

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

For the Year Ended December 31, 2023

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts						
Property and Other Local Taxes	\$381,730	\$2,827,962	\$212,136	\$0	\$0	\$3,421,828
Charges for Services	0	0	0	0	0	0
Licenses, Permits and Fees	23,970	8,685	0	0	0	32,655
Fines and Forfeitures	0	0	0	0	0	0
Intergovernmental	152,981	478,932	0	0	0	631,913
Special Assessments	0	0	0	0	0	0
Earnings on Investments	46,599	30,880	0	0	0	77,479
Miscellaneous	37,993	26,481	0	27,035	0	91,509
<i>Total Cash Receipts</i>	<u>643,273</u>	<u>3,372,940</u>	<u>212,136</u>	<u>27,035</u>	<u>0</u>	<u>4,255,384</u>
Cash Disbursements						
Current:						
General Government	677,777	200,315	0	0	0	878,092
Public Safety	0	1,324,223	0	0	0	1,324,223
Public Works	265	1,882,607	0	0	0	1,882,872
Health	768	155,108	0	0	0	155,876
Human Services	0	0	0	0	0	0
Conservation-Recreation	53,230	0	0	0	0	53,230
Other	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Capital Outlay	3,500	243,583	0	0	0	247,083
Debt Service:						
Principal Retirement	0	0	153,000	0	0	153,000
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	59,136	0	0	59,136
<i>Total Cash Disbursements</i>	<u>735,540</u>	<u>3,805,836</u>	<u>212,136</u>	<u>0</u>	<u>0</u>	<u>4,753,512</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(92,267)</u>	<u>(432,896)</u>	<u>0</u>	<u>27,035</u>	<u>0</u>	<u>(498,128)</u>
Other Financing Receipts (Disbursements)						
Sale of Bonds	0	0	0	0	0	0
Sale of Refunding Bonds	0	0	0	0	0	0
Sale of Notes	0	0	0	0	0	0
Loans Issued	0	0	0	0	0	0
Other Debt Proceeds	0	0	0	0	0	0
Premium and Accrued Interest on Debt	0	0	0	0	0	0
Discount on Debt	0	0	0	0	0	0

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

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

For the Year Ended December 31, 2023

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0
Sale of Capital Assets	0	0	0	0	0	0
Transfers In	0	27,000	0	60,000	0	87,000
Transfers Out	(27,000)	(60,000)	0	0	0	(87,000)
Advances In	0	0	0	0	0	0
Advances Out	0	0	0	0	0	0
Other Financing Sources	0	0	0	0	0	0
Other Financing Uses	0	0	0	0	0	0
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(27,000)</u>	<u>(33,000)</u>	<u>0</u>	<u>60,000</u>	<u>0</u>	<u>0</u>
Special Item	0	0	0	0	0	0
Extraordinary Item	0	0	0	0	0	0
<i>Net Change in Fund Cash Balances</i>	<u>(119,267)</u>	<u>(465,896)</u>	<u>0</u>	<u>87,035</u>	<u>0</u>	<u>(498,128)</u>
<i>Fund Cash Balances, January 1</i>	<u>393,753</u>	<u>1,869,371</u>	<u>0</u>	<u>29,919</u>	<u>0</u>	<u>2,293,043</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$274,486</u></u>	<u><u>\$1,403,475</u></u>	<u><u>\$0</u></u>	<u><u>\$116,954</u></u>	<u><u>\$0</u></u>	<u><u>\$1,794,915</u></u>

Auburn Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Auburn Township, Geauga County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance. The Township contracts with the Auburn Volunteer Fire Department to provide fire services and to provide ambulance services

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

The Township participates in one jointly governed organization, The Auburn Bainbridge Joint Recreation Board, DBA Kenston Community Education (KCE). The Township participates in one Public Entity Risk Pool, The Ohio Township Risk Management Authority (OTARMA). Notes 8 and 15 to the financial statements provide additional information for these entities. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Special Fire Levy Fund The special fire levy fund accounts for and reports property tax (inside millage) committed for fire and EMS services provided within the Township and to surrounding townships through mutual aid agreement.

Road and Bridge Fund The road and bridge fund accounts for and reports property tax committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.

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Gas Tax Fund The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Motor Vehicle License Tax Fund The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

Permissive Motor Vehicle License Tax Fund The permissive motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

American Rescue Plan Act Fund (ARPA) State and Local Fiscal Recovery Funds (SLFRF) The ARPA/SLFRF Fund is non-recurring direct funding from the U.S. Department of Treasury for use of non-recurring expenditures that will benefit the recovery of the community from the effects of the COVID-19 Pandemic and support long-term growth and opportunity.

Museum and Cemetery Fund These funds were established to represent a one-time donation from the Auburn Community Church in 2021 to be used exclusively for the restoring and improvement of the structure of the Museum and the repairing and restoring of grave markers, monuments, and foundations at the cemetery.

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

General Bond Retirement Fund The bond retirement fund accounts for and reports resources restricted for the retirement of debt issued to finance public improvements.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Miscellaneous Capital Projects Fund These funds account for and report resources allocated for the acquisition and improvement of Township real property.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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For the Year Ended December 31, 2023

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

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

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2023 budgetary activity appears in Note 4.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values U.S. Treasury Notes and common stock at cost. Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 19.

Note 3 – Compliance

There are no material compliance issues for fiscal year 2023.

Auburn Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023, follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$518,187	\$643,272	\$125,085
Special Revenue	3,190,984	3,399,939	208,955
Debt Service	180,100	212,136	32,036
Capital Projects	60,000	87,035	27,035
Internal Service	0	0	0
Permanent	0	0	0
Fiduciary	0	0	0
Total	\$3,949,271	\$4,342,381	\$393,110

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$910,207	\$762,539	\$147,667
Special Revenue	4,560,981	3,865,834	695,147
Debt Service	212,136	212,136	0
Capital Projects	29,655	0	29,655
Internal Service	0	0	0
Permanent	0	0	0
Fiduciary	0	0	0
Total	\$5,712,979	\$4,840,509	\$872,470

Note 5 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

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

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$647,222
Certificates of deposit	0
Other time deposits (savings and NOW accounts)	0
Total deposits	647,222
U.S. Treasury Notes	0
STAR Ohio	1,158,646
Repurchase agreement	0
Common stock (at cost, fair value was \$X,XXX at December 31, 20XCXY)	0
Total investments	1,158,646
<i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i>	\$1,805,868

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through 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

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 6 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

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

Note 7 – Interfund Balances

There were no outstanding advances at December 31, 2023.

Note 8 – Risk Management

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

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2022:

Cash and investments \$ 32,288,098
 Actuarial liabilities \$ 9,146,434

Workers’ Compensation

Workers’ Compensation coverage is provided by the State of Ohio. The Township pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Several Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2023.

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

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Social Security

Some Township employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Note 10 – Postemployment Benefits

Both OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2023. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 0 percent during calendar year 2023.

Note 11 – Debt

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
Township Building Construction Refunding 2016 Bond		
Series 2021 Bond	\$1,925,000	1.60%
Township Fire Station Improvement Refunding 2011 Bond		
Series 2021 Bond	\$1,618,000	1.60%
Total	\$3,543,000	

Amortization

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

Year Ending December 31:	Leases	General Obligation Bonds	General Obligation Notes
2024-2028		1,102,280	0
2029-2033		1,181,944	0
2034-2038		1,274,696	0
2039-2040		538,704	0
Total	\$0	\$4,097,624	\$0

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

Note 12 – Construction and Contractual Commitments

The Township does not have any current significant construction or contractual commitments.

Note 13 – Contingent Liabilities

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. As of December 31, 2023, these amounts were principally those received through the 2021 American Rescue Plan Act for COVID 19 related expenses. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow if any.

Note 14 – Joint Ventures

The Township is not involved in any joint ventures.

Note 15 – Jointly Governed Organizations

The Auburn Bainbridge Joint Recreation Board, DBA Kenston Community Education (KCE) represents Auburn Township, Bainbridge Township and the Kenston Local School District. It provides recreational and enrichment programming for the benefit of citizens of the participating townships. Auburn Township appoints three representatives to the organization’s nine-member board and provides annual funding to the board from the Township’s general fund.

In Fiscal Year 2023, the Township contributed \$5,000 to KCE in the form of one lump sum payment.

Separately-audited statements for KCE can be obtained from Jennifer Moore, KCE Executive Director at 9421 Bainbridge Rd, Chagrin Falls, OH 44023. jmoore@kenstoncommunityed.org

Note 16 – Public Entity Risk Pool

The Township participates in one Public Entity Risk Pool. The Ohio Township Association Risk Management Authority (OTARMA) is a risk-sharing pool available to Ohio Townships. OTARMA provides property, casualty, and liability coverage. Note 8 to the financial statements provides additional information for this entity.

Note 17 – Related Organizations

The Township is not accountable to any related organizations.

Note 18 – Related Party Transactions

The township has not been a party to any related party transactions.

Auburn Township
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 19 – Fund Balances

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Nonspendable:						
Unclaimed Monies	\$0		\$0	\$0	\$0	\$0
Corpus	124,120	60,000	0	0	0	184,120
Outstanding Encumbrances	0	24,019	214,688	60,000	0	298,707
Total	\$124,120	\$84,019	\$214,688	\$60,000	\$0	\$482,827

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 20 – Subsequent Events

There are no material debt issuances, uninsured losses, new tax levies or other material revenues or expenditures incurred subsequent to the financial statement date which would affect the financial statement or otherwise require reporting.

Note 21 – Change in Accounting Principle

For 2023, the Township has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

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Note 22 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2021 and 2022, the Township received American Rescue Plan (ARP) Act funding totaling \$682,758.77. Of the amounts received, \$239,689.87 was sub-granted to the Auburn Volunteer Fire Department. These amounts are reflected as general government expenditures in the ARPA Fund on the accompanying financial statements.