7,451	149,174	-	-	-	-	53,083	243,077
Restricted Assets:									
Cash and Cash Equivalents with Fiscal Agent	-	-	-	7,717,255	10,719,723	2,974	-	2,168,973	20,608,925
Total Assets	\$ 10,756,776	\$ 10,026,286	\$ 14,932,326	\$ 7,717,255	\$ 21,103,923	\$ 2,974	\$ 63,915	\$ 14,901,554	\$ 79,505,009
Liabilities:									
Accounts Payable	\$ 33,875	\$ 23,486	\$ 37,891	\$ -	\$ -	\$ -	\$ -	\$ 46,783	\$ 142,035
Contracts Payable	-	-	-	305,471	-	-	-	-	305,471
Accrued Wages and Benefits Payable	49,690	-	274,519	-	-	-	-	61,519	385,728
Total Liabilities	83,565	23,486	312,410	305,471	-	-	-	108,302	833,234
Deferred Inflows of Resources:									
Revenues Levied for the Next Year and Unavailable Revenue	1,251,384	4,334,441	7,019,288	-	10,384,200	-	-	3,447,953	26,437,266
Total Deferred Inflows of Resources	1,251,384	4,334,441	7,019,288	-	10,384,200	-	-	3,447,953	26,437,266
Fund Balance:									
Nonspendable	33,369	7,451	149,174	-	-	-	-	209,083	399,077
Restricted	-	5,660,908	7,451,454	7,411,784	10,719,723	2,974	-	11,136,216	42,383,059
Committed	-	-	-	-	-	-	63,915	-	63,915
Assigned	215,338	-	-	-	-	-	-	-	215,338
Unassigned	9,173,120	-	-	-	-	-	-	-	9,173,120
Total Fund Balance	9,421,827	5,668,359	7,600,628	7,411,784	10,719,723	2,974	63,915	11,345,299	52,234,509
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 10,756,776	\$ 10,026,286	\$ 14,932,326	\$ 7,717,255	\$ 21,103,923	\$ 2,974	\$ 63,915	\$ 14,901,554	\$ 79,505,009

**DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO**

*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2018*

Total Governmental Fund Balances		\$ 52,234,509
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		80,582,096
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds:		
Delinquent Property Taxes	256,047	
Intergovernmental and Other Revenues	1,304,019	
Total		1,560,066
Some liabilities, including long-term debt obligations and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:		
Premium on Bonds	(256,978)	
Accrued Interest Payable	(44,759)	
Compensated Absences Payable	(251,950)	
Long-term Notes Payable	<u>(12,810,000)</u>	
Total		<u>(13,363,687)</u>
The net pension/OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	2,296,793	
Deferred Outflows - OPEB	947,077	
Deferred Inflows - Pension	(1,129,022)	
Deferred Inflows - OPEB	(481,265)	
Net Pension Liability	(11,063,880)	
Net OPEB Liability	<u>(9,879,240)</u>	
Total		<u>(19,309,537)</u>
Net Position of Governmental Activities		<u><u>\$ 101,703,447</u></u>

See accompanying notes to the basic financial statements.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	Major Governmental Funds							Other Governmental Funds	Total Governmental Funds
	General	Police District	Fire & EMS	1998 TIF General Reserve	1998 TIF General Revenue	TIF Debt Service	Capital Projects		
Revenues:									
Property and Other Taxes	\$ 2,075,419	\$ 3,942,951	\$ 6,673,476	\$ -	\$ -	\$ -	\$ -	\$ 2,708,227	\$ 15,400,073
Intergovernmental	532,377	446,451	758,966	-	-	-	396,925	479,440	2,614,159
Special Assessments	-	-	-	-	-	-	-	466,463	466,463
Charges for Services	45,336	-	794,706	-	-	-	-	445,280	1,285,322
Licenses, Permits and Fees	641,948	-	-	-	-	-	-	-	641,948
Fines and Forfeitures	55,551	-	-	-	-	-	-	-	55,551
Payments in Lieu of Taxes	-	-	-	-	13,031,332	-	-	-	13,031,332
Interest	136,081	-	-	37,955	17,978	3	-	14,435	206,452
Other	89,240	12,240	35,733	-	-	-	-	83,786	220,999
Total Revenues	3,575,952	4,401,642	8,262,881	37,955	13,049,310	3	396,925	4,197,631	33,922,299
Expenditures:									
Current:									
General Government	2,712,434	-	-	-	-	-	-	10,500	2,722,934
Payments to Schools	-	-	-	4,349,181	-	-	-	-	4,349,181
Public Safety	-	3,815,223	7,246,027	-	-	-	-	-	11,061,250
Public Works	-	-	-	-	-	-	-	2,473,316	2,473,316
Public Health	37,118	-	-	-	-	-	-	342,539	379,657
Conservation-Recreation	-	-	-	-	-	-	-	1,164,436	1,164,436
Capital Outlay	-	-	-	1,714,223	168,844	-	396,925	78,625	2,358,617
Debt Service:									
Principal Retirement	-	-	-	-	-	1,545,000	-	155,000	1,700,000
Interest and Fiscal Charges	-	-	-	-	-	614,356	44,257	7,595	666,208
Total Expenditures	2,749,552	3,815,223	7,246,027	6,063,404	168,844	2,159,356	441,182	4,232,011	26,875,599
Excess of Revenues Over (Under)									
Expenditures	826,400	586,419	1,016,854	(6,025,449)	12,880,466	(2,159,353)	(44,257)	(34,380)	7,046,700
Other Financing Sources (Uses):									
Sale of Capital Assets	7,917	-	-	-	-	-	-	-	7,917
Transfers-In	250,864	-	-	9,925,668	-	2,162,327	4,224,059	762,595	17,325,513
Transfers-Out	(762,595)	-	-	(4,224,059)	(12,085,026)	-	(250,864)	(2,969)	(17,325,513)
Total Other Financing Sources (Uses)	(503,814)	-	-	5,701,609	(12,085,026)	2,162,327	3,973,195	759,626	7,917
Net Change in Fund Balance	322,586	586,419	1,016,854	(323,840)	795,440	2,974	3,928,938	725,246	7,054,617
Fund Balance at Beginning of Year	9,099,241	5,081,940	6,583,774	7,735,624	9,924,283	-	(3,865,023)	10,620,053	45,179,892
Fund Balance at End of Year	\$ 9,421,827	\$ 5,668,359	\$ 7,600,628	\$ 7,411,784	\$ 10,719,723	\$ 2,974	\$ 63,915	\$ 11,345,299	\$ 52,234,509

**DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO**

*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to
the Statement of Activities
For the Year Ended December 31, 2018*

Net Change in Fund Balance - Total Governmental Funds		\$ 7,054,617
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay, Net		2,156,588
Depreciation		<u>(2,654,378)</u>
Total		(497,790)
Governmental funds report premiums as revenues whereas these amounts are deferred and amortized in the statement of activities:		
Amortization of Bond Premium		<u>44,691</u>
Total		44,691
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds:		
Bond Principal Retirement		<u>1,700,000</u>
Total		1,700,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, rather these revenues are reported as deferred inflows of resources.		
		211,777
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds. These activities consist of:		
Change in Accrued Interest Payable		7,070
Change in Compensated Absences Payable		<u>(7,031)</u>
Total		39
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		1,032,394
OPEB		16,387
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension		(1,496,875)
OPEB		<u>(727,198)</u>
Change in Net Position of Governmental Activities		<u>\$ 7,338,042</u>

See accompanying notes to the basic financial statements.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2018

	Private- Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 20,253
Total Assets	\$ 20,253
Net Position	
Net Amounts Held in Trust	\$ 20,253
Total Net Position	\$ 20,253

See accompanying notes to the basic financial statements.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2018

	Private- Purpose Trust
Additions:	
Interest	\$ 41
Total Additions	41
Deductions:	
Contractual Services	522
Total Deductions	522
Change in Net Position	(481)
Net Position, Beginning of Year	20,734
Net Position, End of Year	\$ 20,253

See accompanying notes to the basic financial statements.

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DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 – DESCRIPTION OF THE TOWNSHIP AND REPORTING ENTITY:

Deerfield Township, Warren County, Ohio (the “Township”) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Trustees are elected for overlapping terms of four years. They have an elected Township Fiscal Officer and a Township Administrator, who is appointed by the Board of Trustees. All department heads report to the Township Administrator.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Township are not misleading. The primary government consists of all funds and departments which provide various services including police and fire protection, recreation, street maintenance and general administrative services.

Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization’s governing body and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization’s resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations for which the Township approves the budget, the issuance of debt or the levying of taxes. The Township currently has no component units.

Related Organization

The Township is associated with the Deerfield Regional Storm Water District, which is a related organization. The District is presented in Note 16 to the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Township have been prepared in conformity with generally accepted accounting principles (GAAP) applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the Township’s accounting policies are described below.

Basis of Presentation

The Township’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the Township at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Township's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by a recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the Township, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Township.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

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. There are two categories of funds presented by the Township: governmental and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred inflows of resources and liabilities is reported as fund balance. The following are the Township's major governmental funds:

General Fund – This fund is the operating fund of the Township and is used to account for all financial resources except those required to be accounted for 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.

Police District Fund – This fund receives the tax monies which are used to pay for police protection services.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Fire and EMS Fund – The Township receives fire levy monies and ambulance fees to be used for the purchase and maintenance of fire equipment and ambulances, and for the payment of salaries and wages of fire fighters and paramedics. This fund is a consolidation of the Fire Special Levy Fund and the Ambulance and EMS Fund for GAAP reporting purposes only. The Township budgets separately for the Fire Special Levy Fund and the Ambulance and EMS Fund.

1998 TIF General Reserve Fund – This fund is used to account for certain TIF-related resources in accordance with the Township’s Tax Increment Financing Agreement.

1998 TIF General Revenue Fund – This fund accounts for payments in lieu of taxes restricted for use to pay for activity associated with the Township’s TIF District.

TIF Debt Service Fund – This fund is used to account for monies received from payments in lieu of taxes used to make principal and interest payments on the tax increment long-term notes.

Capital Projects Fund – This fund receives transfers and/or proceeds from debt to be used for various capital projects.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to 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 only private-purpose trust fund is the Cemetery Bequest Fund which is used to account for principal and income that must be used to maintain the Township’s cemeteries.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred inflows of resources and liabilities associated with the operations of the Township are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, generally only current assets, current liabilities and deferred inflows of inflows of resources are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the Township is sixty days after year end.

Non-exchange transactions, in which the Township receives value without directly giving equal value in return, include property tax, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from payments in lieu of taxes, grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements and matching requirements. Timing requirements specify the year when the resources are required to be used or the fiscal year when use is first permitted. Matching requirements specify how the Township must provide local resources and expenditure requirements, in which the resources are provided to the Township on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: state-levied locally shared taxes (including local government assistance, gasoline tax and vehicle license tax), EMS charges for services and court fines.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Township, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in the pension and OPEB footnotes.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Township, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Township unavailable revenue includes delinquent property taxes, other taxes, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization, are not recognized in governmental funds.

Equity in Pooled Cash and Cash Equivalents

To improve cash management, cash received by the Township is pooled. Money for all funds is maintained in this pool. Individual fund integrity is maintained through the Township's records. Each fund's interest in the pooled bank account is presented as "equity in pooled cash and cash equivalents" on the financial statements.

Investments are reported at fair value, which is based on quoted market prices. For investments in open-end mutual funds, fair value is determined by the fund's share price. During the year, the Township's investments included non-negotiable certificates of deposit and money market funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.

Interest income is distributed to the funds according to ordinance and statutory requirements. Interest revenue reported in the statement of activities for 2018 amounted to \$206,452.

Supplies Inventory

On the government-wide financial statements, inventories are reported at cost on a first-in, first-out basis and are expensed when used.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

On the fund financial statements, inventories of governmental funds are reported at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased.

Inventory consists of expendable supplies held for consumption.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets

General capital assets are those not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value, rather than fair values. The Township maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expended. Interest incurred during the construction of capital assets is also capitalized.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	25-45 years
Infrastructure	25-50 years
Improvements	15-60 years
Equipment	5-15 years
Vehicles	3-10 years

Compensated Absences

Vacation leave accumulated by employees is accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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A liability for sick leave is accrued based on guidelines set forth in GASB Statement No. 16 *Accounting for Compensated Absences*. The vesting method was implemented and states that the Township will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments, determined to be all employees with an age of fifty and ten years of service or more. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the Township's termination policy. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount normally due for payment during the year.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Classification of Fund Balance

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Township's 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.

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Committed - The Township's Board can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Township's Board amends 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*. *Assigned* fund balances at December 31, 2018 represent resources set aside for purchase commitments by the Fiscal Officer, and in the General Fund, the excess of the following year's appropriations over the following year's estimated resources.

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.

Net Position

Net position represents the difference between assets and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes includes various grant and other special revenue funds. The Township applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. At December 31, 2018, none of the net position was restricted by enabling legislation.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayment from funds responsible for particular expenditures to funds that initially paid for them are not presented in the financial statements.

Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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Budgetary Process

An annual appropriated budget is legally required to be prepared for all funds of the Township. The Board passes appropriations at the fund/department/function/object level. The following are the procedures used by the Township in establishing the budgetary data reported in the financial statements.

Tax Budget

A tax budget of estimated revenues and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission determines if the tax budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the Township by October 1. As part of this certification, the Township receives the official certificate of estimated resources that states the projected revenue of each fund. Prior to December 31, the Township must revise its budget so that the total contemplated expenditures from any fund during the ensuing calendar year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate of estimated resources can be further amended during the year if the fiscal officer determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported in the budgetary schedules as final reflect the amounts in the final amended official certificate of estimated resources issued during 2018.

Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year, for the period January 1 to December 31. The appropriation ordinance may be supplemented during the year by action of the Board, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. During the year, two supplemental appropriation measures were passed. The amounts reported as the original budgeted amounts in the budgetary schedules reflect the first appropriated budget that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the schedules of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not re-appropriated.

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Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to set aside a portion of the applicable appropriation and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

Reconciliation

A reconciliation of the net change in fund balance on the GAAP basis (modified accrual) to the non-GAAP basis (budgetary) is presented in the notes to the required supplementary information.

NOTE 3 – DEPOSITS AND INVESTMENTS:

State statutes classify monies held by the Township into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Township Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Trustees has identified as not required for use within the current two year period of designation of depositories. Inactive deposits may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim moneys. Interim moneys are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits may be invested or deposited in the following securities:

- (1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- (3) Written repurchase agreements in the securities listed above, provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to fair value daily and that the term of the agreement must not exceed thirty days;
- (4) Interim deposits in eligible institutions applying for interim funds;
- (5) Bonds and other obligations of the State of Ohio;

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- (6) No-load money market funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- (7) The State Treasury Assets Reserve of Ohio (STAR Ohio); and
- (8) Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim monies available for investment at any time.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. Although all statutory requirements for the deposit of money have been followed, noncompliance with Federal requirements could potentially subject the Township to a successful claim by the Federal Deposit Insurance Corporation.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

- Eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or
- Participation in 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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year end, the carrying amount of the Township's deposits was \$28,475,650 and the bank balance was \$29,465,092. Of the bank balance, \$250,000 was covered by federal deposit insurance. Based on the criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, \$29,215,092 of the Township's bank balance was exposed to custodial risk and was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Township's name.

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Investments

At year end, the Township had the following investments and related maturities:

Investment Maturities	Certificates of Deposit	Money Market Funds	Star Ohio	Total
Less than One Year	\$ 497,863	\$ 14,493	\$ 21,174,332	\$ 21,686,688
One Year to Two Years	493,990	-	-	493,990
Two Years to Three Years	734,153	-	-	734,153
Three Years to Four Years	481,759	-	-	481,759
Four Years to Five Years	484,726	-	-	484,726
	<u>\$ 2,692,491</u>	<u>\$ 14,493</u>	<u>\$ 21,174,332</u>	<u>\$ 23,881,316</u>

Interest Rate Risk – As a means of maximizing interest earnings in conjunction with minimizing fair value losses and maintaining consistent cash availability, the Township’s investment portfolio is structured as a five-year ladder. The Township does not have an investment policy other than state statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and that the investment must be purchased with the expectation that it will be held to maturity.

Credit Risk – The Township’s investments in U.S. Government Money Market Funds were rated AAA by Standard & Poor’s and AAA by Moody’s Investor Services as of December 31, 2018. State statute only addresses credit risk by limiting the investments that may be purchased to those offered by specifically identified issuers.

Concentration of Credit Risk – The Township places no limit on the amount it may be invested in any one issuer. At December 31, 2018, 11% and 89% of the Township’s investments were in fully FDIC-insured Certificates of Deposit and Star Ohio Funds, respectively.

NOTE 4 – RECEIVABLES:

Receivables as of December 31, 2018, consisted primarily of property and other taxes, payments in lieu of taxes, intergovernmental receivables arising from entitlements, shared revenues and accounts (billing for EMS services).

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the Township. Property tax revenue received during 2018 for real and public utility property taxes represents collections of the 2017 taxes. Property tax payments received during 2018 for tangible personal property (other than public utility property) is for 2018 taxes. 2018 real property taxes are levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by state law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

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Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes became a lien on December 31, 2017, are levied after October 1, 2018, and are collected in 2018 with real property taxes. 2018 tangible personal property taxes are levied after October 1, 2017, on the value as of December 31, 2017. Collections are made in 2018. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent of true value for inventory.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value; public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The full tax rate for all Township operations for the year ended December 31, 2018, was \$14.10 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 1,143,366,480
Public Utility Personal Property Assessed Valuation	<u>30,217,970</u>
 Total	 <u>\$ 1,173,584,450</u>

Real property taxes are payable semi-annually with the first payment due February 16 and the remainder payable by July 13. Under certain circumstances, state statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including Deerfield Township. The County Auditor periodically remits to the Township its portion of the taxes collected. Accrued property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2018, and for which there is an enforceable legal claim. In the General Fund, Police District Fund and the Fire Special Levy Fund, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2018 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the full accrual basis, collectible delinquent property taxes have been recorded as revenue.

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Intergovernmental Receivables

A summary of the governmental activities intergovernmental receivables follows:

Governmental Activities:

Homestead/Rollback	\$ 774,400
Local Government	165,003
Warren County Sherriff's Department	208,146
Gasoline Tax	115,952
Deerfield Regional Storm Water District	32,200
Motor Vehicle License Fees	<u>19,223</u>
 Total	 <u>\$ 1,314,924</u>

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NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2018, was as follows:

	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/18</u>
<i>Governmental Activities</i>				
Non-Depreciable Capital Assets:				
Land	\$ 19,651,385	\$ -	\$ -	\$ 19,651,385
Construction in Progress	<u>1,400,018</u>	<u>941,304</u>	<u>(1,364,166)</u>	<u>977,156</u>
Non-Depreciable Capital Assets:	<u>21,051,403</u>	<u>941,304</u>	<u>(1,364,166)</u>	<u>20,628,541</u>
Depreciable Capital Assets:				
Land Improvements	3,607,800	141,632	-	3,749,432
Buildings	25,597,947	-	-	25,597,947
Equipment	3,070,992	27,169	-	3,098,161
Vehicles	6,344,747	400,921	-	6,745,668
Infrastructure	<u>46,497,513</u>	<u>2,009,728</u>	<u>-</u>	<u>48,507,241</u>
Depreciable Capital Assets:	<u>85,118,999</u>	<u>2,579,450</u>	<u>-</u>	<u>87,698,449</u>
Less: Accumulated Depreciation				
Land Improvements	(1,784,678)	(177,922)	-	(1,962,600)
Buildings	(7,234,234)	(686,908)	-	(7,921,142)
Equipment	(2,267,273)	(127,065)	-	(2,394,338)
Vehicles	(3,418,477)	(475,597)	-	(3,894,074)
Infrastructure	<u>(10,385,854)</u>	<u>(1,186,886)</u>	<u>-</u>	<u>(11,572,740)</u>
Accumulated Depreciation	<u>(25,090,516)</u>	<u>(2,654,378)</u>	<u>-</u>	<u>(27,744,894)</u>
Depreciable Capital Assets, Net	<u>60,028,483</u>	<u>(74,928)</u>	<u>-</u>	<u>59,953,555</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 81,079,886</u>	<u>\$ 866,376</u>	<u>\$(1,364,166)</u>	<u>\$ 80,582,096</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 19,523
Public Safety	625,556
Public Works	1,425,945
Public Health	20,272
Conservation-Recreation	<u>563,082</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,654,378</u>

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NOTE 6 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Township’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Township’s obligation for this liability to annually required payments. The Township cannot control benefit terms or the manner in which pensions are financed; however, the Township does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Township employees, other than firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Township employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained

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by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not

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compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2018 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	*	**
2018 Actual Contribution Rates			
Employer:			
Pension	14.0%	18.1%	18.1%
Post-employment Health Care Benefits	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Total Employer	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$268,463 for 2018. Of this amount, \$22,372 is reported as accrued wages and benefits payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - Township's full-time fire fighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the

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member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2018 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 2018 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50%	0.50%
 Total Employer	 19.50%	 24.00%
 Employee	 12.25%	 12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contribution to OPF was \$763,931 for 2018. Of this amount \$63,661 is reported as accrued wages and benefits payable.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The Township's proportion of the net pension liability was based on the Township's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	\$ 1,866,653	\$ 9,197,227	\$ 11,063,880
Proportion of the Net Pension Liability			
Current Measurement Date	0.011899%	0.149854%	
Prior Measurement Date	0.013051%	0.154500%	
Change in Proportionate Share	<u>-0.001152%</u>	<u>-0.004646%</u>	
Pension Expense	\$ 347,547	\$ 1,149,328	\$ 1,496,875

At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in employer proportion and differences between contributions and proportionate share of contributions	\$ 39,093	\$ 459,911	\$ 499,004
Differences between expected and actual experience	1,906	139,640	141,546
Change in Assumptions	223,078	400,771	623,849
Entity contributions subsequent to the measurement date	268,463	763,931	1,032,394
Total Deferred Outflows of Resources	<u>\$ 532,540</u>	<u>\$ 1,764,253</u>	<u>\$ 2,296,793</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 400,746	\$ 349,986	\$ 750,732
Differences between expected and actual experience	36,786	16,062	52,848
Changes in employer proportion and differences between contributions and proportionate share of contributions	78,339	247,103	325,442
	<u>\$ 515,871</u>	<u>\$ 613,151</u>	<u>\$ 1,129,022</u>

The Township reported \$1,032,394 as deferred outflows of resources related to pension resulting from Township contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in

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the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2019	\$ 163,497	\$ 282,240	\$ 445,737
2020	(74,152)	202,199	128,047
2021	(176,467)	(115,925)	(292,392)
2022	(164,672)	(60,649)	(225,321)
2023	-	65,974	65,974
Thereafter	-	13,332	13,332
Total	<u>\$ (251,794)</u>	<u>\$ 387,171</u>	<u>\$ 135,377</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

Measurement and Valuation Date	December 31, 2017
Experience Study	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.5 percent
Wage Inflation	3.25%
Projected Salary Increases	3.25% to 10.75% (including wage inflation at 3.25%)
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3% simple Post-1/7/2013 Retirees: 3% simple through 2018, then 2.15% simple

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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The allocation of investment assets with the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.20%
Domestic Equities	19.00%	6.37%
Real Estate	10.00%	5.26%
Private Equity	10.00%	8.97%
International Equities	20.00%	7.88%
Other investments	18.00%	5.26%
Total	100.00%	5.66%

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

Discount Rate The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Township’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Township’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the Township’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

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	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Entity's proportionate share of the net pension liability	\$ 3,314,823	\$ 1,866,653	\$ 659,443

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumptions:	
Experience Study Date	5 year period ended December 31, 2016
Investment Rate of Return	8.00%
Cost of Living Increases (COLA)	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%
Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.5%

Healthy Mortality – Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Disabled Mortality – Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

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Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2017 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	16.00%	5.21%
Non-US Equity	16.00%	5.40%
Core Fixed Income *	20.00%	2.37%
Global Inflation Protected Securities *	20.00%	2.33%
High Yield	15.00%	4.48%
Real Estate	12.00%	5.65%
Private Markets	8.00%	7.99%
Real Assets	5.00%	6.87%
Master Limited Partnerships	8.00%	7.36%

Note: Assumptions are geometric
* levered 2X

OPF’s Board of Trustees has incorporated the risk parity concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Entity's proportionate share of the net pension liability	\$ 12,749,754	\$ 9,197,227	\$ 6,299,797

NOTE 7 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the Township's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the Township's obligation for this liability to annually required payments. The Township cannot control benefit terms or the manner in which OPEB are financed; however, the Township does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Township's contractually required contribution was \$0 for 2018. Of this amount, \$0 is reported as accrued wages and benefits payable.

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Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Township's contractually required contribution to OP&F was \$16,387 for 2018. Of this amount, \$1,366 is reported as accrued wages and benefits payable.

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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The Township's proportion of the net OPEB liability was based on the Township's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability:	\$ 1,388,713	\$ 8,490,527	\$ 9,879,240
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.012788%	0.149854%	
Prior Measurement Date	<u>0.013859%</u>	<u>0.154500%</u>	
Change in Proportionate Share	<u>-0.001071%</u>	<u>-0.004646%</u>	
OPEB Expense	\$ 92,929	\$ 634,269	\$ 727,198

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At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 1,082	\$ -	\$ 1,082
Change in Assumptions	101,113	828,495	929,608
Contributions subsequent to the measurement date	-	16,387	16,387
Total Deferred Outflows of Resources	<u>\$ 102,195</u>	<u>\$ 844,882</u>	<u>\$ 947,077</u>

	OPERS	OP&F	Total
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$ 103,450	\$ 55,888	\$ 159,338
Differences between expected and actual experience	-	42,825	42,825
Changes in employer proportion and differences between contributions and proportionate share of contributions	86,707	192,395	279,102
	<u>\$ 190,157</u>	<u>\$ 291,108</u>	<u>\$ 481,265</u>

\$16,387 reported as deferred outflows of resources related to OPEB resulting from Township contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2019	(18,458)	72,764	54,306
2020	(18,458)	72,764	54,306
2021	(25,184)	72,764	47,580
2022	(25,862)	72,764	46,902
2023	-	86,736	86,736
Thereafter	-	159,595	159,595
Total	<u>\$ (87,962)</u>	<u>\$ 537,387</u>	<u>\$ 449,425</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current Measurement Date	3.85 percent
Prior Measurement Date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.50 percent, initial 3.25 percent, ultimate in 2018
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

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The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	1.88%
Domestic Equities	21.00%	6.37%
Real Estate Investment Trust	6.00%	5.91%
International Equities	22.00%	7.88%
Other investments	17.00%	5.39%
Total	100.00%	4.98%

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate
The following table presents the Township's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the Township's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
Entity's proportionate share of the net OPEB liability	\$ 1,844,925	\$ 1,388,713	\$ 1,019,587

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Sensitivity of the Township’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries’ project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Entity's proportionate share of the net OPEB liability	\$ 1,328,673	\$ 1,388,713	\$ 1,450,671

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increases rate of 0.5 percent
Single Discount Rate:	
Current Measurement Date	3.24 percent
Prior Measurement Date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	16.00%	5.21%
Non-US Equity	16.00%	5.40%
Core Fixed Income *	20.00%	2.37%
Global Inflation Protected Securities *	20.00%	2.33%
High Yield	15.00%	4.48%
Real Estate	12.00%	5.65%
Private Markets	8.00%	7.99%
Timber	5.00%	6.87%
Master Limited Partnerships	8.00%	7.36%
Total	<u>120.00%</u>	

Note: Assumptions are geometric.

* levered 2X

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

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	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
Entity's proportionate share of the net OPEB liability	\$ 10,613,250	\$ 8,490,527	\$ 6,857,169

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

	Non-Medicare	Non-AARP	AARP	RX Drug	Medicare Part B
Year					
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Discount Rates	1% Increase
Entity's proportionate share of the net OPEB liability	\$ 6,595,587	\$ 8,490,527	\$ 11,044,243

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the Township's NOL is not known.

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NOTE 8 – OTHER EMPLOYEE BENEFITS:

Compensated Absences

Accumulated Unpaid Vacation

Township employees earn vacation leave at varying rates based upon length of service. Employees are required to use their vacation leave during the current year. They are not permitted to carry over into the subsequent year. At termination or retirement, employees are paid at their full rate for 100% of unused vacation leave.

Accumulated Unpaid Sick Leave

Township employees earn sick leave at varying rates based upon length of service and when the employee was hired. Upon retirement or death, the employee or his/her beneficiary will be eligible to receive payment for earned sick leave hours accumulated up to a maximum of 480 hours. For fire employees, the maximum accumulation is 576 hours. These accumulated hours will be paid at the employee's current rate of pay at retirement or death.

At December 31, 2018, the Township's accumulated unpaid compensated absences amounted to \$251,950 all of which is recorded as a liability of the Governmental Activities. Historically, compensated absences have been paid from one of, or a combination of, the following funds based on the separating employee's duties: General, Road & Bridge, Cemetery, Park, Fire Special Levy, EMS and Ambulance.

NOTE 9 – RISK MANAGEMENT:

The Township is exposed to various risks of injuries to employees. The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

The Township is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

The various types and extent of coverage provided by OTARMA are as follows:

Commercial Property	\$	12,000,000
Ordinance and Law	\$	250,000
Vehicle	\$	250,000 (or actual cost)
Errors and Omissions	\$	500,000
Fidelity and Deposit	\$	50,000

There were no significant reductions in insurance coverage during the year in any category of risk. Settled claims have not exceeded insurance coverage in any of the past three years.

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The Township is a member of the Jefferson Health Plan, which is a claims servicing pool established pursuant to Ohio Revised Code Chapter 167. Health insurance benefits are provided to Township employees through membership in the Plan. The Township makes monthly contributions to the Plan and the Plan is insured with a third-party for stop-loss coverage on claims in excess of \$500,000. In addition to required monthly contributions, the Plan may assess the Township for additional contributions based on a three-year window calculation determined by an independent insurance consultant.

NOTE 10 - LONG-TERM OBLIGATIONS:

The changes in the Township's long-term liabilities for the year ended December 31, 2018, were as follows:

<u>Governmental Activities:</u>	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds:					
General Obligation Bonds					
Series 2008 - 4.0% - 5.25%	\$ 155,000	\$ -	\$ (155,000)	\$ -	\$ -
Tax Increment Revenue					
Long-Term Notes:					
Series 2007 - 4.74%	5,245,000	-	(405,000)	4,840,000	425,000
Series 2011 - 3.125% - 5.0%	9,110,000	-	(1,140,000)	7,970,000	1,200,000
Premium	301,669	-	(44,691)	256,978	
Compensated Absences	244,919	107,308	(100,277)	251,950	102,176
Net Pension Liability:					
OPERS	2,963,727	-	(1,097,074)	1,866,653	-
OP&F	9,785,864	-	(588,637)	9,197,227	-
Total Net Pension Liability	<u>12,749,591</u>	<u>-</u>	<u>(1,685,711)</u>	<u>11,063,880</u>	<u>-</u>
Net OPEB Liability:					
OPERS	1,399,805	-	(11,092)	1,388,713	-
OP&F	7,333,760	1,156,767	-	8,490,527	-
Total Net OPEB Liability	<u>8,733,565</u>	<u>1,156,767</u>	<u>(11,092)</u>	<u>9,879,240</u>	<u>-</u>
Total Governmental Activities	<u>\$ 36,539,744</u>	<u>\$ 1,264,075</u>	<u>\$ (3,541,771)</u>	<u>\$ 34,262,048</u>	<u>\$ 1,727,176</u>

The Township's general obligation bonds were issued in 2008 for \$5,200,000 for various purposes including, but not limited to, land acquisition, infrastructure improvements to roads and sewers, and equipment for the fire department. General obligation bonds are direct obligations and pledge 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 tax increment long-term notes have been used to finance the acquisition and improvements of infrastructure including, but not limited to, roads, sewers, land and buildings. Each note will be repaid with payments in lieu of taxes as set forth in the financing agreement.

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Annual debt service requirements to maturity for the tax increment long-term notes are as follows:

Tax Increment Revenue Notes			
	Principal	Interest	Total
2019	1,625,000	537,106	\$ 2,162,106
2020	1,685,000	478,356	\$ 2,163,356
2021	1,750,000	414,256	\$ 2,164,256
2022	1,815,000	346,031	\$ 2,161,031
2023	1,895,000	268,531	\$ 2,163,531
2024-2025	4,040,000	283,963	\$ 4,323,963
Total	\$ 12,810,000	\$ 2,328,243	\$ 15,138,243

Historically, compensated absences and the net pension liabilities have been liquidated from one of, or a combination of, the following funds based on the separating employee's duties: General, Road & Bridge, Cemetery, Park, Fire Special Levy, EMS and Ambulance.

NOTE 11 – DEFEASED DEBT:

In 2015, 2014 and 2011, the Township defeased \$420,000, \$2,710,000 and \$460,000, respectively, of its outstanding general obligation bonds by creating separate irrevocable trust funds with investments (and fixed earnings from the investments) that are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Township's financial statements. As of December 31, 2018, the amount of defeased debt outstanding was \$3,240,000.

NOTE 12 – NOTES PAYABLE:

During 2018, the Township retired the Series 2017 bond anticipation notes. The original notes were used to purchase a golf course that is currently being used as a park.

A summary of the short-term note transactions for the year ended December 31, 2018, is as follows:

<u>Governmental Activities</u>	<u>Issue Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Anticipation Notes					
Series 2017 - 1.30%	10/26/2017	\$ 4,170,000	\$ -	\$ (4,170,000)	\$ -

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 NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 – INTERFUND BALANCES AND TRANSFERS:

Interfund Transfers

Interfund transfers for the year ended December 31, 2018, consisted of the following:

<u>Transfer from Fund</u>	<u>Transfer to Fund</u>	<u>Amount</u>
Capital Projects	General	\$ 250,864
1998 TIF General Reserve	Capital Projects Fund	4,224,059
1998 TIF General Revenue	TIF Debt Service	2,162,327
1998 TIF General Revenue	1998 TIF General Reserve	9,922,699
TIF Reserve	1998 TIF General Reserve	2,969
General	General Debt Service	162,595
General	Road and Bridge	600,000
		<u>\$ 17,325,513</u>

Transfers are used to move funds from the fund that statute or budget requires such funds to be received in to the fund that statute or budget requires such funds to be disbursed from. Transfers are also used to move unrestricted funds collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; and to provide additional resources for current operations or debt service.

The General Fund transferred out \$162,595 to the General Debt Service Fund to cover debt service requirements and \$600,000 to the Road and Bridge Fund to provide current financial resources for roadway maintenance. Transfers from the 1998 TIF General Revenue Fund include \$9,922,699 to the 1998 TIF General Reserve Fund and \$2,162,327 to the TIF Debt Service Fund as required by the TIF Agreement. The TIF Reserve Fund transferred \$2,969 to the TIF General Reserve Fund as required by the TIF Agreement. The Capital Projects Fund transferred \$250,864 to the General Fund to return excess funds that were not needed for current projects. The TIF General Revenue Fund transferred \$4,224,059 to the Capital Projects Fund to fully retire the note payable.

NOTE 14 – CONTINGENT LIABILITIES:

Litigation

The Township is a defendant in various lawsuits and subject to various claims over which litigation has not yet commenced. Although the outcomes of these matters is not presently determinable, in the opinion of management and the law director, the resolution of these matters will not have a material adverse effect on the financial condition of the Township.

Federal and State Grants

The Township receives federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Township believes such disallowance, if any, would be immaterial.

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NOTE 15 – FUND BALANCE:

The fund balances for all governmental funds are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources. The constraints placed on the fund balance for the major governmental funds and all other non-major governmental funds are presented as follows:

	General Fund	Police District	Fire & EMS	1998 TIF General Reserve	1998 TIF General Revenue	TIF Debt Service	Capital Projects	Non-major Governmental Funds	Total Governmental Funds
Nonspendable:									
Prepaid Items	\$ 33,369	\$ 7,451	\$ 149,174	\$ -	\$ -	\$ -	\$ -	\$ 53,083	\$ 243,077
Inventory of Supplies	-	-	-	-	-	-	-	156,000	156,000
Total									
Nonspendable	33,369	7,451	149,174	-	-	-	-	209,083	399,077
Restricted for:									
Public safety	-	5,660,908	7,451,454	-	-	-	-	-	13,112,362
Public Works	-	-	-	-	-	-	-	6,408,296	6,408,296
Purposes Permitted by									
TIF Agreement	-	-	-	7,411,784	10,719,723	2,974	-	2,168,973	20,303,454
Conservation- Recreation	-	-	-	-	-	-	-	2,212,790	2,212,790
Public Health	-	-	-	-	-	-	-	327,046	327,046
Other Purposes	-	-	-	-	-	-	-	19,111	19,111
Total Restricted	-	5,660,908	7,451,454	7,411,784	10,719,723	2,974	-	11,136,216	42,383,059
Committed:									
Capital Projects	-	-	-	-	-	-	63,915	-	63,915
Total Committed	-	-	-	-	-	-	63,915	-	63,915
Assigned:									
Purchase Commitments	47,667	-	-	-	-	-	-	-	47,667
Next Year's Budget	167,671	-	-	-	-	-	-	-	167,671
Total Assigned	215,338	-	-	-	-	-	-	-	215,338
Unassigned (Deficit)	9,173,120	-	-	-	-	-	-	-	9,173,120
Total Fund Balances	\$ 9,421,827	\$ 5,668,359	\$ 7,600,628	\$ 7,411,784	\$10,719,723	\$ 2,974	\$ 63,915	\$ 11,345,299	\$ 52,234,509

NOTE 16 – RELATED ORGANIZATION:

The Deerfield Regional Storm Water District is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was created on October 31, 2003 by the Warren County Court of Common Pleas to provide storm water management services to the residents in the vicinity of Deerfield Township in accordance with the provisions of Ohio Revised Code Section 6119.

Although the Deerfield Township Trustees appoint three Trustees to manage the District, the Township Trustees cannot impose their will on the District; the District is not fiscally dependent on the Township and the District does not represent a potential financial benefit or burden to the Township. Accordingly, the District is being disclosed as a related organization of the Township.

The District issues its own financial statements which can be obtained by writing to the Deerfield Regional Storm Water District, 4900 Parkway Drive, Suite 150, Deerfield Township, OH 45040.

DEERFIELD TOWNSHIP
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NOTE 17 – TAX ABATEMENTS

The Township does not have any tax abatements that are required to be disclosed in accordance with Government Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*.

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For 2018, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the Township's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement impacted the previously reported net position at December 31, 2017, as displayed in the table below. Other than employer contributions subsequent to the measurement date, the Township made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

In addition to the restatement required by GASB 75, the Township is restating the previously reported net position at December 31, 2017, as displayed in the table below, to account for pension-related (GASB 68) deferred inflows of resources and deferred outflows of resources that were incorrectly reported.

	Governmental Activities
Net position December 31, 2017	\$ 102,375,448
Adjustments:	
To Correct GASB 68 Deferred Items	692,574
Net OPEB Liability (GASB 75)	(8,733,565)
Deferred Outflow - Payments Subsequent to Measurement Date (GASB 75)	30,948
Restated Net Position December 31, 2017	\$ 94,365,405
OP&F Pension Fund:	
Previously Reported Deferred Outflows of Resources at December 31, 2017	1,435,330
Previously Reported Deferred Inflows of Resources at December 31, 2017	(2,768)
	1,432,562
OP&F Pension Fund:	
Actual Deferred Outflows of Resources at December 31, 2017	2,146,233
Actual Deferred Inflows of Resources at December 31, 2017	(21,097)
	2,125,136
<u>Net increase to net position at December 31, 2017</u>	<u>692,574</u>

REQUIRED SUPPLEMENTARY INFORMATION

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$ 1,960,000	\$ 2,019,625	\$ 2,019,625	\$ -
Charges for Services	62,000	61,768	61,768	-
Fees, Licenses and Permits	650,000	688,495	688,795	300
Fines and Forfeitures	75,000	52,946	52,946	-
Intergovernmental	561,000	476,421	507,264	30,843
Interest	100	88,883	136,081	47,198
Other	360,000	109,571	109,571	-
<i>Total Revenues</i>	<u>3,668,100</u>	<u>3,497,709</u>	<u>3,576,050</u>	<u>78,341</u>
Expenditures				
Current				
General Government				
Trustees				
Personal Services	99,092	99,592	99,092	500
Other	13,212	64,418	64,289	129
Fiscal				
Other	173,390	208,665	144,360	64,305
Administrator				
Personal Services	614,165	621,165	527,276	93,889
Other	72,917	92,879	92,059	820
Human Resources				
Other	17,945	18,261	10,926	7,335
Public Relations				
Other	110,780	154,346	134,170	20,176
Service Buildings				
Other	273,586	278,302	275,726	2,576
Community Development				
Personal Services	299,710	299,710	277,935	21,775
Other	124,376	124,130	87,377	36,753
Administration				
Other	1,147,608	1,237,051	1,162,735	74,316
Public Works				
Street Lighting				
Other	26,000	31,498	22,353	9,145

Continued on next page

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Debt Service				
Principal Retirement	\$ 614,945	\$ -	\$ -	\$ -
Interest and Fiscal Charges	31,873	-	-	-
<i>Total Expenditures</i>	3,619,599	3,230,017	2,898,298	331,719
<i>Excess of Revenues Over (Under) Expenditures</i>	48,501	267,692	677,752	410,060
Other Financing Sources (Uses)				
Sale of Capital Assets	-	7,917	7,917	-
Transfers In	300,531	247,163	250,864	3,701
Transfers Out	(600,000)	(800,000)	(762,595)	37,405
<i>Total Other Financing Sources (Uses)</i>	(299,469)	(544,920)	(503,814)	41,106
<i>Net Change in Fund Balance</i>	(250,968)	(277,228)	173,938	451,166
<i>Fund Balance at Beginning of Year</i>	8,821,140	8,821,140	8,821,140	-
<i>Prior Year Encumbrances Appropriated</i>	194,823	194,823	194,823	-
<i>Fund Balance at End of Year</i>	\$ 8,764,995	\$ 8,738,735	\$ 9,189,901	\$ 451,166

**DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO**

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Police District Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Local Taxes	\$ 3,746,000	\$ 3,925,574	\$ 3,925,574	\$ -
Intergovernmental	480,000	463,828	463,828	-
Other	198,740	169,939	169,939	-
<i>Total Revenues</i>	<u>4,424,740</u>	<u>4,559,341</u>	<u>4,559,341</u>	<u>-</u>
Expenditures				
Current				
Public Safety				
Police				
Other	3,900,446	4,186,112	3,986,306	199,806
<i>Total Expenditures</i>	<u>3,900,446</u>	<u>4,186,112</u>	<u>3,986,306</u>	<u>199,806</u>
<i>Net Change in Fund Balance</i>	524,294	373,229	573,035	199,806
<i>Fund Balance at Beginning of Year</i>	4,890,793	4,890,793	4,890,793	-
<i>Prior Year Encumbrances Appropriated</i>	34,455	34,455	34,455	-
<i>Fund Balance at End of Year</i>	<u>\$ 5,449,542</u>	<u>\$ 5,298,477</u>	<u>\$ 5,498,283</u>	<u>\$ 199,806</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Fire Special Levy Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$ 6,443,557	\$ 6,673,476	\$ 6,673,476	\$ -
Charges for Services	85,000	143,127	143,127	-
Intergovernmental	740,000	758,966	758,966	-
<i>Total Revenues</i>	<u>7,268,557</u>	<u>7,575,569</u>	<u>7,575,569</u>	<u>-</u>
Expenditures				
Current				
Public Safety				
Fire and EMS				
Personal Services	3,910,565	4,076,433	3,976,359	100,074
Other	3,177,314	3,064,329	3,061,291	3,038
<i>Total Expenditures</i>	<u>7,087,879</u>	<u>7,140,762</u>	<u>7,037,650</u>	<u>103,112</u>
<i>Net Change in Fund Balance</i>	180,678	434,807	537,919	103,112
<i>Fund Balance at Beginning of Year</i>	5,832,526	5,832,526	5,832,526	-
<i>Prior Year Encumbrances Appropriated</i>	<u>146,211</u>	<u>146,211</u>	<u>146,211</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 6,159,415</u>	<u>\$ 6,413,544</u>	<u>\$ 6,516,656</u>	<u>\$ 103,112</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Ambulance and EMS Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ 635,000	\$ 638,074	\$ 672,766	\$ 34,692
<i>Total Revenues</i>	<u>635,000</u>	<u>638,074</u>	<u>672,766</u>	<u>34,692</u>
Expenditures				
Current				
Public Safety				
EMS				
Personal Services	600,000	376,000	375,217	783
Other	60,000	11,000	10,099	901
<i>Total Expenditures</i>	<u>660,000</u>	<u>387,000</u>	<u>385,316</u>	<u>1,684</u>
<i>Net Change in Fund Balance</i>	(25,000)	251,074	287,450	36,376
<i>Fund Balance at Beginning of Year</i>	<u>819,477</u>	<u>819,477</u>	<u>819,477</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 794,477</u>	<u>\$ 1,070,551</u>	<u>\$ 1,106,927</u>	<u>\$ 36,376</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
1998 TIF General Reserve Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 700	\$ 37,955	\$ 37,955	\$ -
<i>Total Revenues</i>	<u>700</u>	<u>37,955</u>	<u>37,955</u>	<u>-</u>
Expenditures				
Current				
Capital Outlay	9,722,700	2,168,879	1,966,893	201,986
Payments to Schools	5,000,000	4,400,000	4,349,181	50,819
<i>Total Expenditures</i>	<u>14,722,700</u>	<u>6,568,879</u>	<u>6,316,074</u>	<u>252,805</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(14,722,000)</u>	<u>(6,530,924)</u>	<u>(6,278,119)</u>	<u>252,805</u>
Other Financing Sources (Uses)				
Transfers In	12,400,409	9,931,421	9,925,668	(5,753)
Transfers Out	-	(4,224,059)	(4,224,059)	-
<i>Total Other Financing Sources (Uses)</i>	<u>12,400,409</u>	<u>5,707,362</u>	<u>5,701,609</u>	<u>(5,753)</u>
<i>Net Change in Fund Balance</i>	<u>(2,321,591)</u>	<u>(823,562)</u>	<u>(576,510)</u>	<u>247,052</u>
<i>Fund Balance at Beginning of Year</i>	7,298,507	7,298,507	7,298,507	-
<i>Prior Year Encumbrances Appropriated</i>	437,117	437,117	437,117	-
<i>Fund Balance at End of Year</i>	<u>\$ 5,414,033</u>	<u>\$ 6,912,062</u>	<u>\$ 7,159,114</u>	<u>\$ 247,052</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
1998 TIF General Revenue Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Payments in Lieu of Taxes	\$ 13,000,000	\$ 13,031,332	\$ 13,031,332	\$ -
Interest	100	17,978	17,978	-
<i>Total Revenues</i>	<u>13,000,100</u>	<u>13,049,310</u>	<u>13,049,310</u>	<u>-</u>
Expenditures				
Interest and Fiscal Charges	200,000	200,000	168,844	31,156
<i>Total Expenditures</i>	<u>200,000</u>	<u>200,000</u>	<u>168,844</u>	<u>31,156</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>12,800,100</u>	<u>12,849,310</u>	<u>12,880,466</u>	<u>31,156</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(11,000,000)</u>	<u>(12,085,026)</u>	<u>(12,085,026)</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(11,000,000)</u>	<u>(12,085,026)</u>	<u>(12,085,026)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	1,800,100	764,284	795,440	31,156
<i>Fund Balance at Beginning of Year</i>	<u>9,924,283</u>	<u>9,924,283</u>	<u>9,924,283</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 11,724,383</u>	<u>\$ 10,688,567</u>	<u>\$ 10,719,723</u>	<u>\$ 31,156</u>

Deerfield Township
 Required Supplementary Information
 Schedule of the Entity's Proportionate Share of the Net Pension Liability
 Ohio Public Employees Retirement System - Traditional Plan
 Last Five Years *

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Entity's Proportion of the Net Pension Liability	0.011899%	0.013051%	0.012550%	0.012202%	0.012202%
Entity's Proportionate Share of the Net Pension Liability	\$ 1,866,653	\$ 2,963,727	\$ 2,173,873	\$ 1,471,753	\$ 1,438,511
Entity's Covered Payroll	\$ 1,811,392	\$ 1,857,265	\$ 1,844,975	\$ 1,749,388	\$ 1,728,741
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.05%	159.57%	117.83%	84.13%	83.21%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

* Information prior to 2014 is not available.

Amounts presented as of the Entity's measurement date which
is the prior fiscal year end.

Deerfield Township
 Required Supplementary Information
 Schedule of the Entity's Proportionate Share of the Net Pension Liability
 Ohio Police and Fire Pension Fund
 Last Five Years *

	2018	2017	2016	2015	2014
Entity's Proportion of the Net Pension Liability	0.1498540%	0.1544998%	0.1446669%	0.1433967%	0.1433967%
Entity's Proportionate Share of the Net Pension Liability	\$ 9,197,227	\$ 9,785,864	\$ 9,306,525	\$ 7,428,549	\$ 6,983,871
Entity's Covered Payroll	\$ 2,956,212	\$ 3,027,393	\$ 2,789,037	\$ 2,685,117	\$ 2,651,434
Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	311.12%	323.24%	333.68%	276.66%	263.40%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	70.91%	68.36%	66.77%	72.20%	73.00%

* Information prior to 2014 is not available.

Amounts presented as of the Entity's measurement date which
 is the prior fiscal year end.

Deerfield Township
Required Supplementary Information
Schedule of Entity Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Six Years *

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 268,463	\$ 237,536	\$ 268,135	\$ 250,157	\$ 230,090
Contributions in Relation to the Contractually Required Contribution	<u>(268,463)</u>	<u>(237,536)</u>	<u>(268,135)</u>	<u>(250,157)</u>	<u>(230,090)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 1,917,590	\$ 1,811,392	\$ 1,857,265	\$ 1,844,975	\$ 1,749,388
Contributions as a Percentage of Covered Payroll	14.00%	13.11%	14.44%	13.56%	13.15%
	<u>2013</u>				
Contractually Required Contribution	\$ 228,037				
Contributions in Relation to the Contractually Required Contribution	<u>(228,037)</u>				
Contribution Deficiency (Excess)	<u>\$ -</u>				
Entity Covered Payroll	\$ 1,728,741				
Contributions as a Percentage of Covered Payroll	13.19%				

* Information prior to 2013 is not available.

Deerfield Township
Required Supplementary Information
Schedule of Entity Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 763,931	\$ 694,592	\$ 719,802	\$ 630,405	\$ 621,321
Contributions in Relation to the Contractually Required Contribution	<u>(763,931)</u>	<u>(694,592)</u>	<u>(719,802)</u>	<u>(630,405)</u>	<u>(621,321)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 3,251,327	\$ 2,956,212	\$ 3,027,393	\$ 2,789,037	\$ 2,685,117
Contributions as a Percentage of Covered Payroll	23.50%	23.50%	23.78%	22.60%	23.14%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 595,835	\$ 557,970	\$ 554,054	\$ 541,227	\$ 389,533
Contributions in Relation to the Contractually Required Contribution	<u>(595,835)</u>	<u>(557,970)</u>	<u>(554,054)</u>	<u>(541,227)</u>	<u>(389,533)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 2,651,434	\$ 2,479,309	\$ 2,413,869	\$ 2,321,069	\$ 2,091,369
Contributions as a Percentage of Covered Payroll	22.47%	22.51%	22.95%	23.32%	18.63%

Deerfield Township
 Required Supplementary Information
 Schedule of the Entity's Proportionate Share of the Net OPEB Liability
 Ohio Public Employees Retirement System - OPEB Plan
 Last Two Years *

	2018	2017
Entity's Proportion of the Net OPEB Liability	0.012788%	0.013859%
Entity's Proportionate Share of the Net OPEB Liability	\$ 1,388,713	\$ 1,399,805
Entity's Covered Payroll	\$ 1,811,392	\$ 1,857,265
Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.67%	75.37%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	54.14%	54.04%

* Information prior to 2017 is not available.

Amounts presented as of the Entity's measurement date which
is the prior fiscal year end.

Deerfield Township
 Required Supplementary Information
 Schedule of the Entity's Proportionate Share of the Net OPEB Liability
 Ohio Police and Fire Pension Fund
 Last Two Years *

	<u>2018</u>	<u>2017</u>
Entity's Proportion of the Net OPEB Liability	0.1498540%	0.1545000%
Entity's Proportionate Share of the Net OPEB Liability	\$ 8,490,527	\$ 7,333,760
Entity's Covered Payroll	\$ 2,956,212	\$ 3,027,393
Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	287.21%	242.25%
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	14.13%	15.96%

* Information prior to 2017 is not available.

Amounts presented as of the Entity's measurement date which
is the prior fiscal year end.

Deerfield Township
 Required Supplementary Information
 Schedule of Entity Contributions - OPEB
 Ohio Public Employees Retirement System
 Last Three Years *

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ -	\$ 16,059	\$ 33,959
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>(16,059)</u>	<u>(33,959)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 1,917,590	\$ 1,811,392	\$ 1,857,265
Contributions as a Percentage of Covered Payroll	0.00%	0.89%	1.83%

* Information prior to 2016 is not available.

Deerfield Township
Required Supplementary Information
Schedule of Entity Contributions - OPEB
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 16,387	\$ 14,899	\$ 15,116	\$ 13,239	\$ 89,772
Contributions in Relation to the Contractually Required Contribution	<u>(16,387)</u>	<u>(14,899)</u>	<u>(15,116)</u>	<u>(13,239)</u>	<u>(89,772)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 3,251,327	\$ 2,956,212	\$ 3,027,393	\$ 2,789,037	\$ 2,685,117
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.47%	3.34%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 193,058	\$ 155,689	\$ 152,085	\$ 109,556	\$ 99,056
Contributions in Relation to the Contractually Required Contribution	<u>(193,058)</u>	<u>(155,689)</u>	<u>(152,085)</u>	<u>(109,556)</u>	<u>(99,056)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Entity Covered Payroll	\$ 2,651,434	\$ 2,479,309	\$ 2,413,869	\$ 2,321,069	\$ 2,091,369
Contributions as a Percentage of Covered Payroll	7.28%	6.28%	6.30%	4.72%	4.74%

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE A – BUDGETARY BASIS OF ACCOUNTING:

While the Township is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP) and Actual is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and GAAP basis are as follows:

Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis).

Expenditures are recorded when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP basis).

Encumbrances are treated as expenditures on the budgetary basis.

The following summarizes the adjustments necessary to reconcile the GAAP statements and the budgetary basis schedule.

	<u>General</u>	<u>Police District</u>	<u>Fire & EMS*</u>	<u>1998 TIF General Reserve</u>	<u>1998 TIF General Revenue</u>
GAAP Basis	\$ 322,586	\$ 586,419	\$ 1,016,854	\$ (323,840)	\$ 795,440
Revenue Accruals	98	157,699	(14,546)	-	-
Expenditure Accruals	(67,202)	15,028	(104,674)	305,471	-
Encumbrances	<u>(81,544)</u>	<u>(186,111)</u>	<u>(72,265)</u>	<u>(558,141)</u>	<u>-</u>
Budgetary Basis	<u>\$ 173,938</u>	<u>\$ 573,035</u>	<u>\$ 825,369</u>	<u>\$ (576,510)</u>	<u>\$ 795,440</u>

* The Fire and EMS Fund is a consolidation of the Fire Special Levy Fund and the Ambulance and EMS Fund for GAAP reporting purposes only. The Township budgets separately for the Fire Special Levy Fund and the Ambulance and EMS Fund.

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**COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL
FUND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditure for specific purposes.

Motor Vehicle

To account for the additional motor vehicle license tax levied by Warren County for routine road and maintenance repairs.

Gasoline Tax

To account for the gasoline tax fees used for routine maintenance of state highways within the Township.

Road and Bridge

To account for property taxes used for routine maintenance of roads and bridges in the Township.

Cemetery

To account for monies received for the operation and maintenance of the cemetery.

Park

To account for property taxes received and used for maintenance of the Township parks.

Permissive Motor Vehicle

To account for permissive taxes received and used for maintenance of roads in the Township.

Street Lighting

To account for assessments levied on property owners for the purpose of street lights within the Township.

FEMA

To account for the expenditures and subsequent reimbursements from the Federal Emergency Management Agency associated with specific events or occurrences. The Township did not budget this fund during 2018 as no cash activity occurred during the year.

Issue II

To account for state funding used in street improvement of the Township.

TIF Reserve

To account for funds held as restricted cash per the tax increment financing agreements.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

General Debt Service

To account for transfers from other funds for the payment of general obligation bonded debt.

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Nonmajor Special Revenue Funds	General Debt Service Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 9,012,186	\$ -	\$ 9,012,186
Receivables:			
Taxes	2,768,037	-	2,768,037
Intergovernmental	241,475	-	241,475
Special Assessments	501,800	-	501,800
Supplies Inventory	156,000	-	156,000
Prepaid Items	53,083	-	53,083
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	2,168,973	-	2,168,973
Total Assets	\$ 14,901,554	\$ -	\$ 14,901,554
Liabilities:			
Accounts Payable	\$ 46,783	\$ -	\$ 46,783
Accrued Salaries Payable	61,519	-	61,519
Total Liabilities	108,302	-	108,302
Deferred Inflows of Resources:			
Revenues Levied for the Next Year and Unavailable Revenue	3,447,953	-	3,447,953
Total Deferred Inflows of Resources:	3,447,953	-	3,447,953
Fund Balance:			
Nonspendable	209,083	-	209,083
Restricted	11,136,216	-	11,136,216
Total Fund Balances	11,345,299	-	11,345,299
Total Deferred Inflows of Resources, Liabilities and Fund Balances	\$ 14,901,554	\$ -	\$ 14,901,554

**DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Nonmajor Special Revenue Funds	General Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:			
Property and Other Taxes	\$ 2,708,227	\$ -	\$ 2,708,227
Intergovernmental	479,440	-	479,440
Special Assessments	466,463	-	466,463
Charges for Services	445,280	-	445,280
Interest	14,435	-	14,435
Other	83,786	-	83,786
Total Revenues	4,197,631	-	4,197,631
Expenditures:			
Current:			
General Government	10,500	-	10,500
Public Health	342,539	-	342,539
Public Works	2,473,316	-	2,473,316
Conservation-Recreation	1,164,436	-	1,164,436
Capital Outlay	78,625	-	78,625
Debt Service:			
Principal Retirement	-	155,000	155,000
Interest and Fiscal Charges	-	7,595	7,595
Total Expenditures	4,069,416	162,595	4,232,011
Excess of Revenues Over (Under) Expenditures	128,215	(162,595)	(34,380)
Other Financing Sources (Uses):			
Transfers-In	600,000	162,595	762,595
Total Other Financing Sources (Uses)	597,031	162,595	759,626
Net Change in Fund Balance	725,246	-	725,246
Fund Balance at Beginning of Year	10,620,053	-	10,620,053
Fund Balance at End of Year	\$ 11,345,299	\$ -	\$ 11,345,299

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Motor Vehicle	Gasoline Tax	Road and Bridge	Cemetery	Park
Assets:					
Equity in Pooled Cash and Investments	\$ 564,191	\$ 1,113,903	\$ 1,459,094	\$ 335,413	\$ 2,241,441
Receivables:					
Property and Other Taxes	-	-	1,636,829	-	1,078,024
Intergovernmental	19,223	115,952	101,400	-	4,900
Special Assessments	-	-	-	-	-
Supplies Inventory	-	-	156,000	-	-
Prepaid Items	-	-	22,054	8,066	22,963
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-	-
Total Assets	<u>\$ 583,414</u>	<u>\$ 1,229,855</u>	<u>\$ 3,375,377</u>	<u>\$ 343,479</u>	<u>\$ 3,347,328</u>
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 1,473	\$ 1,860	\$ 8,450
Accrued Wages and Benefits Payable	-	-	34,811	6,507	20,201
Total Liabilities	<u>-</u>	<u>-</u>	<u>36,284</u>	<u>8,367</u>	<u>28,651</u>
Deferred Inflows of Resources:					
Revenues Levied for the Next Year and Unavailable Revenue	12,961	77,046	1,738,229	-	1,082,924
Total Deferred Inflows of Resources:	<u>12,961</u>	<u>77,046</u>	<u>1,738,229</u>	<u>-</u>	<u>1,082,924</u>
Fund Balance:					
Nonspendable	-	-	178,054	8,066	22,963
Restricted	570,453	1,152,809	1,422,810	327,046	2,212,790
Total Fund Balance	<u>570,453</u>	<u>1,152,809</u>	<u>1,600,864</u>	<u>335,112</u>	<u>2,235,753</u>
Total Deferred Inflows of Resources, Liabilities and Fund Balance	<u>\$ 583,414</u>	<u>\$ 1,229,855</u>	<u>\$ 3,375,377</u>	<u>\$ 343,479</u>	<u>\$ 3,347,328</u>

<u>Permissive Motor Vehicle</u>	<u>Street Lighting</u>	<u>FEMA</u>	<u>Issue II</u>	<u>TIF Reserve</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,077,774	\$ 2,201,259	\$ 2,500	\$ 16,611	\$ -	\$ 9,012,186
53,184	-	-	-	-	2,768,037
-	-	-	-	-	241,475
-	501,800	-	-	-	501,800
-	-	-	-	-	156,000
-	-	-	-	-	53,083
-	-	-	-	2,168,973	2,168,973
<u>\$ 1,130,958</u>	<u>\$ 2,703,059</u>	<u>\$ 2,500</u>	<u>\$ 16,611</u>	<u>\$ 2,168,973</u>	<u>\$ 14,901,554</u>
\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 46,783
-	-	-	-	-	61,519
-	35,000	-	-	-	108,302
34,993	501,800	-	-	-	3,447,953
34,993	501,800	-	-	-	3,447,953
-	-	-	-	-	209,083
1,095,965	2,166,259	2,500	16,611	2,168,973	11,136,216
1,095,965	2,166,259	2,500	16,611	2,168,973	11,345,299
<u>\$ 1,130,958</u>	<u>\$ 2,703,059</u>	<u>\$ 2,500</u>	<u>\$ 16,611</u>	<u>\$ 2,168,973</u>	<u>\$ 14,901,554</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	Motor Vehicle	Gasoline Tax	Road and Bridge	Cemetery	Park
Revenues:					
Property and Other Taxes	\$ -	\$ -	\$ 1,515,165	\$ -	\$ 1,088,947
Intergovernmental	42,929	245,632	179,753	-	11,126
Special Assessments	-	-	-	-	-
Charges for Services	-	-	51,769	303,567	89,944
Interest	2,895	2,895	-	-	-
Other	-	-	76,408	5,194	2,184
Total Revenues	<u>45,824</u>	<u>248,527</u>	<u>1,823,095</u>	<u>308,761</u>	<u>1,192,201</u>
Expenditures:					
Current:					
General Government	-	-	-	-	-
Public Health	-	-	-	342,539	-
Public Works	-	-	2,026,992	-	-
Conservation-Recreation	-	-	-	-	1,164,436
Capital Outlay	-	-	78,625	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,105,617</u>	<u>342,539</u>	<u>1,164,436</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>45,824</u>	<u>248,527</u>	<u>(282,522)</u>	<u>(33,778)</u>	<u>27,765</u>
Other Financing Sources (Uses):					
Transfers-In	-	-	600,000	-	-
Transfers-Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	45,824	248,527	317,478	(33,778)	27,765
Fund Balance at Beginning of Year	<u>524,629</u>	<u>904,282</u>	<u>1,283,386</u>	<u>368,890</u>	<u>2,207,988</u>
Fund Balance at End of Year	<u>\$ 570,453</u>	<u>\$ 1,152,809</u>	<u>\$ 1,600,864</u>	<u>\$ 335,112</u>	<u>\$ 2,235,753</u>

Permissive Motor Vehicle	Street Lighting	FEMA	Issue II	TIF Reserve	Total Nonmajor Special Revenue Funds
\$ 104,115	\$ -	\$ -	\$ -	\$ -	\$ 2,708,227
-	-	-	-	-	479,440
-	466,463	-	-	-	466,463
-	-	-	-	-	445,280
2,895	-	-	-	5,750	14,435
-	-	-	-	-	83,786
<u>107,010</u>	<u>466,463</u>	<u>-</u>	<u>-</u>	<u>5,750</u>	<u>4,197,631</u>
-	-	-	10,500	-	10,500
-	-	-	-	-	342,539
-	446,324	-	-	-	2,473,316
-	-	-	-	-	1,164,436
-	-	-	-	-	78,625
<u>-</u>	<u>446,324</u>	<u>-</u>	<u>10,500</u>	<u>-</u>	<u>4,069,416</u>
<u>107,010</u>	<u>20,139</u>	<u>-</u>	<u>(10,500)</u>	<u>5,750</u>	<u>128,215</u>
-	-	-	-	-	600,000
-	-	-	-	(2,969)	(2,969)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,969)</u>	<u>597,031</u>
107,010	20,139	-	(10,500)	2,781	725,246
<u>988,955</u>	<u>2,146,120</u>	<u>2,500</u>	<u>27,111</u>	<u>2,166,192</u>	<u>10,620,053</u>
<u>\$ 1,095,965</u>	<u>\$ 2,166,259</u>	<u>\$ 2,500</u>	<u>\$ 16,611</u>	<u>\$ 2,168,973</u>	<u>\$ 11,345,299</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Motor Vehicle Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 55,000	\$ 40,006	\$ 42,995	\$ 2,989
Interest	50	1,891	2,895	1,004
<i>Total Revenues</i>	55,050	41,897	45,890	3,993
Expenditures				
<i>Total Expenditures</i>	-	-	-	-
<i>Net Change in Fund Balance</i>	55,050	41,897	45,890	3,993
<i>Fund Balance at Beginning of Year</i>	518,301	518,301	518,301	-
<i>Fund Balance at End of Year</i>	\$ 573,351	\$ 560,198	\$ 564,191	\$ 3,993

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Gasoline Tax Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Local Taxes	\$ 210,000	\$ 224,734	\$ 245,287	\$ 20,553
Interest	50	1,891	2,895	1,004
<i>Total Revenues</i>	<u>210,050</u>	<u>226,625</u>	<u>248,182</u>	<u>21,557</u>
Expenditures				
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	210,050	226,625	248,182	21,557
<i>Fund Balance at Beginning of Year</i>	<u>865,721</u>	<u>865,721</u>	<u>865,721</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 1,075,771</u>	<u>\$ 1,092,346</u>	<u>\$ 1,113,903</u>	<u>\$ 21,557</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Road and Bridge Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 2,066,080	\$ 1,465,037	\$ 1,515,165	\$ 50,128
Intergovernmental	175,000	179,753	179,753	-
Other	65,500	126,536	128,177	1,641
<i>Total Revenues</i>	<u>2,306,580</u>	<u>1,771,326</u>	<u>1,823,095</u>	<u>51,769</u>
Expenditures				
Current				
Public Works				
Streets				
Personal Services	550,567	550,567	527,321	23,246
Other	2,027,392	2,604,935	2,067,093	537,842
<i>Total Expenditures</i>	<u>2,577,959</u>	<u>3,155,502</u>	<u>2,594,414</u>	<u>561,088</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(271,379)</u>	<u>(1,384,176)</u>	<u>(771,319)</u>	<u>612,857</u>
Other Financing Sources (Uses)				
Transfers In	600,000	600,000	600,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	328,621	(784,176)	(171,319)	612,857
<i>Fund Balance at Beginning of Year</i>	1,081,575	1,081,575	1,081,575	-
<i>Prior Year Encumbrances Appropriated</i>	441,731	441,731	441,731	-
<i>Fund Balance at End of Year</i>	<u>\$ 1,851,927</u>	<u>\$ 739,130</u>	<u>\$ 1,351,987</u>	<u>\$ 612,857</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Cemetery Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for Services	\$ 352,600	\$ 305,923	\$ 305,923	\$ -
Other	4,500	2,838	2,838	-
<i>Total Revenues</i>	357,100	308,761	308,761	-
Expenditures				
Current				
Health				
Cemeteries				
Personal Services	103,466	108,716	108,632	84
Other	201,025	253,969	249,167	4,802
<i>Total Expenditures</i>	304,491	362,685	357,799	4,886
<i>Net Change in Fund Balance</i>	52,609	(53,924)	(49,038)	4,886
<i>Fund Balance at Beginning of Year</i>	354,841	354,841	354,841	-
<i>Prior Year Encumbrances Appropriated</i>	18,226	18,226	18,226	-
<i>Fund Balance at End of Year</i>	\$ 425,676	\$ 319,143	\$ 324,029	\$ 4,886

**DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO**

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Park Fund
For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 1,078,636	\$ 1,081,993	\$ 1,081,996	\$ 3
Charges for Services	27,000	18,387	19,084	697
Intergovernmental	30,000	18,077	18,077	-
Other	60,000	72,947	73,044	97
<i>Total Revenues</i>	<u>1,195,636</u>	<u>1,191,404</u>	<u>1,192,201</u>	<u>797</u>
Expenditures				
Current				
Conservation-Recreation				
Parks				
Personal Services	354,538	374,538	372,958	1,580
Other	715,014	877,320	823,125	54,195
<i>Total Expenditures</i>	<u>1,069,552</u>	<u>1,251,858</u>	<u>1,196,083</u>	<u>55,775</u>
<i>Net Change in Fund Balance</i>	126,084	(60,454)	(3,882)	56,572
<i>Fund Balance at Beginning of Year</i>	2,114,660	2,114,660	2,114,660	-
<i>Prior Year Encumbrances Appropriated</i>	<u>102,288</u>	<u>102,288</u>	<u>102,288</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 2,343,032</u>	<u>\$ 2,156,494</u>	<u>\$ 2,213,066</u>	<u>\$ 56,572</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permissive Motor Vehicle Tax Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Local Taxes	\$ 100,000	\$ 95,797	\$ 104,196	\$ 8,399
Interest	3,050	1,891	2,895	1,004
<i>Total Revenues</i>	<u>103,050</u>	<u>97,688</u>	<u>107,091</u>	<u>9,403</u>
Expenditures				
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	103,050	97,688	107,091	9,403
<i>Fund Balance at Beginning of Year</i>	<u>970,683</u>	<u>970,683</u>	<u>970,683</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 1,073,733</u>	<u>\$ 1,068,371</u>	<u>\$ 1,077,774</u>	<u>\$ 9,403</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Street Lighting Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$ 500,000	\$ 466,463	\$ 466,463	\$ -
<i>Total Revenues</i>	<u>500,000</u>	<u>466,463</u>	<u>466,463</u>	<u>-</u>
Expenditures				
Current				
Public Works				
Lighting				
Other	510,000	510,000	451,789	58,211
<i>Total Expenditures</i>	<u>510,000</u>	<u>510,000</u>	<u>451,789</u>	<u>58,211</u>
<i>Net Change in Fund Balance</i>	(10,000)	(43,537)	14,674	58,211
<i>Fund Balance at Beginning of Year</i>	2,171,091	2,171,091	2,171,091	-
<i>Prior Year Encumbrances Appropriated</i>	<u>5,029</u>	<u>5,029</u>	<u>5,029</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 2,166,120</u>	<u>\$ 2,132,583</u>	<u>\$ 2,190,794</u>	<u>\$ 58,211</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
TIF Reserve Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ -	\$ 5,750	\$ 5,750	\$ -
<i>Total Revenues</i>	<u>-</u>	<u>5,750</u>	<u>5,750</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers Out	(310)	(3,310)	(2,969)	341
<i>Total Other Financing Sources (Uses)</i>	<u>(310)</u>	<u>(3,310)</u>	<u>(2,969)</u>	<u>341</u>
<i>Net Change in Fund Balance</i>	(310)	2,440	2,781	341
<i>Fund Balance at Beginning of Year</i>	<u>2,166,192</u>	<u>2,166,192</u>	<u>2,166,192</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 2,165,882</u>	<u>\$ 2,168,632</u>	<u>\$ 2,168,973</u>	<u>\$ 341</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Debt Service Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
<i>Total Revenues</i>	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current				
Debt Service				
Principal Retirement	250,000	155,000	155,000	-
Interest and Fiscal Charges	357,000	7,595	7,595	-
<i>Total Expenditures</i>	607,000	162,595	162,595	-
<i>Excess of Revenues Over (Under) Expenditures</i>	(607,000)	(162,595)	(162,595)	-
Other Financing Sources (Uses)				
Transfers In	650,000	162,595	162,595	-
<i>Total Other Financing Sources (Uses)</i>	650,000	162,595	162,595	-
<i>Net Change in Fund Balance</i>	43,000	-	-	-
<i>Fund Balance at Beginning of Year</i>	-	-	-	-
<i>Fund Balance at End of Year</i>	<u>\$ 43,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
TIF Debt Service Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest	\$ 200	\$ 3	\$ 3	\$ -
<i>Total Revenues</i>	<u>200</u>	<u>3</u>	<u>3</u>	<u>-</u>
Expenditures				
Debt Service				
Principal Retirement	1,359,000	1,545,000	1,545,000	-
Interest and Fiscal Charges	978,000	614,356	614,356	-
<i>Total Expenditures</i>	<u>2,337,000</u>	<u>2,159,356</u>	<u>2,159,356</u>	<u>-</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,336,800)</u>	<u>(2,159,353)</u>	<u>(2,159,353)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In	3,500,000	2,162,327	2,162,327	-
Transfers Out	(700,000)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>2,800,000</u>	<u>2,162,327</u>	<u>2,162,327</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	463,200	2,974	2,974	-
<i>Fund Balance at Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ 463,200</u>	<u>\$ 2,974</u>	<u>\$ 2,974</u>	<u>\$ -</u>

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Capital Projects Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
<i>Total Revenues</i>	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current				
Debt Service				
Principal Retirement	4,900,000	4,200,000	4,170,000	30,000
Interest and Fiscal Charges	112,000	62,000	54,059	7,941
Other	45,000	-	-	-
<i>Total Expenditures</i>	5,057,000	4,262,000	4,224,059	37,941
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,057,000)	(4,262,000)	(4,224,059)	37,941
Other Financing Sources (Uses)				
Proceeds from Sale of Notes	5,000,000	-	-	-
Transfers In	647,000	4,474,923	4,224,059	(250,864)
Transfers Out	(322,000)	(250,864)	(250,864)	-
<i>Total Other Financing Sources (Uses)</i>	5,325,000	4,224,059	3,973,195	(250,864)
<i>Net Change in Fund Balance</i>	268,000	(37,941)	(250,864)	(212,923)
<i>Fund Balance at Beginning of Year</i>	314,779	314,779	314,779	-
<i>Fund Balance at End of Year</i>	\$ 582,779	\$ 276,838	\$ 63,915	\$ (212,923)

DEERFIELD TOWNSHIP
WARREN COUNTY, OHIO
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Issue II Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
<i>Total Revenues</i>	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current				
General Government	-	27,000	10,500	16,500
<i>Total Expenditures</i>	-	27,000	10,500	16,500
<i>Net Change in Fund Balance</i>	-	(27,000)	(10,500)	16,500
<i>Fund Balance at Beginning of Year</i>	27,111	27,111	27,111	-
<i>Fund Balance at End of Year</i>	<u>\$ 27,111</u>	<u>\$ 111</u>	<u>\$ 16,611</u>	<u>\$ 16,500</u>

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STATISTICAL SECTION



Deerfield
Township



EST. 1803

Statistical Section

This part of the Township's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Township's financial position has changed over time.	110-113
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the Township's ability to generate its most significant local revenue source, property tax.	114-119
Debt Capacity These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.	120-123
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the Township's financial activities take place and to provide information that facilitates comparisons of financial information over time among governments.	124-125
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Township's financial report related to the services the Township provides and the activities it performs.	126-128
Sources Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

Deerfield Township
Warren County, Ohio
Net Position By Component
Last Ten Years
Accrual basis of accounting (1)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net Investment in Capital Assets	\$ 67,515,118	\$ 62,098,217	\$ 59,168,716	\$ 57,009,590	\$ 52,069,128	\$ 45,967,434	\$ 42,546,793	\$ 41,213,284	\$ 35,310,636	\$ -
Restricted:										
Other Purposes	23,528,541	20,996,591	18,551,405	16,098,409	14,664,325	12,090,129	11,919,865	10,259,971	8,379,992	2,829,513
Debt Service	-	-	-	5,589	83,640	263,764	442,611	636,657	828,316	5,821,639
Purposes Permitted by TIF Agreement	20,258,695	19,774,903	15,501,789	13,301,904	12,674,957	14,159,675	13,940,644	12,390,671	15,498,096	16,438,750
Unrestricted	(9,598,907)	(494,263)	3,746,387	3,819,007	10,499,892	9,906,296	7,587,161	6,009,513	5,608,489	3,117,823
<i>Total Governmental Activities Net Position</i>	<u>\$ 101,703,447</u>	<u>\$ 102,375,448</u>	<u>\$ 96,968,297</u>	<u>\$ 90,234,499</u>	<u>\$ 89,991,942</u>	<u>\$ 82,387,298</u>	<u>\$ 76,437,074</u>	<u>\$ 70,510,096</u>	<u>\$ 65,625,529</u>	<u>\$ 28,207,725</u>

Notes:

The accrual basis of accounting was implemented in 2010.

GASB 68 was implemented in 2015. Net position for 2014 (and prior years) was not restated.

GASB 75 was implemented in 2018. Net position for 2017 (and prior years) was not restated.

Deerfield Township
Warren County, Ohio
Changes in Net Position
Last Ten Years (1)
(Accrual Basis of Accounting)(2)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 786,362	\$ 782,494	\$ 707,068	\$ 703,289	\$ 695,720	\$ 699,878	\$ 678,682	\$ 682,245	\$ 594,591	\$ 545,759
Public Safety	875,402	790,505	753,157	834,410	870,797	650,137	706,261	697,007	797,440	1,377,366
Public Works	76,408	24,011	14,342	35,983	40,583	42,155	13,137	29,519	85,181	186,791
Public Health	308,761	302,562	318,166	350,022	300,925	282,302	213,427	224,397	175,904	245,695
Conservation-Recreation	92,128	109,992	90,404	90,341	91,738	57,251	55,173	45,259	45,616	7,590
Subtotal - Charges for Services	<u>2,139,061</u>	<u>2,009,564</u>	<u>1,883,137</u>	<u>2,014,045</u>	<u>1,999,763</u>	<u>1,731,723</u>	<u>1,666,680</u>	<u>1,678,427</u>	<u>1,698,732</u>	<u>2,363,201</u>
Operating Grants and Contributions:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	220,386	187,196	89,187	234,409	272,374	292,316	265,831	654,483	-	1,118,486
Public Works	466,463	491,683	490,253	495,742	568,815	489,005	541,312	555,945	516,440	-
Public Health	-	-	-	-	-	-	-	-	-	-
Conservation-Recreation	-	-	-	-	-	-	-	-	-	-
Subtotal - Operating Grants and Contributions	<u>686,849</u>	<u>678,879</u>	<u>579,440</u>	<u>730,151</u>	<u>841,189</u>	<u>781,321</u>	<u>807,143</u>	<u>1,210,428</u>	<u>516,440</u>	<u>1,118,486</u>
Capital Grants and Contributions:										
General Government	-	160,614	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	396,925	662,300	393,962	699	1,947	82,473	59,289	48,574	301,558	6,775
Subtotal - Capital Grants and Contributions	<u>396,925</u>	<u>822,914</u>	<u>393,962</u>	<u>699</u>	<u>1,947</u>	<u>82,473</u>	<u>59,289</u>	<u>48,574</u>	<u>301,558</u>	<u>6,775</u>
Total Governmental Activities Program Revenues	<u>3,222,835</u>	<u>3,511,357</u>	<u>2,856,539</u>	<u>2,744,895</u>	<u>2,842,899</u>	<u>2,595,517</u>	<u>2,533,112</u>	<u>2,937,429</u>	<u>2,516,730</u>	<u>3,488,462</u>
Governmental Activities:										
General Government	2,816,757	3,724,035	2,662,764	2,418,732	2,392,920	2,234,629	2,345,345	2,796,902	2,658,125	3,752,960
Payment to Schools	4,349,181	4,237,301	4,083,482	4,000,794	3,883,501	3,827,347	3,615,724	3,747,902	3,794,940	2,757,915
Public Safety	12,403,132	11,659,329	11,278,100	9,990,061	9,724,650	9,490,775	9,105,315	8,771,791	8,302,665	8,341,722
Public Works	4,458,088	4,419,219	4,695,867	3,729,347	3,210,184	4,297,941	4,542,924	3,807,977	2,371,446	1,715,503
Public Health	413,763	432,155	422,579	391,680	357,953	279,358	266,898	314,611	300,002	302,252
Conservation-Recreation	1,748,583	1,669,737	1,480,833	1,504,371	1,399,665	1,385,890	1,299,175	1,161,364	1,355,712	1,281,088
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	614,447	743,344	864,981	850,214	1,576,509	1,195,730	1,399,469	1,783,361	1,636,212	1,767,060
Issuance Costs	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	<u>26,803,951</u>	<u>26,885,120</u>	<u>25,488,606</u>	<u>22,885,199</u>	<u>22,545,382</u>	<u>22,711,670</u>	<u>22,574,850</u>	<u>22,383,908</u>	<u>20,419,102</u>	<u>19,918,500</u>
Total Government Activities Net Expense	<u>(23,581,116)</u>	<u>(23,373,763)</u>	<u>(22,632,067)</u>	<u>(20,140,304)</u>	<u>(19,702,483)</u>	<u>(20,116,153)</u>	<u>(20,041,738)</u>	<u>(19,446,479)</u>	<u>(17,902,372)</u>	<u>(16,430,038)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Property and Other Local Taxes Levied For:										
General Purposes	982,154	1,034,996	1,125,096	1,116,226	1,163,053	1,140,372	1,139,778	819,818	844,381	934,438
Public Works	1,514,494	1,472,915	1,464,946	1,289,596	1,283,436	1,249,927	1,297,339	1,295,461	1,387,517	1,483,433
Public Safety	10,610,223	10,221,394	10,250,361	9,817,118	9,820,979	8,101,391	8,330,088	8,597,950	6,133,448	5,962,138
Recreation	1,088,371	1,059,428	1,070,673	1,038,537	1,042,603	807,401	811,759	803,421	720,673	806,794
Other Taxes	1,483,786	1,479,890	1,438,727	1,435,265	1,318,400	1,416,694	1,581,179	1,509,099	1,454,393	-
Grants and Entitlements not Restricted to										
Specific Programs	2,002,346	1,961,756	2,003,242	1,941,052	1,695,008	3,770,113	2,476,832	1,861,080	1,211,390	2,220,996
Payment in Lieu of Taxes	13,031,332	12,212,603	12,010,730	11,385,665	10,977,917	9,751,884	10,316,631	10,121,796	9,759,328	9,252,914
Bonds Issued	-	-	-	-	-	-	-	-	-	-
Notes Issued	-	-	-	-	-	-	-	-	-	-
Investment Income	206,452	30,506	2,120	1,561	5,731	9,156	15,110	12,421	24,141	153,538
Miscellaneous	-	-	-	-	-	-	-	(690,000)	-	-
Total Governmental Activities	<u>30,919,158</u>	<u>29,473,488</u>	<u>29,365,895</u>	<u>28,025,020</u>	<u>27,307,127</u>	<u>26,246,938</u>	<u>25,968,716</u>	<u>24,331,046</u>	<u>21,535,271</u>	<u>20,814,251</u>
Total Government Activities Change in Net Position	<u>\$ 7,338,042</u>	<u>\$ 6,099,725</u>	<u>\$ 6,733,828</u>	<u>\$ 7,884,716</u>	<u>\$ 7,604,644</u>	<u>\$ 6,130,785</u>	<u>\$ 5,926,978</u>	<u>\$ 4,884,567</u>	<u>\$ 3,632,899</u>	<u>\$ 4,384,213</u>

(1) The Township implemented the reporting requirements of GASB Statement No. 34 in 2005 on a cash basis.

(2) The accrual basis of accounting was implemented in 2010.

Deerfield Township
Warren County, Ohio
Fund Balances, Governmental Funds
Last Ten Years (1)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,637	\$ 219,597
Unreserved	-	-	-	-	-	-	-	-	3,826,965	3,742,610
Nonspendable	33,369	6,899	161,731	6,730	6,904	108,457	609,193	1,205,932	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	215,338	433,860	65,412	64,828	78,285	62,065	47,649	49,928	-	-
Unassigned	9,173,120	8,658,482	9,752,534	9,444,239	8,540,842	8,286,630	4,955,835	2,865,827	-	-
Total General Fund	9,421,827	9,099,241	9,979,677	9,515,797	8,626,031	8,457,152	5,612,677	4,121,687	3,862,602	3,962,207
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	1,030,289	589,961
Unreserved, Undesignated, Reported in:										
Special Revenue funds	-	-	-	-	-	-	-	-	21,699,327	20,883,246
Debt Service funds	-	-	-	-	-	-	-	-	3,408	3,890
Capital Projects funds	-	-	-	-	-	-	-	-	(10,381,316)	(10,681,055)
Nonspendable	365,708	207,609	206,165	225,355	439,208	1,602,766	175,707	174,270	-	-
Restricted	42,383,059	39,738,065	32,981,509	28,537,121	26,118,969	23,643,816	24,765,712	21,496,418	-	-
Committed	63,915	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(3,865,023)	(4,064,560)	(4,433,089)	(4,845,663)	(5,516,369)	(5,188,657)	(5,691,282)	-	-
Total All Other Governmental Funds	42,812,682	36,080,651	29,123,114	24,329,387	21,712,514	19,730,213	19,752,762	15,979,406	12,351,708	10,796,042
Total Governmental Funds	\$ 52,234,509	\$ 45,179,892	\$ 39,102,791	\$ 33,845,184	\$ 30,338,545	\$ 28,187,365	\$ 25,365,439	\$ 20,101,093	\$ 16,214,310	\$ 14,758,249

(1) The Township implemented the reporting requirements of GASB Statement No. 34 in 2005 on a cash basis.
(3) The Township implemented the reporting requirements of GASB Statement No. 54 in 2011.

Deerfield Township
Warren County, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Property and Other Taxes	\$ 15,400,073	\$ 14,936,704	\$ 14,903,691	\$ 14,575,148	\$ 14,333,550	\$ 12,461,465	\$ 12,468,133	\$ 12,396,144	\$ 9,905,890	\$ 9,183,471
Intergovernmental	2,614,159	2,845,785	2,536,210	2,186,205	2,073,024	3,960,813	2,516,189	2,588,035	1,951,775	2,755,394
Special Assessments	466,463	491,683	490,550	573,691	674,191	666,258	678,222	694,109	697,428	677,968
Charges for Services	1,285,322	1,215,777	1,166,218	1,279,228	1,260,588	1,036,313	1,054,222	1,021,548	850,382	1,363,086
Licenses, Permits and Fees	641,948	574,443	470,334	530,992	536,948	583,115	537,002	532,001	497,576	89,360
Fines and Forfeitures	55,551	73,101	57,735	74,832	78,251	78,044	50,707	165,497	227,835	88,738
Payments in Lieu of Taxes	13,031,332	12,212,603	12,010,730	11,385,665	10,977,917	9,751,884	10,316,631	10,121,796	9,759,328	8,651,761
Interest	206,452	30,506	2,120	1,561	5,731	9,156	15,110	12,421	32,802	153,538
Contributions and Donations	-	-	-	-	-	-	-	-	309,757	-
Other	220,999	586,372	124,266	461,721	506,560	574,721	1,088,104	744,075	-	903,476
Total Revenues	33,922,299	32,966,974	31,761,854	31,069,043	30,446,760	29,121,769	28,724,320	28,275,626	24,232,773	23,866,792
Expenditures										
Current:										
General Government	2,722,934	3,255,111	2,547,249	2,388,082	2,295,942	2,159,169	2,346,246	2,768,362	2,666,620	3,440,009
Payments to Schools	4,349,181	4,237,301	4,083,482	4,000,794	3,883,501	3,827,347	3,615,724	3,747,902	3,794,940	2,757,915
Public Safety	11,061,250	10,582,878	10,235,342	10,598,482	10,294,661	9,053,857	8,704,611	8,444,799	7,973,554	7,905,659
Public Works	2,473,316	2,405,904	2,357,643	2,375,209	2,100,788	3,177,857	3,059,941	3,081,949	2,161,346	1,581,513
Public Health	379,657	371,645	441,393	370,965	333,173	262,506	251,116	321,012	299,613	284,418
Conservation-Recreation	1,164,436	1,024,652	864,692	904,227	880,593	700,110	767,675	637,275	790,637	677,737
Capital Outlay	2,358,617	2,669,454	3,559,244	4,392,040	5,767,518	4,297,370	1,856,821	1,900,534	2,043,643	3,042,638
Debt Service:										
Principal Retirement	1,700,000	1,565,000	2,035,000	1,625,000	4,355,000	1,575,000	1,405,000	17,110,000	1,405,000	1,170,000
Interest and Fiscal Charges	666,208	794,377	917,932	907,605	1,634,404	1,246,627	1,432,508	1,955,109	1,697,645	1,814,184
Note Issuance Cost	-	-	-	-	-	-	20,332	32,889	43,000	69,214
Total Expenditures	26,875,599	26,906,322	27,041,977	27,562,404	31,545,580	26,299,843	23,459,974	39,999,831	22,875,998	22,743,287
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>7,046,700</i>	<i>6,060,652</i>	<i>4,719,877</i>	<i>3,506,639</i>	<i>(1,098,820)</i>	<i>2,821,926</i>	<i>5,264,346</i>	<i>(11,724,205)</i>	<i>1,356,775</i>	<i>1,123,505</i>
Other Financing Sources (Uses)										
Advances In	-	-	-	-	-	-	-	-	-	-
Advances Out	-	-	-	-	-	-	-	-	-	-
Sale of Notes	-	-	-	-	-	-	-	-	-	-
Sale of Bonds	-	-	-	-	-	-	-	14,805,000	-	-
Sale of Assets	7,917	16,449	537,730	-	3,250,000	-	-	225,000	-	-
Other Financing Sources	-	-	-	-	-	-	-	580,988	99,286	106,696
Other Financing Uses	-	-	-	-	-	-	-	-	-	-
Transfers In	17,325,513	13,424,663	12,113,371	11,086,513	13,660,231	9,408,632	11,705,956	16,750,060	9,056,994	10,171,686
Transfers Out	(17,325,513)	(13,424,663)	(12,113,371)	(11,086,513)	(13,660,231)	(9,408,632)	(11,705,956)	(16,750,060)	(9,056,994)	(10,171,686)
Total Other Financing Sources (Uses)	7,917	16,449	537,730	-	3,250,000	-	-	15,610,988	99,286	106,696
Net Change in Fund Balances	\$ 7,054,617	\$ 6,077,101	\$ 5,257,607	\$ 3,506,639	\$ 2,151,180	\$ 2,821,926	\$ 5,264,346	\$ 3,886,783	\$ 1,456,061	\$ 1,230,201
Debt Service as a Percentage of Noncapital Expenditures	9.57%	9.52%	12.01%	11.46%	24.35%	12.70%	13.11%	49.54%	14.93%	14.79%

Deerfield Township
Warren County, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2018	\$ 1,143,366,480	\$ 3,266,761,371	\$ 30,217,970	\$ 34,338,602
2017	1,117,795,650	3,193,701,857	27,590,080	31,352,364
2016	1,093,952,250	3,125,577,857	26,988,830	30,669,125
2015	995,318,330	2,843,766,657	25,892,640	29,423,455
2014	995,318,330	2,843,766,657	25,892,640	29,423,455
2013	978,635,050	2,796,100,150	23,482,240	26,684,360
2012	967,997,930	2,765,708,370	21,345,790	24,256,580
2011	995,169,080	2,843,340,230	16,420,540	18,659,700
2010	991,947,720	2,834,136,343	7,985,970	9,074,966
2009	987,982,310	2,822,806,600	18,122,300	20,593,523

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

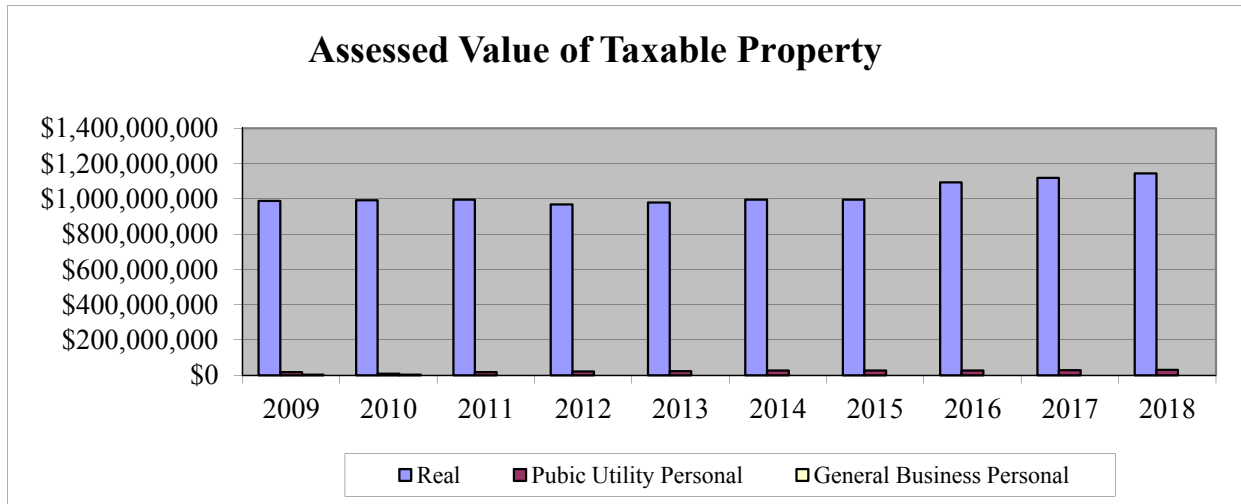
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed.

Source: County Auditor

Tangible Personal Property

General Business		Total			Ratio	Total Tax Rate Millage
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
\$ -	\$ -	\$ 1,173,584,450	\$ 3,301,099,974	35.55%	14.10	
-	-	1,145,385,730	3,225,054,221	35.52%	14.10	
-	-	1,120,941,080	3,156,246,982	35.51%	14.10	
-	-	1,021,210,970	2,873,190,112	35.54%	14.10	
-	-	1,021,210,970	2,873,190,112	35.54%	14.10	
-	-	1,002,117,290	2,822,784,510	35.50%	12.60	
-	-	989,343,720	2,789,964,950	35.46%	12.60	
-	-	999,933,690	2,843,211,309	35.17%	12.60	
2,386,730	-	1,002,320,420	2,843,211,309	35.25%	10.60	
2,777,610	44,441,760	1,008,882,220	2,887,841,883	34.94%	10.60	



Deerfield Township
Warren County, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund	0.86	0.86	0.86
Road and Bridge	1.44	1.44	1.44
Police	4.00	4.00	4.00
Fire	6.80	6.80	6.80
Park	1.00	1.00	1.00
Total Millage	<u><u>14.10</u></u>	<u><u>14.10</u></u>	<u><u>14.10</u></u>

Overlapping Rates by Taxing District

Mason City School District	82.79	83.11	83.11
City of Mason	6.72	6.72	6.72
Warren County	6.28	7.78	7.78
Warren County Career Center	4.50	4.50	4.50
Special Districts	1.50	1.50	1.50
Mason Public Library	0.50	0.75	0.75
Great Oaks JVSD	2.70	2.70	2.70

Source: County Auditor

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

2015	2014	2013	2012	2011	2010	2009
0.86	0.86	0.86	0.86	0.86	0.86	0.86
1.44	1.44	1.44	1.44	1.44	1.44	1.44
4.00	4.00	4.00	2.50	2.50	2.50	2.50
6.80	6.80	6.80	6.80	6.80	6.80	4.80
1.00	1.00	1.00	1.00	1.00	1.00	1.00
14.10	14.10	14.10	12.60	12.60	12.60	10.60

83.11	83.97	83.97	83.97	83.45	83.45	83.45
6.72	6.72	6.72	7.32	7.32	7.32	7.32
7.78	7.78	7.78	7.78	7.78	5.78	5.78
4.50	4.50	4.50	4.50	4.50	2.70	2.70
1.50	1.50	1.50	1.50	1.50	1.50	1.50
0.75	0.75	0.75	0.75	0.75	0.75	-
2.70	2.70	2.70	2.70	2.70	0.00	-

Deerfield Township
Warren County, Ohio
Principal Taxpayers - Real Estate Tax
2018 and 2009

<i>2018</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Duke Energy Ohio Inc	\$ 32,259,860	2.75%
Mason Family Resorts LLC	17,998,030	1.53%
Somerset At Deerfield	15,887,550	1.35%
Inland American Loveland	11,812,100	1.01%
Hills Properties, LDt	10,995,500	0.94%
Sir Mallard Crossing, LLC	10,812,790	0.92%
LSREF 4 Skyline (OHNE)	9,064,800	0.77%
CVG partners IV LLC	8,424,470	0.72%
GC Net Lease	8,279,400	0.71%
Kenwood Lincoln-Mercury	7,693,610	14.95%
Total	\$133,228,110	10.70%
Total Assessed Valuation	\$1,173,584,450	
<i>2009</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Duke Energy Ohio Inc	\$ 17,549,190	1.74%
Deerfield Reality Holding	16,779,530	1.66%
Duke Realty Ohio	9,830,420	0.97%
Community Insurance Co.	8,913,750	0.88%
Pasco Mallard Crossing	8,727,520	0.87%
Kenwood Lincoln-Mercury	8,226,280	0.82%
Nantucket Phase 1	7,652,050	0.76%
Facs Corp.	7,412,320	0.73%
Sterling Lakes Apts	6,284,240	0.62%
Northeastern Cincinnati Hotel	6,018,630	0.60%
Total	\$97,393,930	9.65%
Total Assessed Valuation	\$1,008,882,220	

Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2018 and 2009 collections were based.

Deerfield Township
Warren County, Ohio
Property Tax Levies And Collections
Last Ten Years

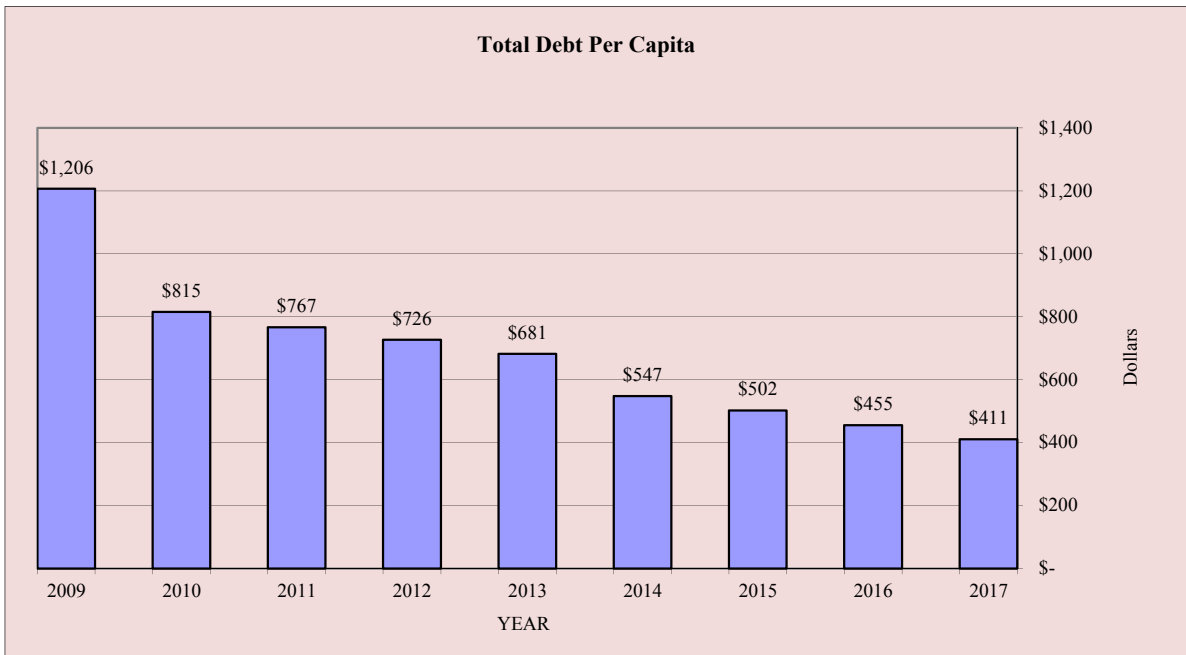
<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
2018	\$ 15,576,246	\$ 15,379,598	98.74%	\$ 124,366	\$ 15,503,964	99.54%	\$ 60,500	0.39%
2017	15,043,498	14,656,880	97.43%	170,051	14,826,931	98.56%	54,405	0.36%
2016	15,063,065	14,616,782	97.04%	227,276	14,844,058	98.55%	219,007	1.45%
2015	14,439,901	14,231,400	98.56%	179,234	14,410,634	99.80%	53,219	0.37%
2014	14,401,087	14,010,459	97.29%	171,758	14,182,217	98.48%	228,812	1.59%
2013	12,424,662	12,040,389	96.91%	188,340	12,228,729	98.42%	204,981	1.65%
2012	12,671,194	12,179,725	96.12%	194,633	12,374,358	97.66%	387,105	3.06%
2011	12,644,315	12,057,829	95.36%	193,760	12,251,589	96.89%	392,726	3.11%
2010	9,691,972	9,195,469	94.88%	196,168	9,391,637	96.90%	300,396	3.10%
2009	9,396,133	9,240,189	98.34%	225,644	9,396,133	100.00%	289,085	3.08%

Source: County Auditor

Deerfield Township
Warren County, Ohio
Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

Year	General Obligation Bonds	Special Assessment Bonds	Long-Term Notes	Total Debt	Percentage of Personal Income	Per Capita
2018	\$ -	\$ -	\$ 13,066,978	\$ 13,066,978	0.94 %	\$ 362
2017	\$ 155,000	\$ -	\$ 14,656,669	\$ 14,811,669	1.07 %	\$ 411
2016	\$ 245,000	\$ -	\$ 16,176,360	\$ 16,421,360	1.19 %	\$ 455
2015	\$ 875,000	\$ -	\$ 17,235,000	\$ 18,110,000	1.31 %	\$ 502
2014	\$ 1,080,000	\$ 75,000	\$ 18,580,000	\$ 19,735,000	1.43 %	\$ 547
2013	\$ 3,985,000	\$ 245,000	\$ 20,340,433	\$ 24,570,433	1.78 %	\$ 681
2012	\$ 4,180,000	\$ 405,000	\$ 21,605,124	\$ 26,190,124	1.96 %	\$ 726
2011	\$ 4,370,000	\$ 560,000	\$ 22,709,815	\$ 27,639,815	2.06 %	\$ 767
2010	\$ 5,010,000	\$ 710,000	\$ 23,655,000	\$ 29,375,000	2.19 %	\$ 815
2009	\$ 5,200,000	\$ 855,000	\$ 24,725,000	\$ 30,780,000	4.00 %	\$ 1,206

Source: Township Fiscal Office



Deerfield Township
Warren County, Ohio
*Ratio of General Obligation Bonded Debt to Assessed
Value and Bonded Debt Per Capita
Last Ten Years*

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2018	36,059 a	\$ 3,301,099,974	\$ -	0.00 %	-
2017	36,059 a	\$ 3,225,054,221	\$ 155,000	0.00 %	4.30
2016	36,059 a	\$ 3,156,246,982	\$ 245,000	0.01 %	6.79
2015	36,059 a	\$ 2,873,190,112	\$ 875,000	0.03 %	24.27
2014	36,059 a	\$ 2,873,190,112	\$ 1,080,000	0.04 %	29.95
2013	36,059 a	\$ 2,822,784,510	\$ 3,985,000	0.14 %	110.51
2012	36,059 a	\$ 2,789,964,950	\$ 4,180,000	0.15 %	115.92
2011	36,059 a	\$ 2,843,211,309	\$ 4,370,000	0.15 %	121.19
2010	36,059 a	\$ 2,843,211,309	\$ 5,010,000	0.18 %	138.94
2009	25,515 b	\$ 2,887,841,883	\$ 5,200,000	0.18 %	203.80

Sources:

- (1) U. S. Bureau of Census, Census of Population.
 - (a) 2010 Federal Census
 - (b) 2000 Federal Census
- (2) Warren County Auditor
- (3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

Deerfield Township
Warren County, Ohio

*Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2018*

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to Township (1)</u>	<u>Amount Applicable to Township</u>
Direct Debt			
Long-Term Notes	\$ 13,066,978	100%	\$ 13,066,978
<i>Total Direct Debt</i>	<u>13,066,978</u>		<u>13,066,978</u>
Overlapping			
Mason City School District	74,303,580 (2)	76.0%	56,470,721
Warren County	<u>12,835,353</u>	5.0%	<u>641,768</u>
<i>Total Overlapping Debt</i>	<u>87,138,933</u>		<u>57,112,489</u>
Total	<u><u>\$ 100,205,911</u></u>		<u><u>\$ 70,179,467</u></u>

Source: County Auditor

- (1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the Township by its total assessed valuation.
(2) Estimated.

Deerfield Township
Warren County, Ohio
Legal Debt Margin
Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Assessed Property Value	\$ 1,173,584,450	\$ 1,145,385,730	\$ 1,120,941,080	\$ 1,021,210,970	\$ 1,021,210,970	\$ 1,002,117,290	\$ 989,343,720	\$ 1,011,589,620	\$ 999,933,690	\$ 1,008,491,340
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	\$ 123,226,367	\$ 120,265,502	\$ 117,698,813	\$ 107,227,152	\$ 107,227,152	\$ 105,222,315	\$ 103,881,091	\$ 106,216,910	\$ 104,993,037	\$ 105,891,591
Total General Obligation Deb Outstanding	-	155,000	245,000	875,000	1,080,000	3,985,000	4,180,000	4,370,000	5,010,000	5,200,000
Less:										
General Debt Service Fund Balance	-	-	-	-	-	-	-	-	-	-
Total Net Debt Applicable to Debt Limit	-	155,000	245,000	875,000	1,080,000	3,985,000	4,180,000	4,370,000	5,010,000	5,200,000
Legal Debt Margin Within 10 ½ % Limitations	\$ 123,226,367	\$ 120,110,502	\$ 117,453,813	\$ 106,352,152	\$ 106,147,152	\$ 101,237,315	\$ 99,701,091	\$ 101,846,910	\$ 99,983,037	\$ 100,691,591
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	99.87%	99.79%	99.18%	98.99%	96.21%	95.98%	95.89%	95.23%	95.09%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$64,547,145	\$62,996,215	\$61,651,759	\$56,166,603	\$56,166,603	\$55,116,451	\$54,413,905	\$55,637,429	\$54,996,353	\$55,467,024
Total General Obligation Deb Outstanding	-	155,000	245,000	875,000	1,080,000	3,985,000	4,180,000	4,370,000	5,010,000	5,200,000
Less:										
General Debt Service Fund Balance	-	-	-	-	-	-	-	-	-	-
Net Debt Within 5 ½ % Limitations	-	155,000	245,000	875,000	1,080,000	3,985,000	4,180,000	4,370,000	5,010,000	5,200,000
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$ 64,547,145	\$ 62,841,215	\$ 61,406,759	\$ 55,291,603	\$ 55,086,603	\$ 51,131,451	\$ 50,233,905	\$ 51,267,429	\$ 49,986,353	\$ 50,267,024
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	99.75%	99.60%	98.44%	98.08%	92.77%	92.32%	92.15%	90.89%	90.63%

Source: County Auditor and Township Financial Records

Deerfield Township
Warren County, Ohio
Principal Employers
Ranked by Number of Full-Time Employees

2018		
Employer	FTEs	Percentage of Total Employed In Warren County
Macy's Credit and Customer Service -Financial Transactions Processing	2,154	1.86%
Well Point -Health Insurance	1,748	1.51%
Express Scripts -Healthcare	700	0.61%
Cengage Learning Inc. -Educational Support Services	575	0.50%
General Revenue Corp -Financial Collections	349	0.30%
Med Plus -Healthcare	300	0.26%
Down Lite International -Textile Product Mills	266	0.23%
Parallon -Healthcare	250	0.22%
Clopay Corporation -Manufacturing	224	0.19%

Source: Warren County Office of Economic Development

Note - Comparative data for 2009 is not available. As such, only 2018 data is presented.

Deerfield Township
Warren County, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Warren County Unemployment Rate (3)	Median Value of Residential Property (1)	Total Assessed Property Value (4)
2018	36,059	\$ 1,584,937,286	\$ 43,954	\$ 88,977	36.9	14,967	15,034	2.70%	\$ 230,800	\$ 1,173,584,450
2017	36,059	\$ 1,524,466,343	\$ 42,277	\$ 83,023	36	14,628	15,050	3.60%	\$ 228,100	\$ 1,145,385,730
2016	36,059	\$ 1,471,207,200	\$ 40,800	\$ 85,599	37.2	13,879	15,043	3.90%	\$ 221,500	\$ 1,120,941,080
2015	36,059	\$ 1,439,367,103	\$ 39,917	\$ 98,050	35.5	13,423	11,264	3.90%	\$ 220,800	\$ 1,021,210,970
2014	36,059	\$ 1,458,586,550	\$ 40,450	\$ 84,543	35.1	13,264	11,700	4.80%	\$ 217,700	\$ 1,021,210,970
2013	36,059	\$ 1,384,016,538	\$ 38,382	\$ 79,137	35.2	12,423	11,844	6.30%	\$ 218,400	\$ 1,002,117,290
2012	36,059	\$ 1,319,218,515	\$ 36,585	\$ 84,028	38.8	12,694	15,219	6.30%	\$ 217,400	\$ 989,343,720
2011	36,059	\$ 1,294,304,054	\$ 35,894	\$ 80,320	34.8	12,301	11,084	6.20%	\$ 223,600	\$ 1,011,589,620
2010	36,059	\$ 1,339,159,142	\$ 37,138	\$ 84,252	35.8	10,184	9,563	7.60%	\$ 227,900	\$ 999,933,690
2009	25,515	\$ 769,991,670	\$ 30,178	\$ 71,800	33.4	7,962	9,563	9.60%	\$ 164,800	\$ 1,008,491,340

(1) Source: U. S. Census Bureau

(2) Source: Mason City School District and Kings Local School District (for 2011 and prior, enrollment includes Mason City School District only)

(3) Source: Ohio Bureau of Employment Services

(4) Source: County Auditor

(5) Total personal income is the computation of per capita personal income multiplied by population.

**Deerfield Township
Warren County, Ohio**

*Full-Time Equivalent Township Government Employees by Function/Program
Last Ten Years*

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Trustees	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fiscal	1.00	1.00	1.00	1.00	3.50	3.50	3.50	3.50	3.50	2.50
Finance	2.50	2.50	2.50	2.50	-	-	-	-	-	-
Administration	7.00	7.00	7.00	7.00	7.00	6.50	6.50	6.50	9.00	9.00
Human Resources	1.00	1.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Economic Development/Public Relations	1.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.00
Public Safety										
Police	28.00	28.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Fire	60.00	60.00	60.50	60.50	60.50	60.50	60.50	60.50	65.50	102.50
Fire - Secretary - Other	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50
Cemetery	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Leisure Time Activities										
Parks	6.00	6.00	6.00	6.00	4.50	4.50	4.50	4.50	5.00	5.00
Public Works										
	10.00	10.00	9.00	9.00	9.00	9.00	9.00	9.00	8.00	8.00
Totals:	<u>121.50</u>	<u>121.50</u>	<u>119.00</u>	<u>119.00</u>	<u>117.50</u>	<u>117.00</u>	<u>117.00</u>	<u>117.50</u>	<u>125.00</u>	<u>161.00</u>

Source: Township Fiscal Office

Method: Using 1.0 for each full-time employee and 0.50 for each part-time employee at year end. (Seasonal employees were not included).

Deerfield Township
Warren County, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
<i>Board of Trustees</i>										
Number of resolutions passed	74	84	82	82	65	74	48	57	63	96
Number of zoning docket items	11	14	13	13	9	9	10	14	5	12
Zoning Board of Appeals docket items	8	5	7	2	7	9	12	14	8	7
<i>Fiscal Office</i>										
Number of checks/ vouchers issued	1,929	2,088	2,032	1,839	1,812	1,771	1,899	1,855	1,911	1,998
Amount of checks written	\$11,609,826	\$13,073,594	\$10,353,566	\$10,924,225	\$10,932,406	\$10,233,942	\$9,117,668	\$9,560,558	\$8,460,956	\$9,154,851
Interest earnings for fiscal year (cash basis)	\$144,767	\$19,518	\$1,972	\$1,638	\$5,730	\$9,159	\$12,908	\$12,421	\$40,546	\$241,805
Number of receipts issued			843	969	1,066	905	1,241	1,189	1,213	1,065
Agency Ratings - Moody's Financial Services	Aa1	Aa1	AA2	AA2	AA2	AA2	AA2	AA2	AA2	AA2
Health insurance costs vs General Fund expenditures %	14.00%	13.80%	12.10%	10.90%	9.60%	8.04%	3.60%	3.90%	3.31%	5.03%
General Fund receipts (cash basis in thousands)	\$3,834,830	\$3,929,158	\$5,664,194	\$5,298,033	\$8,419,928	\$7,798,294	\$6,782,852	\$6,084,326	\$3,073,704	\$5,924,230
General Fund expenditures (cash basis in thousands)	\$3,521,328	\$6,329,259	\$5,299,922	\$4,479,452	\$4,964,660	\$4,597,202	\$4,860,714	\$5,460,700	\$4,697,660	\$4,355,767
General Fund cash balances (in thousands)	\$9,271,445	\$9,015,963	\$11,416,064	\$11,051,793	\$10,233,212	\$10,010,779	\$6,809,687	\$4,887,548	\$4,263,922	\$5,869,306
<i>Community Development</i>										
Number of permits issued	685	519	413	323	290	396	348	463	432	327
Revenue generated from permits	\$141,793	\$103,730	\$70,379	\$55,498	\$56,394	\$70,195	\$54,383	\$78,562	\$56,562	\$43,856
Public Safety										
<i>Fire</i>										
EMS calls	3,096	2,766	2,308	2,807	2,532	2,473	2,533	2,238	2,386	2,288
Ambulance billing collections (net)	\$672,766	\$639,441	\$633,367	\$597,764	\$593,664	\$580,547	\$586,444	\$473,202	\$517,129	\$667,919
Fire calls	1,451	1,275	1,615	1,169	1,237	1,080	1,104	1,008	1,186	1,120
Fires with loss	24	14	16	24	93	22	22	142	29	26
Fires with losses exceeding \$10K	5	6	5	16	5	6	6	9	7	2
Fire losses \$	\$171,200	\$88,050	\$108,720	\$198,700	\$352,250	\$406,850	\$369,939	\$338,855	\$8,744	\$207,650
Fire safety inspections	328	566	814	756	741	734	699	465	645	367
<i>Cemetery</i>										
Cemetery burials	106	100	114	128	127	118	114	124	137	130
Cemetery cremations	44	32	44	31	26	40	18	23	23	9
Cemetery sale of lots	120	122	108	134	119	162	107	56	60	170
Cemetery receipts	\$303,567	\$295,922	\$318,166	\$350,022	\$300,925	\$382,302	\$213,427	\$224,397	\$179,790	\$439,231
Conservation-Recreation										
<i>Parks</i>										
Shelter rentals	\$16,900	\$24,250	\$25,500	\$14,407	\$18,150	\$8,550	\$1,100	\$14,725	\$14,725	\$17,218
Public Works										
Road salt applied (tons)	2,028	1,246	1,706	2,127	3,650	2,605	1,870	1,900	2,500	1,900
Asphalt used for street repairs (tons)	8,120	4,663	4,569	3,999	6,007	7,088	6,800	6,967	5,354	6,967
Gravel used for street repairs (tons)	115	156	56	355	298	47	310	180	173	180
Leaves collected and recycled (cubic yards)	1,682	941	1,055	990	1,094	1,800	1,110	2,300	2,300	2,300
Street repair (hours)	9,686	10,063	9,079	9,044	9,223	10,247	11,784	10,480	13,800	10,480

Source: Township Records

Deerfield Township
Warren County, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Square Footage of Building	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400
Administrative Vehicles	4	4	4	4	4	5	5	5	8	8
Fire										
Stations	3	3	3	3	3	3	3	3	4	4
Square Footage of Building	31,283	31,283	31,283	31,283	31,283	21,283	21,283	21,283	22,640	22,640
Vehicles	21	21	21	27	27	25	25	25	22	22
Recreation										
Number of Parks	12	12	11	11	11	10	10	10	10	10
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	6
Number of Baseball Diamonds	7	7	7	7	7	7	7	7	7	7
Number of Tot Lots	4	4	4	4	4	4	4	4	4	4
Number of Soccer Fields	8	8	8	8	8	8	8	8	8	8
Vehicles	10	10	9	9	9	9	8	8	8	8
Public Works										
Streets Maintained (miles)	107	107	107	107	107	107	107	107	107	105
Service Vehicles	32	32	31	31	31	31	31	31	31	30

Source: Township Records

OHIO AUDITOR OF STATE
KEITH FABER



DEERFIELD TOWNSHIP

WARREN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 6, 2019**