



Miami Township
Montgomery County, Ohio

Financial Statements for
The Year Ended

December 31, 2017

UNAUDITED

Miami Township
Montgomery County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
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This discussion and analysis of Miami Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2017, within the limitations of the Township's modified cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting.

Report Components

The statement of net position - modified cash basis and the statement of activities - modified cash basis provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenditures (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the Township as a Whole

The statement of net position - modified cash basis and the statement of activities - modified cash basis reflect how the Township did financially during 2017, within the limitations of the modified cash basis accounting. The statement of net position - modified cash basis presents the pooled cash and investment balances of the governmental activities of the Township at year-end. The statement of activities - modified cash basis compares cash disbursements with program receipts for each governmental program.

Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash receipts are all receipts not classified as program receipts. The comparison of cash

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disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net position - modified cash basis and the statement of activities - modified cash basis, the Township has only governmental activities. The Township's basic services are reported here, including general government, public safety, public works, economic development and conservation-recreation. Property taxes and intergovernmental receipts finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted for a specific use is being spent for the intended purpose.

All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General, Police, Fire, Road and Bridge, and Austin TIF East Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 summarizes the Township's net position for 2017 compared to 2016 on a modified cash basis:

Table 1: Net Position

	Governmental Activities	
	2017	2016
Assets		
Equity in Pooled Cash, Cash Equivalents and Investments	\$19,884,191	\$18,368,660
Total Assets	\$19,884,191	\$18,368,660

Net Position

Restricted for:

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Police	\$2,151,315	\$1,633,219
Fire	4,839,336	5,236,291
Austin TIF-East	3,469,576	2,786,995
Other Purposes	2,699,952	2,762,632
Unrestricted	6,724,012	5,949,523
Total Net Position	\$19,884,191	\$18,368,660

Net position of governmental activities increased \$1.5 million in 2017. The increase in net position was mostly due to TIF and property tax revenues.

Table 2 compares the changes in net position from 2016 to 2017 on a modified cash basis.

Table 2: Changes in Net Position

	Governmental Activities	
	2017	2016
Receipts		
Property and Other Local Taxes	\$11,124,946	\$11,204,181
Unrestricted Grants and Entitlements	1,948,325	2,683,685
Payments in Lieu of Taxes	5,756,689	5,282,261
Operating Grants and Contributions	110,435	313,725
Earnings on Investments	195,789	148,690
Charges for Services and Sales	81,498	312,822
Special Assessments	422,504	403,169
Cable Franchise Fees	359,281	400,133
Miscellaneous	335,164	243,666
Total Receipts	\$20,253,133	\$20,992,332
Disbursements:		
General Government	2,580,367	2,367,080
Public Safety	10,488,167	10,268,895
Public Works	1,859,524	2,036,779
Economic Development	361,443	355,487
Conservation & Recreation	327,555	240,570
Capital Outlay	391,892	226,931
Debt Service:		
Principal Retirement	2,390,069	2,331,649
Interest and Fiscal Charges	1,875,782	2,149,545
Total Disbursements	\$20,274,799	\$19,976,936
Change in Net Position	\$1,515,530	\$1,015,396
Net Position, January 1	\$18,368,660	\$17,353,264
Net Position, December 31	\$19,884,191	\$18,368,660

Fifty-five percent (55%) of the Township's 2017 general receipts were from property and other local taxes with Payments in Lieu of Taxes accounting for another 28% of general receipts. Local government funds, special assessments, franchise fees, miscellaneous receipts and interest income make up the balance of the Township's general receipts.

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Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of the board of trustees, the administrator's office, finance, compliance, and community development. Since these costs do not represent direct services to residents, we try to limit these costs to 10% of General Fund unrestricted receipts.

Public Safety is the cost of police and fire protection; Public Works is the cost of road maintenance, building maintenance, and vehicle maintenance. Economic Development is the cost of promoting industrial and commercial development. Conservation & Recreation activities are the costs of maintaining the parks.

Governmental Activities

If you look at the Statement of Activities for 2017, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public safety. The two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The Net (Disbursements) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service, which is paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3: Governmental Activities

	Total Cost of Services 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
General Government	\$2,580,367	\$(2,580,367)	\$2,367,080	\$(2,330,640)
Public Safety	10,488,167	(9,537,508)	10,268,895	(10,139,079)
Public Works	1,859,524	(1,272,987)	2,036,779	(1,576,488)
Economic Development	361,443	(361,443)	355,487	(355,487)
Conservation-Recreation	327,555	(327,555)	240,570	(240,570)
Capital Outlay	391,892	(391,892)	226,931	(226,931)
Principal Retirement	2,390,069	(2,390,069)	2,331,649	(2,331,649)
Interest and Fiscal Charges	1,875,782	(1,875,782)	2,149,545	(2,149,545)
Total Expenses	\$20,274,799	\$(18,737,603)	\$19,976,936	\$(19,350,389)

The Township's Funds

Total governmental funds had receipts (excluding other financing sources) of \$20,253,133 and \$20,365,785 for 2017 and 2016 respectively. Disbursements (excluding other financing uses) were \$20,274,799 and \$19,976,936, respectively.

General Fund 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 most significant budgeted fund is the General Fund.

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During 2017, the Township amended its General Fund budget to reflect increased costs for general government. Final disbursements were budgeted at \$2,767,613 while actual disbursements were \$2,114,508. Actual spending was \$653,104 less than final appropriations. Final receipts were budgeted at \$2,715,679 while actual receipts were \$2,874,213.

Capital Assets and Debt Administration

Capital Assets

The Township has chosen not to report capital assets and infrastructure. The Township reports the acquisition of capital assets as disbursements in the statement of activities and statement of cash receipts, disbursements, and changes in fund balances.

Debt

In 2015, the Township issued bonds for various purposes including the prepayment of the certificates of participation that had been issued for the construction of the township administration building. Bonds were also issued to retire the bond anticipation notes that had been issued for the construction of Austin Landing, the Austin Rd interchange with I-75 and related projects. At December 31, 2017, the Township had \$19,414,200 outstanding on these bonds.

In 2010, the Township issued bonds totaling \$8,550,000 for the construction of a new fire station and a new public works facility. At December 31, 2017, the Township had \$6,490,000 outstanding on these bonds.

In 2008 and 2010, the Township issued bonds which are special obligations of the Montgomery County Transportation Improvement District for Austin Landing, Kingsridge Drive, Austin Road interchange, and other related projects. At December 31, 2017, the Township had \$19,284,455 outstanding on these bonds.

The Township also has loans through the State Infrastructure Bank for the Byers Road relocation and Austin Boulevard project. At December 31, 2017, the Township had \$897,347 outstanding on these loans.

Additional information on the Township's debt can be found in Notes 10 and 11 to the financial statements.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited funding. We rely heavily on property taxes so it is imperative that we continue to enhance our property tax base while maintaining an attractive mix of residential, retail, commercial, and green space property.

Contacting the Township's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Fiscal Officer, Miami Township, 2700 Lyons Road, Miamisburg, Ohio 45342.

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Statement of Net Position - Modified Cash Basis
December, 31, 2017

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	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents and Investments	19,884,190.76
<i>Total Assets</i>	19,884,190.76
 Net Position	
Restricted for:	
Police	2,151,315.05
Fire	4,839,336.33
Austin TIF-East	3,469,575.64
Other Programs	2,699,951.68
Unrestricted	6,724,012.06
<i>Total Net Position</i>	19,884,190.76

See accompanying notes to the basic financial statements

Miami Township
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Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2017
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	<u>Program Cash Receipts</u>			Net (Disbursements) Receipts and Changes in Net Position	
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities					
Current:					
General Government	\$ 2,580,367.27	-	-	-	\$ (2,580,367.27)
Public Safety	10,488,167.09	81,497.85	869,161.51	-	(9,537,507.73)
Public Works	1,859,523.88	-	586,536.91	-	(1,272,986.97)
Economic Development	361,443.28	-	-	-	(361,443.28)
Conservation-Recreation	327,555.06	-	-	-	(327,555.06)
Capital Outlay	391,891.69	-	-	-	(391,891.69)
Debt Service:					
Principal Retirement	2,390,068.93	-	-	-	(2,390,068.93)
Interest and Fiscal Charges	1,875,782.01	-	-	-	(1,875,782.01)
<i>Total Governmental Activities</i>	<u>20,274,799.21</u>	<u>81,497.85</u>	<u>1,455,698.42</u>	<u>-</u>	<u>(18,737,602.94)</u>
Business Type Activity					
					-
Total Primary Government	<u><u>20,274,799.21</u></u>	<u><u>81,497.85</u></u>	<u><u>1,455,698.42</u></u>	<u><u>-</u></u>	<u><u>(18,737,602.94)</u></u>
General Receipts:					
Property Taxes Levied for:					
					10,668,859.73
					456,086.29
					110,434.69
					422,504.50
					1,948,325.32
					5,756,688.63
					359,281.11
					195,789.26
					335,163.84
					<u>20,253,133.37</u>
					1,515,530.43
					18,368,660.33
					<u>\$ 19,884,190.76</u>

See accompanying notes to the basic financial statements

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Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
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	General	Road & Bridge Fund	Police Fund	Fire Fund	Austin TIF-East Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents and Investments	4,436,249.76	2,287,762.30	2,151,315.05	4,839,336.33	3,469,575.64	2,699,951.68	19,884,190.76
<i>Total Assets</i>	<u>4,436,249.76</u>	<u>2,287,762.30</u>	<u>2,151,315.05</u>	<u>4,839,336.33</u>	<u>3,469,575.64</u>	<u>2,699,951.68</u>	<u>19,884,190.76</u>
Fund Balances							
Restricted	-	-	2,023,070.85	4,839,336.33	3,462,183.29	2,663,092.83	12,987,683.30
Committed	-	2,285,262.30	-	-	-	-	2,285,262.30
Assigned	95,393.48	2,500.00	128,244.20	-	7,392.35	36,858.85	270,388.88
Unassigned (Deficit)	<u>4,340,856.28</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,340,856.28</u>
<i>Total Fund Balances</i>	<u>4,436,249.76</u>	<u>2,287,762.30</u>	<u>2,151,315.05</u>	<u>4,839,336.33</u>	<u>3,469,575.64</u>	<u>2,699,951.68</u>	<u>19,884,190.76</u>

See accompanying notes to the basic financial statements

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Statement of Receipts, Disbursements and Changes Fund Balances - Modified Cash Basis
Governmental Funds
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	General	Road & Bridge Fund	Police Fund	Fire Fund	Austin TIF-East Fund	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$ 622,643.84	\$ 1,220,626.34	\$ 5,554,308.69	\$ 3,727,367.15	\$ -	\$ -	\$11,124,946.02
Charges for Services	-	81,252.97	-	244.88	-	-	81,497.85
Licenses, Permits and Fees	359,281.11	-	-	-	-	-	359,281.11
Fines and Forfeitures	-	-	46,673.72	-	-	63,760.97	110,434.69
Intergovernmental	1,523,317.86	249,099.51	427,445.50	763,228.26	-	440,932.61	3,404,023.74
Special Assessments	12,726.47	-	-	-	-	409,778.03	422,504.50
Payments in Lieu of Taxes	80,000.00	-	-	-	4,129,907.55	1,546,781.08	5,756,688.63
Earnings on Investments	195,789.26	-	-	-	-	-	195,789.26
Miscellaneous	80,454.11	34,048.20	107,429.43	-	96,575.34	16,656.76	335,163.84
<i>Total Receipts</i>	<u>\$ 2,874,212.65</u>	<u>\$ 1,585,027.02</u>	<u>\$ 6,135,857.34</u>	<u>\$ 4,490,840.29</u>	<u>\$ 4,226,482.89</u>	<u>\$ 2,477,909.45</u>	<u>\$21,790,329.64</u>
Disbursements							
Current:							
General Government	\$ 1,203,205.68	\$ -	\$ -	\$ -	\$ 447,343.91	\$ 929,817.68	\$ 2,580,367.27
Public Safety	-	-	5,508,095.99	4,573,558.73	-	406,512.37	10,488,167.09
Public Works	94,566.40	1,450,142.98	-	-	-	314,814.50	1,859,523.88
Health	-	-	-	-	-	-	-
Economic Development	361,443.28	-	-	-	-	-	361,443.28
Human Services	-	-	-	-	-	-	-
Conservation-Recreation	272,043.00	-	-	-	-	55,512.06	327,555.06
Other	-	-	-	-	-	-	-
Capital Outlay	-	21,153.00	109,665.58	-	9,000.00	252,073.11	391,891.69
Debt Service:							
Principal Retirement	100,000.00	188,500.00	-	136,500.00	1,583,895.77	381,173.16	2,390,068.93
Interest and Fiscal Charges	83,250.00	245,445.84	-	177,736.66	1,168,661.99	200,687.52	1,875,782.01
<i>Total Disbursements</i>	<u>\$ 2,114,508.36</u>	<u>\$ 1,905,241.82</u>	<u>\$ 5,617,761.57</u>	<u>\$ 4,887,795.39</u>	<u>\$ 3,208,901.67</u>	<u>\$ 2,540,590.40</u>	<u>\$20,274,799.21</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>\$ 759,704.29</u>	<u>\$ (320,214.80)</u>	<u>\$ 518,095.77</u>	<u>\$ (396,955.10)</u>	<u>\$ 1,017,581.22</u>	<u>\$ (62,680.95)</u>	<u>\$ 1,515,530.43</u>
Other Financing Sources (Uses)							
Transfers In	\$ -	\$ 335,000.00	\$ -	\$ -	\$ -	\$ -	\$ 335,000.00
Transfers Out	-	-	-	-	(335,000.00)	-	(335,000.00)
<i>Total Other Financing Sources (Uses)</i>	<u>\$ -</u>	<u>\$ 335,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (335,000.00)</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net Change in Fund Balances</i>	759,704.29	14,785.20	518,095.77	(396,955.10)	682,581.22	(62,680.95)	1,515,530.43
<i>Fund Balances Beginning of Year</i>	<u>\$ 3,676,545.47</u>	<u>\$ 2,272,977.10</u>	<u>\$ 1,633,219.28</u>	<u>\$ 5,236,291.43</u>	<u>\$ 2,786,994.42</u>	<u>\$ 2,762,632.63</u>	<u>\$18,368,660.33</u>
<i>Fund Balances End of Year</i>	<u>\$ 4,436,249.76</u>	<u>\$ 2,287,762.30</u>	<u>\$ 2,151,315.05</u>	<u>\$ 4,839,336.33</u>	<u>\$ 3,469,575.64</u>	<u>\$ 2,699,951.68</u>	<u>\$19,884,190.76</u>

See accompanying notes to the basic financial statements

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Statement of Receipts, Disbursements and Changes
In Fund Balances - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2017

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	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 543,700.00	\$ 543,700.00	\$ 622,643.84	\$ 78,943.84
Charges for Services	-	-	-	-
Licenses, Permits and Fees	430,000.00	430,000.00	359,281.11	(70,718.89)
Fines and Forfeitures	-	-	-	-
Intergovernmental	1,464,479.00	1,464,479.00	1,523,317.86	58,838.86
Special Assessments	-	-	12,726.47	12,726.47
Payments in Lieu of Taxes	80,000.00	80,000.00	80,000.00	-
Earnings on Investments	160,000.00	160,000.00	195,789.26	35,789.26
Miscellaneous	37,500.00	37,500.00	80,454.11	42,954.11
<i>Total Receipts</i>	2,715,679.00	2,715,679.00	2,874,212.65	158,533.65
Disbursements				
Current:				
General Government	1,623,342.00	1,926,083.17	1,203,205.68	722,877.49
Public Safety	-	-	-	-
Public Works	125,914.00	105,904.00	94,566.40	11,337.60
Health	-	-	-	-
Economic Development	445,941.00	445,941.00	361,443.28	84,497.72
Human Services	-	-	-	-
Conservation-Recreation	289,685.00	289,685.00	272,043.00	17,642.00
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	100,000.00	(100,000.00)
Interest and Fiscal Charges	-	-	83,250.00	(83,250.00)
<i>Total Disbursements</i>	2,484,882.00	2,767,613.17	2,114,508.36	653,104.81
<i>Excess of Receipts Over (Under) Disbursements</i>	230,797.00	(51,934.17)	759,704.29	(811,638.46)
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	-	-	-
Special and Extraordinary Items				
Special Item - Describe or refer to Notes	-	-	-	-
Extraordinary Item - Describe or refer to Notes	-	-	-	-
<i>Net Change in Fund Balance</i>	230,797.00	(51,934.17)	759,704.29	811,638.46
<i>Fund Balance Beginning of Year</i>	3,581,151.99	3,581,151.99	3,581,151.99	-
Prior Year Encumbrances Appropriated	95,393.48	95,393.48	95,393.48	-
<i>Fund Balance End of Year</i>	\$ 3,907,342.47	\$ 3,624,611.30	\$ 4,436,249.76	\$ 811,638.46

See accompanying notes to the basic financial statements

Miami Township
Montgomery County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balances - Budget and Actual - Budget Basis
Road & Bridge Fund
For the Year Ended December 31, 2017

UNAUDITED

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 1,430,000.00	\$ 1,280,018.00	\$ 1,220,626.34	\$ (59,391.66)
Charges for Services	-	125,000.00	81,252.97	(43,747.03)
Licenses, Permits and Fees	-	-	-	-
Fines and Forfeitures	-	-	-	-
Intergovernmental	105,000.00	103,500.00	249,099.51	145,599.51
Special Assessments	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	193,000.00	60,000.00	34,048.20	(25,951.80)
<i>Total Receipts</i>	<u>1,728,000.00</u>	<u>1,568,518.00</u>	<u>1,585,027.02</u>	<u>16,509.02</u>
Disbursements				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	1,467,847.00	1,438,480.00	1,450,142.98	(11,662.98)
Health	-	-	-	-
Economic Development	-	-	-	-
Human Services	-	-	-	-
Conservation-Recreation	-	-	-	-
Other	-	-	-	-
Capital Outlay	37,000.00	29,000.00	21,153.00	7,847.00
Debt Service:				
Principal Retirement	319,477.00	184,000.00	188,500.00	(4,500.00)
Interest and Fiscal Charges	173,997.00	252,000.00	245,445.84	6,554.16
<i>Total Disbursements</i>	<u>1,998,321.00</u>	<u>1,903,480.00</u>	<u>1,905,241.82</u>	<u>(1,761.82)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(270,321.00)</u>	<u>(334,962.00)</u>	<u>(320,214.80)</u>	<u>(14,747.20)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	-	-
Transfers In	335,000.00	335,000.00	335,000.00	-
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>335,000.00</u>	<u>335,000.00</u>	<u>335,000.00</u>	<u>-</u>
Special and Extraordinary Items				
Special Item - Describe or refer to Notes	-	-	-	-
Extraordinary Item - Describe or refer to Notes	-	-	-	-
<i>Net Change in Fund Balance</i>	64,679.00	38.00	14,785.20	(14,747.20)
<i>Fund Balance Beginning of Year</i>	2,270,477.10	2,270,477.10	2,270,477.10	
Prior Year Encumbrances Appropriated	2,500.00	2,500.00	2,500.00	
<i>Fund Balance End of Year</i>	<u>\$ 2,337,656.10</u>	<u>\$ 2,273,015.10</u>	<u>\$ 2,287,762.30</u>	<u>\$ (14,747.20)</u>

See accompanying notes to the basic financial statements

Miami Township
Montgomery County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balances - Budget and Actual - Budget Basis
Police Fund
For the Year Ended December 31, 2017

UNAUDITED

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 5,321,656.00	\$ 5,643,238.00	\$ 5,554,308.69	\$ (88,929.31)
Charges for Services	-	-	-	-
Licenses, Permits and Fees	-	-	-	-
Fines and Forfeitures	30,000.00	25,000.00	46,673.72	21,673.72
Intergovernmental	-	400,000.00	427,445.50	27,445.50
Special Assessments	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	102,111.00	150,000.00	107,429.43	(42,570.57)
<i>Total Receipts</i>	<u>5,453,767.00</u>	<u>6,218,238.00</u>	<u>6,135,857.34</u>	<u>(82,380.66)</u>
Disbursements				
Current:				
General Government	-	-	-	-
Public Safety	5,428,617.00	6,105,103.00	5,508,095.99	597,007.01
Public Works	-	-	-	-
Health	-	-	-	-
Economic Development	-	-	-	-
Human Services	-	-	-	-
Conservation-Recreation	-	-	-	-
Other	-	-	-	-
Capital Outlay	65,767.00	161,513.00	109,665.58	51,847.42
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<i>Total Disbursements</i>	<u>5,494,384.00</u>	<u>6,266,616.00</u>	<u>5,617,761.57</u>	<u>648,854.43</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(40,617.00)</u>	<u>(48,378.00)</u>	<u>518,095.77</u>	<u>(566,473.77)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	-	-
Transfers In	100,000.00	100,000.00	-	(100,000.00)
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>100,000.00</u>	<u>100,000.00</u>	<u>-</u>	<u>(100,000.00)</u>
Special and Extraordinary Items				
Special Item - Describe or refer to Notes	-	-	-	-
Extraordinary Item - Describe or refer to Notes	-	-	-	-
<i>Net Change in Fund Balance</i>	59,383.00	51,622.00	518,095.77	(666,473.77)
<i>Fund Balance Beginning of Year</i>	1,504,975.08	1,504,975.08	1,504,975.08	
Prior Year Encumbrances Appropriated	128,244.20	128,244.20	128,244.20	
<i>Fund Balance End of Year</i>	<u>\$ 1,692,602.28</u>	<u>\$ 1,684,841.28</u>	<u>\$ 2,151,315.05</u>	<u>\$ (666,473.77)</u>

See accompanying notes to the basic financial statements

Miami Township
Montgomery County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balances - Budget and Actual - Budget Basis
Fire Fund
For the Year Ended December 31, 2017

UNAUDITED

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 4,404,244.00	\$ 3,936,502.00	\$ 3,727,367.15	\$ (209,134.85)
Charges for Services	-	-	244.88	244.88
Licenses, Permits and Fees	-	-	-	-
Fines and Forfeitures	-	-	-	-
Intergovernmental	-	-	763,228.26	763,228.26
Special Assessments	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Earnings on Investments	-	-	-	-
Miscellaneous	1,857.00	-	-	-
<i>Total Receipts</i>	<u>4,406,101.00</u>	<u>3,936,502.00</u>	<u>4,490,840.29</u>	<u>554,338.29</u>
Disbursements				
Current:				
General Government	-	-	-	-
Public Safety	4,673,194.00	4,586,502.00	4,573,558.73	12,943.27
Public Works	-	-	-	-
Health	-	-	-	-
Economic Development	-	-	-	-
Human Services	-	-	-	-
Conservation-Recreation	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	136,500.00	(136,500.00)
Interest and Fiscal Charges	-	-	177,736.66	(177,736.66)
<i>Total Disbursements</i>	<u>4,673,194.00</u>	<u>4,586,502.00</u>	<u>4,887,795.39</u>	<u>(301,293.39)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(267,093.00)</u>	<u>(650,000.00)</u>	<u>(396,955.10)</u>	<u>(253,044.90)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special and Extraordinary Items				
Special Item - Describe or refer to Notes	-	-	-	-
Extraordinary Item - Describe or refer to Notes	-	-	-	-
<i>Net Change in Fund Balance</i>	<u>(267,093.00)</u>	<u>(650,000.00)</u>	<u>(396,955.10)</u>	<u>(253,044.90)</u>
<i>Fund Balance Beginning of Year</i>	5,236,291.43	5,236,291.43	5,236,291.43	-
Prior Year Encumbrances Appropriated	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 4,969,198.43</u>	<u>\$ 4,586,291.43</u>	<u>\$ 4,839,336.33</u>	<u>\$ (253,044.90)</u>

See accompanying notes to the basic financial statements

Miami Township
Montgomery County, Ohio
Statement of Receipts, Disbursements and Changes
In Fund Balances - Budget and Actual - Budget Basis
Austin TIF Fund
For the Year Ended December 31, 2017
UNAUDITED

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ -	-	\$ -	\$ -
Charges for Services	-	-	-	-
Licenses, Permits and Fees	-	-	-	-
Fines and Forfeitures	-	-	-	-
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Payments in Lieu of Taxes	3,000,000.00	3,400,000.00	4,129,907.55	729,907.55
Earnings on Investments	-	-	-	-
Miscellaneous	-	-	96,575.34	96,575.34
<i>Total Receipts</i>	<u>3,000,000.00</u>	<u>3,400,000.00</u>	<u>4,226,482.89</u>	<u>826,482.89</u>
Disbursements				
Current:				
General Government	378,900.00	378,900.00	447,343.91	(68,443.91)
Public Safety	-	-	-	-
Public Works	-	-	-	-
Health	-	-	-	-
Economic Development	-	-	-	-
Human Services	-	-	-	-
Conservation-Recreation	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	9,000.00	(9,000.00)
Debt Service:				
Principal Retirement	1,640,000.00	1,640,000.00	1,583,895.77	56,104.23
Interest and Fiscal Charges	285,000.00	285,000.00	1,168,661.99	(883,661.99)
<i>Total Disbursements</i>	<u>2,303,900.00</u>	<u>2,303,900.00</u>	<u>3,208,901.67</u>	<u>(905,001.67)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>696,100.00</u>	<u>1,096,100.00</u>	<u>1,017,581.22</u>	<u>78,518.78</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(335,000.00)	(335,000.00)	(335,000.00)	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(335,000.00)</u>	<u>(335,000.00)</u>	<u>(335,000.00)</u>	<u>-</u>
Special and Extraordinary Items				
Special Item - Describe or refer to Notes	-	-	-	-
Extraordinary Item - Describe or refer to Notes	-	-	-	-
<i>Net Change in Fund Balance</i>	361,100.00	761,100.00	682,581.22	78,518.78
<i>Fund Balance Beginning of Year</i>	2,786,994.42	2,786,994.42	2,786,994.42	-
Prior Year Encumbrances Appropriated	7,392.35	7,392.35	7,392.35	-
<i>Fund Balance End of Year</i>	<u>\$ 3,155,486.77</u>	<u>3,555,486.77</u>	<u>\$ 3,476,967.99</u>	<u>\$ 78,518.78</u>

See accompanying notes to the basic financial statements

Miami Township
Montgomery County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
UNAUDITED

Note 1 – Reporting Entity

Miami Township, Montgomery County, (the Township), is a body politic and corporate established in 1829 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 Township also has an elected Fiscal Officer.

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

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, road and bridge maintenance and police protection.

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 board; 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 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 authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Township. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, accessible to the Township, and significant in amount to the Township.

Based on these criteria, the Township has no component units.

Jointly Governed Organizations and Public Entity Risk Pools

The Township participates in six jointly governed organizations and one public entity risk pool. Notes 7 and 12 to the financial statements provides additional information for these entities. These organizations are:

Jointly Governed Organizations:

- *Miami Township – City of Dayton Joint Economic Development District* – This organization is the result of an agreement between the Township and the City of Dayton to promote economic development activities in a geographic area located in Miami Township and includes the Dayton - Wright Brothers Airport, which is owned by the City of Dayton.
- *Miami Township – Dayton Mall Joint Economic Development District* – This organization is the result of an agreement between the Township and the City of Miamisburg to promote economic development activities in a geographic area located in Miami Township.

Miami Township
Montgomery County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
UNAUDITED

- *Austin Landing Joint Economic Development District* – This organization is the result of an agreement between the Township, the City of Miamisburg, the City of Springboro and Montgomery County to promote economic development activities in a geographic area located in Miami Township.
- *Miami Valley Fire District* – This organization is the result of an agreement between the Township and the City of Miamisburg to provide fire and emergency medical services to the citizens of Miamisburg and Miami Township.
- *Hillgrove Union Cemetery* – This organization is the result of an agreement between the Township and the City of Miamisburg to provide burial grounds and burial services to the public.
- *Montgomery County Transportation Improvement District* – This organization is a statutorily created political subdivision created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The Township has entered into a cooperative agreement with the District.

Note 12 to the financial statements provides additional information for these entities.

Public Entity Risk Pool:

- The Township participates in one public entity risk pool, the Ohio Township Association Risk Management Authority (OTARMA).

Note 7 to the financial statements provide additional information for this entity.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting Section of this Note, these financial statements are presented on the modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to extent they are applicable to the modified cash basis of accounting. Following are the more significant of the Township's accounting policies.

Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position - modified cash basis and a statement of activities - modified cash basis, and fund financial statements which provide a more detailed level of financial information.

Miami Township
Montgomery County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
UNAUDITED

Government-Wide Financial Statements

The statement of net position - modified cash basis and the statement of activities - modified cash basis display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

The statement of net position - modified cash basis presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities - modified cash basis compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds 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. Non-major funds are aggregated and presented in a single column.

Fund Accounting

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. All of the Township's funds are categorized as governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The following are the Township's major governmental funds:

- ***General*** – 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.
- ***Road and Bridge Fund*** – The road and bridge fund accounts for and reports property tax (inside millage) committed for the construction, reconstruction, resurfacing and repair of Township roads and bridges.
- ***Police Fund*** – The Police Fund receives property tax money for operating and maintaining the police department and the purchase of equipment.

Miami Township
Montgomery County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
UNAUDITED

- **Fire Fund** – The Fire Fund receives property tax money for operating and maintaining the fire department and the purchase of equipment.
- **Austin TIF-East** – The Austin TIF-East Fund receives payments in lieu of taxes for properties under tax increment financing agreements located within the Austin Road Interchange district.

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

Basis of Accounting

The Township’s financial statements are prepared using the modified cash basis of accounting. Receipts are recorded in the Township’s financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township’s authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

Miami Township
Montgomery County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
UNAUDITED

Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents and Investments”.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2017, the Township invested in negotiable certificates of deposit, government securities from the Federal National Mortgage Association, the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation, money market mutual funds, and STAR Ohio. The negotiable certificates of deposit and government securities are reported at cost. The Township’s money market mutual fund investment is recorded at the amount reported by each broker on December 31, 2017.

STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No.79, “Certain External Investment Pools and Pool Participants.” The Township measures their investment in STAR Ohio 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.

For 2017, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess account to transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2017 was \$195,789.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets represent cash from debt issues restricted for project development or construction costs; specific levies for police, fire, road and bridge; and tax increment financing agreements. The Township did not report restricted assets for the year ended December 31, 2017.

Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Miami Township
Montgomery County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
UNAUDITED

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's modified cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

Long-Term Obligations

The Township's modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for the Township's joint economic development districts, road improvements, and other purposes.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net positions are available.

Net position amount restricted is \$13,160,179.

Fund Balance

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

- ***Non-spendable*** – The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of inter-fund loans.
- ***Restricted*** – Fund balance is reported as 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.
- ***Committed*** – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously

Miami Township
Montgomery County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
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commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- **Assigned** – Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.
- **Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

Internal Activity

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Compliance

Accountability and Compliance

The Township established a capital reserve fund in fiscal year 2000 which is still on the books, contrary to the ten-year limitation per Ohio Revised Code Section 5705.13(C). Further, the balances of three of the Township's four budget stabilization funds exceeded the balance limit of the greater of five percent of the revenue credited to the respective fund in which the account was established or one-sixth of the expenditures during the preceding fiscal year in the respective fund in which the account was established, contrary to Ohio Revised Code Section 5705.13(A).

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Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budget Basis presented for the General, Road and Bridge, Police, Fire, and Austin TIF-East Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis are as follows:

1. Outstanding year-end encumbrances are treated as cash disbursements (budget basis) rather than as restricted, committed, or assigned fund balance (modified cash basis).
2. Some funds are reported as part of the General Fund (modified cash basis) as opposed to the General Fund being reported alone (budget basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the modified cash basis are as follows:

	<u>General</u>	<u>Road and Bridge</u>	<u>Police</u>	<u>Fire</u>	<u>Austin TIF- East</u>
Budget Basis	\$ 39,704	\$ 14,785	\$ 518,096	\$ (396,955)	\$ 682,581
Adjustment for Encumbrances	95,393	2,500	128,244		7,392
Modified Cash Basis	<u>\$ 135,097</u>	<u>\$ 17,285</u>	<u>\$ 646,340</u>	<u>\$ (396,955)</u>	<u>\$ 689,973</u>

Note 5 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active 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 Trustees have identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not 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 monies. Interim monies 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 must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and 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, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio or Ohio local governments;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) and (2) provided the market 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 market daily, and the term of the agreement must not exceed thirty days.

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 only be made through specified dealers and institutions. Payment for 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. At year end, \$5,224,400 of the Township's bank balance of \$5,474,400 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

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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 one hundred two percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

The fair value of these investments is not materially different than measurement value. As of December 31, 2017, the Township had the following investments:

Investment Type	Investment Maturities (in Years)			
	Carrying Value	Less Than 1	1-3	3-5
FHLB	\$ 1,275,000	\$ -	\$ -	\$ 1,275,000
FHLM	3,150,000	320,000	790,000	2,040,000
FNMA	430,000	-	430,000	-
Money Market Fund	617,296	617,296	-	-
Bank Certificates of Deposit	9,101,000	2,140,000	3,775,000	3,186,000
STAR Ohio	175	175		
Total Investments	\$ 14,573,471	\$ 3,077,471	\$ 4,995,000	\$ 6,501,000

Interest Rate Risk – Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township’s investment policy addresses interest rate risk by requiring that the Township’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long- term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk – The security underlying the Federal National Mortgage Association notes, Federal Home Loan Bank notes and the Federal Home Loan Mortgage Corporation notes carry a rating of AAA by Moody’s. STAR Ohio carries a rating of AAA by Standard and Poor’s. The money market fund carries a rating of AAA by Moody’s. The Township has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal National Mortgage Association notes, Federal Home Loan Bank notes and the Federal Home Loan Mortgage Corporation notes are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the Township’s name.

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The Township has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of Credit Risk – The Township places no limit on the amount it may invest in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2016:

<u>Investment Issuer</u>	<u>Percentage</u>
Bank Certificates of Deposit	65.21%
Federal Home Loan Mortgage Notes	22.57%
Federal National Mortgage Association Notes	3.08%
Federal Home Loan Bank Notes	9.14%

Note 6 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received in 2017 for real and public utility taxes represent the collection of 2016 taxes.

2017 real property taxes are levied after October 1, 2017 on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien on December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2017, was \$19.90 per \$1,000 of assessed value. The assessed values of real property and public utility property, upon which 2017 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real Property	\$ 592,863,630
Public Utility Property	17,349,540
Total Assessed Value	<u>\$ 610,213,170</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Township. The County Auditor periodically remits to the Township its portion of the taxes collected.

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Note 7 – Risk Management

The Township is exposed to various risks of loss related to property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entities Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA’s primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016:

	2016	
Assets	\$ 38,473,283	
Liabilities	<u>(8,244,140)</u>	
Net Position	<u>\$ 30,229,143</u>	:

At December 31, 2016, the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township’s share of these unpaid claims collectible in future years is approximately \$77,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

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Contributions to OTARMA – 2017
\$ 181,124

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 – Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Township employees 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 and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional 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 in 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 by visiting <https://www.opers.org/financial/reports.shtml>, by writing 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):

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Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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
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 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.

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

	State and Local	Law Enforcement
2016 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee	10.0 %	**
 2016 Actual Contribution Rates		
Employer:		
Pension	12.0 %	16.1 %
Post-employment Health Care Benefits	2.0	2.0
Total Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %

** 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 \$592,076 for year 2017.

Note 9 – Post Employment Benefits

Ohio Public Employees Retirement System

Plan Description – 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 maintained two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which funded 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 of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 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 45. 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.

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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. 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 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary 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.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined plans. The 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 third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

Substantially all of the Township's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 was \$102,229, \$95,207 and \$91,628 respectively. The full amount has been contributed for all three years.

Note 10 – Debt

Long Term Obligations

The Township's long-term debt activity for the year ended December 31, 2017, was as follows:

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	Amount Outstanding 12/31/16	Additions	Deletions	Amount Outstanding 12/31/17	Amounts Due in One Year
Governmental Activities					
Bonds					
Build America Bonds, Taxable Series 2010B:					
Public Works Building	\$ 3,952,700		\$ 188,500	\$ 3,764,200	\$ 203,000
Fire Station	2,862,300		134,400	2,727,900	147,000
Series 2015 - Refunding Bonds (Tax-Exempt)	2,415,000		100,000	2,315,000	100,000
Series 2015A - Various Purpose Bonds (Tax-Exempt)	3,155,000		150,000	3,005,000	150,000
Series 2015B - Park Acquisition and Improvement Bonds (Federally Taxable)	2,860,000		125,000	2,735,000	125,000
MCTID Special Obligation Bonds, Series 2015A Austin Landing Phase II Project	5,130,000		230,000	4,900,000	235,000
MCTID Special Obligation Bonds, Series 2015B Austin Landing Phase II Project	5,675,000		245,000	5,430,000	250,000
MCTID Special Obligation Bonds, Series 2010A Austin Landing Project	7,335,000		400,000	6,935,000	420,000
MCTID Special Obligation Bonds, Series 2008A Kingsridge Drive Project	3,630,000		230,000	3,400,000	240,000
MCTID Special Obligation Bonds, Series 2010B Austin Road Interchange and Related Projects	9,425,000		400,000	9,025,000	410,000
Total Bonds	46,440,000		2,202,900	44,237,100	2,280,000
SIB Loan					
Byers Road Relocation	832,382		155,708	676,674	160,415
Austin Boulevard Project	259,902		33,896	226,006	34,920
Total SIB Loans	1,092,284		189,604	902,680	195,335
Capital Leases					
2015 Wheel Loader	78,346		38,735	39,611	39,611
Total Capital Leases	78,346		38,735	39,611	39,611
Total Governmental Activities	\$ 47,610,630		\$ 2,431,239	\$ 45,179,391	\$ 2,514,946

- The general obligation bonds are supported by 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.
- *Build America Bonds, Taxable Series 2010B* In April 2010 the Township issued \$8,550,000 in unvoted general obligation bonds for the purpose of paying the costs of constructing a Township public works facility and a Township fire station. The bond issue included serial and term bonds, in the amount of \$3,155,000 and \$5,395,000, respectively.
- *Series 2015 - Refunding Bonds (Tax-Exempt)* On June 25, 2015 the Township issued \$2,455,000 in unvoted general obligation bonds for the purpose of prepaying prior to maturity its Certificates of Participation, Series 2005C (Miami Township, Ohio Project) dated May 17, 2005. The bond issue included serial and term bonds, in the amount of \$700,000 and \$1,715,000, respectively.

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- *Series 2015A - Various Purpose Bonds (Tax-Exempt)* On February 11, 2015 the Township issued \$3,410,000 in unvoted general obligation bonds for the purpose of paying, together with other lawfully available funds, the costs of discharging at maturity the Township's outstanding \$3,360,000 Various Purpose Notes, Series 2014 (Tax Exempt) dated February 12, 2014. The bond issue included serial and term bonds, in the amount of \$1,480,000 and \$1,930,000, respectively.
- *Series 2015B - Park Acquisition and Improvement Bonds (Federally Taxable)* On February 11, 2015 the Township issued \$3,085,000 in unvoted general obligation bonds for the purpose of paying, together with other lawfully available funds, the costs of discharging at maturity the Township's outstanding \$2,995,000 Park Acquisition and Improvement Notes, Series 2014 (Federally Taxable), dated February 12, 2014. The bond issue included serial and term bonds, in the amount of \$475,000 and \$2,610,000, respectively.
- *MCTID Special Obligation Bonds, Series 2015A Austin Landing Phase II Project* On February 11, 2015 the Township issued \$5,535,000 in bonds which are special obligations of the Montgomery County Transportation Improvement District (Ohio) secured by and payable solely from the proceeds of the Township's levy of ad valorem property taxes, which taxes are within the ten-mill limitation imposed by Ohio law. The bonds were issued to currently refund the District's outstanding \$11,435,000 Transportation Improvement Special Obligation Note, Series 2014 (Austin Landing Phase II Project) (the "2014 Note"), dated February 12, 2014 and maturing on February 11, 2015. The bond issue included serial and term bonds, in the amount of \$2,920,000 and \$2,615,000, respectively.
- *MCTID Special Obligation Bonds, Series 2015B Austin Landing Phase II Project* On February 11, 2015 the Township issued \$6,110,000 in bonds which are special obligations of the Montgomery County Transportation Improvement District (Ohio) secured by and payable solely from the proceeds of the Township's levy of ad valorem property taxes, which taxes are within the ten-mill limitation imposed by Ohio law. The bonds were issued to currently refund the District's outstanding \$11,435,000 Transportation Improvement Special Obligation Note, Series 2014 (Austin Landing Phase II Project) (the "2014 Note"), dated February 12, 2014 and maturing on February 11, 2015. The bond issue included serial and term bonds, in the amount of \$930,000 and \$5,180,000, respectively.
- *MCTID Special Obligation Bonds, Series 2010A Austin Landing Project* In March 2010 the Township and the Montgomery County Transportation Improvement District (Ohio) (the MCTID) entered into an intergovernmental agreement related to the financing of a tax increment financing district (TIF District) established for the Austin Landing Project. The agreement requires the MCTID to make various improvements to the TIF District located within the Township. Funding for the project was obtained through \$9,200,000 in bonds. The bond issue included serial and term bonds, in the amount of \$4,990,000 and \$4,210,000, respectively.
- *MCTID Special Obligation Bonds, Series 2008A Kingsridge Drive Project* In September 2008, the Township issued \$4,885,000 in bonds which are special obligations of the Montgomery County Transportation Improvement District (Ohio) secured by and payable solely from the proceeds of the Township's levy of ad valorem property taxes, which taxes are within the ten-mill limitation imposed by Ohio law. The bonds were issued for construction and acquisition of improvements to

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Kingsridge Drive, Lyons Ridge Drive at Lyons Road, Route 725, the Ring Road at the Dayton Mall, and Southwind Drive. The bond issue included serial and term bonds, in the amount of \$1,725,000 and \$3,160,000, respectively.

- *MCTID Special Obligation Bonds, Series 2010B Austin Road Interchange and Related Projects* In July 2010, the Township, two other local jurisdictions, and the Montgomery County Transportation Improvement District (Ohio) (the MCTID) entered into an intergovernmental agreement related to the tax increment financing district (TIF District) established for the Austin Landing Project. The agreement requires the MCTID to make various improvements to the TIF District, specifically the Austin Road Interchange and related projects. Funding for the project was obtained through \$20,335,000 in bonds. The bond issue included serial and term bonds, in the amount of \$11,000,000 and \$9,335,000, respectively. Of the total issuance, \$11,520,000 of the bonds are obligations of the Township.

Loans

- *Byers Road Relocation SIB Loan* In October 2011, the Montgomery County Transportation Improvement District made the final draw on the State Infrastructure Loan for construction of improvements to Byers Road. The Township and the City of Miamisburg have pledged TIF revenues to repay the SIB loan. The debt is payable solely from TIF receipts and is payable through 2021.
- *Austin Boulevard SIB Loan* In November 2013, the Montgomery County Transportation Improvement District made the final draw on the State Infrastructure Loan for construction of improvements to Austin Boulevard. The Township has pledged TIF revenues to repay the SIB loan. The debt is payable solely from TIF receipts and is payable through 2023.

Leases

- *2015 Wheel Loader* In 2015 the Township entered into a capital lease in the amount of \$156,731 for a wheel loader.

Principal and interest requirements to retire bonds, loans, and leases outstanding at December 31, 2016, were as follows:

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Township Long Term Obligations						
Year	Bonds		SIB Loan		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	2,155,000	1,862,189	195,335	25,466	39,611	895
2019	2,235,000	1,780,439	201,239	19,563		
2020	2,310,000	1,696,229	207,321	13,479		
2021	2,405,000	1,606,994	218,921	7,213		
2022	2,485,000	1,503,097	39,337	2,396		
2023-2027	14,325,000	5,718,246	40,526	1,216		
2028-2032	12,320,000	2,048,835				
2033-2036	3,189,455	176,150				
Total	<u>\$ 41,424,455</u>	<u>\$ 16,392,179</u>	<u>\$ 902,679</u>	<u>\$ 69,333</u>	<u>\$ 39,611</u>	<u>\$ 895</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5% of its tax valuation.

Loss of Moody's Bond Rating

In January 2016, Moody's withdrew its rating on the outstanding debt of the township pending the submission of audited financial statements. The township intends to pursue the reinstatement of the rating once the audited financial statements are available for submission to the rating agency.

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Note 11 – TIF District Revenue Pledge

As a result of the agreements in Note 10 for the Kingsridge Drive Project (MCTID Special Obligation Bonds, Series 2008A), Austin Landing Project (MCTID Special Obligation Bonds, Series 2010A), Austin Interchange and Related Projects (MCTID Special Obligation Bonds, Series 2010B), Austin Phase II Project (MCTID Special Obligation Bonds, Series 2015A and 2015B), and Byers Road Relocation SIB Loan project, the Township has pledged to the Montgomery County Transportation Improvement District, the future payments in lieu of taxes (PILOT) made by property owners residing within the boundaries of the above mentioned areas in amounts equal to meet the debt service requirements of the bonds issued by and to be paid by the Montgomery County Transportation Improvement District, as follows:

Year Ending December 31,	Kingsridge Drive Project	Austin Landing Project	Austin Interchange and Related Projects	Austin Phase II Project (Series 2015A)	Austin Phase II Project (Series 2015B)	Byers Road Relocation	Austin Boulevard Project	Total
2018	401,575	843,019	794,750	376,844	433,806	179,361	41,440	3,070,795
2019	406,675	843,069	794,250	377,144	433,806	179,361	41,441	3,075,746
2020	404,945	841,069	794,200	382,344	433,069	179,360	41,440	3,076,427
2021	407,755	842,609	798,625	377,344	437,219	184,694	41,440	3,089,686
2022	404,875	843,024	795,025	372,344	434,794		41,440	2,891,502
2023-2027	2,032,625	4,210,831	3,984,225	1,865,919	2,173,356		41,441	14,308,397
2028-2032	409,500	1,683,700	3,936,750	1,872,469	2,175,556			10,077,975
2033-2036			748,655	748,750	869,600			2,367,005
Total	\$ 4,467,950	\$ 10,107,321	\$ 12,646,480	\$ 6,373,158	\$ 7,391,206	\$ 722,776	\$ 248,642	\$ 41,957,533

Note 12 – Jointly Governed Organizations

Miami Township – City of Dayton Joint Economic Development District is a political body incorporated and established by the Township Board of Trustees and the City Commission under the provisions of Sections 715.72 to 715.83 of the Ohio Revised Code, on January 1, 2007. The District operates under the direction of a five-member Board of Directors. By law the Board is comprised of one member representing the City, appointed by the City Commission; one member representing the Township, appointed by the Township Trustees; one member representing the owners of the businesses located in the District, appointed by the City Commission with the concurrence of the Township Trustees; one member representing the persons employed in the District, appointed by the Township Trustees with the concurrence of the City Commission; and one member selected by the other Board members. The District’s purpose is to promote economic development activities in the geographic area comprising the District. Such area is located in Miami Township and includes the Dayton - Wright Brothers Airport, which is owned by the City of Dayton. The District levies a 1.75% income tax on substantially all income earned in the District. The City of Dayton collects income taxes on behalf of the District. The District is required to pay 50% of the Contracting Parties Distribution to the Township and 50% of the Contracting Parties Distribution to the City. During 2016, the District paid the Township \$114,826. To obtain financial information, write to the Miami Township – City of Dayton Joint Economic Development District, 2700 Lyons Road, Miamisburg, Ohio 45342.

Miami Township – Dayton Mall Joint Economic Development District is a political body incorporated and established by the Township Board of Trustees and the Miamisburg City Council under the provisions of Sections 715.72 to 715.83 of the Ohio Revised Code, on June 11, 2009. The District operates under the direction of a five-member Board of Directors. By law the Board is comprised of one member representing

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the City, appointed by the City Council; one member representing the Township, appointed by the Township Trustees; one member representing the owners of the businesses located in the District, appointed by the City Council with the concurrence of the Township Trustees; one member representing the persons employed in the District, appointed by the Township Trustees with the concurrence of the City Council; and one member selected by the other Board members. The District's purpose is to promote economic development activities in the geographic area comprising the District. Such area is located in Miami Township. The District levies a 2.25% income tax on substantially all income earned in the District. The City of Miamisburg collects income taxes on behalf of the District. The District is required to pay 70% of the Contracting Parties Distribution to the Township and 30% of the Contracting Parties Distribution to the City. During 2016, the District paid the Township \$344,594. To obtain financial information, write to the Miami Township – Dayton Mall Joint Economic Development District, 2700 Lyons Road, Miamisburg, Ohio 45342.

Austin Landing Joint Economic Development District is a political body incorporated and established by Miami Township, the City of Miamisburg, the City of Springboro and Montgomery County under the provisions of Sections 715.72 to 715.83 of the Ohio Revised Code, effective September 1, 2009. The District operates under the direction of a five-member Board of Directors. By law the Board is comprised of one member from appointed by each of the respective entities and one member representing the owners of the businesses located in the District, appointed by a majority of the 4 appointed board members. The District's purpose is to promote economic development activities in the geographic area comprising the District. Such area is located in Miami Township. The District levies a 2.25% income tax on substantially all income earned in the District. The City of Miamisburg collects income taxes on behalf of the District. The District is required to pay 57.166% of the Contracting Parties Distribution to the Township, and 22.267% of the Contracting Parties Distribution to the City of Miamisburg, and 20.567% of the Contracting Parties Distribution to the City of Springboro. During 2016, the District paid the Township \$171,498. To obtain financial information, write to the Austin Landing Joint Economic Development District, 10 North First Street, Miamisburg, Ohio 45342

Miami Valley Fire District – is a political body incorporated and established by Miami Township and the City of Miamisburg in accordance with Ohio Revised Code Section 505.371. The District was formed on August 31, 2011, and operations began June 11, 2012. The District provides fire and emergency medical services to the citizens of Miamisburg and Miami Township. The District is a jointly governed organization between the City and the Township. By-laws were adopted by the District and allow for a five-member governing Board of Trustees. The City appoints two trustees, the Township appoints two trustees and one trustee is selected by the total membership of the Board of Trustees. Funding for the District is provided by levy funds and general fund monies of the City and Township. In 2016, \$3,930,979 was transferred to the District. The District intends to ultimately pursue a levy of taxes in an amount to replace the existing Township and City levies for the operation of the District.

The By-laws provide for an Operational Oversight Committee which is occupied by the City Manager and Township Administrator. This committee will review and comment on all budget proposals, personnel policy and operational and procedural matters, with the final budget approved by City Council and Township Trustees. The Township does not have any equity interest in the Miami Valley Fire District. To obtain financial information, write to the Miami Valley Fire District, 10 North First Street, Miamisburg, Ohio 45342

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Hillgrove Union Cemetery is a jointly governed organization by Miami Township and the City of Miamisburg. The Cemetery provides burial groups and burial services to the public.

In September 2006, it was determined the Hillgrove Cemetery Association could no longer operate as a viable organization. Therefore, it was determined that a joint cemetery be established to ensure the ongoing operations and maintenance of the Hillgrove Cemetery. In accordance with Ohio Revised Code Section 759.27, the City and Township decided to form a union cemetery to manage and operate Hillgrove Cemetery. The agreement called for each party to equally share any cost to operate, maintain, and improve the Cemetery in excess of the revenues it receives.

As a result of this agreement, and in accordance with Ohio Law, a joint council consisting of the council members of the City of Miamisburg and the Trustees of Miami Township governs the Cemetery. The joint council appoints the members of the Board of Trustees. The Board of Trustees consist of the following: one elected member of the legislative body from each of the political subdivisions and one appointed resident from each of the political subdivisions who is not a member of the legislative body.

The joint council exercises control over the operation of the Cemetery through budgeting, appropriating, and contracting. The Board of Trustees control daily operations of the Cemetery. During 2016, the Township contributed \$40,000 to the Cemetery.

Montgomery County Transportation Improvement District is a statutorily created political subdivision created for the purpose of financing, constructing, maintaining, repairing and operating selected transportation projects. The District is a jointly governed entity administered by a Board of Directors that acts as a legislative body and is comprised of seven board members, of whom five are voting and two are non-voting appointed by Montgomery County and State governments. Of the seven, three are elected as officers of the District.

The Township entered into a cooperative agreement with the District on December 15, 2005, which was last amended on August 23, 2012, and includes the City of Miamisburg, Miami Township, the City of Springboro, and the Miamisburg City School District related to the Austin Road Interchange Project. This project is intended to enhance and facilitate traffic flow in the southern portion of Montgomery County and further stimulate development of real property in the hope of expanding the employment base in the area. Each entity has agreed to borrow their predetermined respective sum as collateral for the District borrowing monies from the State Infrastructure Bank or from any other appropriate sources in an amount to pay their respective portion of the costs to be incurred for the Austin Road Interchange Project.

The bonds were used to realign Byers Road in order to promote further development within the Austin Center Interchange area. Repayment of the bonds is collateralized by Tax Increment Financing and the full faith and credit of the Township.

Additionally, the Township entered into arrangements with the District to issue Special Obligation Bonds for the Austin Landing, Austin Landing Phase II, and Kingsridge Drive Projects. Repayment of the bonds is collateralized by Tax Increment Financing and other local receipts.

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Note 13 – Fund Balances

Fund balance is classified as non-spendable, 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 in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<u>Fund Balances</u>	<u>General</u>	<u>Road and Bridge</u>	<u>Police</u>	<u>Fire</u>	<u>Austin TIF- East</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Restricted for							
Public Safety	\$ -	\$ -	\$ 2,023,071	\$ 4,839,336	\$ -	\$ -	\$ 6,862,407
Other	-	-	-	-	3,462,183	2,663,093	6,125,276
<i>Total Restricted</i>	-	-	2,023,071	4,839,336	3,462,183	2,663,093	12,987,683
Committed to							
Road and Bridge	-	2,285,262	-	-	-	-	2,285,262
<i>Total Committed</i>	-	2,285,262	-	-	-	-	2,285,262
Assigned to							
Encumbrances	95,393	2,500	128,244	-	7,392	36,859	270,389
<i>Total Assigned</i>	95,393	2,500	128,244	-	7,392	36,859	270,389
Unassigned	4,340,856	-	-	-	-	-	4,340,856
<i>Total Fund Balances</i>	<u>\$ 4,436,250</u>	<u>\$ 2,287,762</u>	<u>\$ 2,151,315</u>	<u>\$ 4,839,336</u>	<u>\$ 3,469,576</u>	<u>\$ 2,699,952</u>	<u>\$ 19,884,191</u>

Note 14 – Interfund Balances and Transfers

Transfers

During 2017, the following transfer was made:

<u>Transfer to</u>	<u>Austin TIF-East Fund</u>
Road and Bridge Fund	\$335,000

This Transfer was used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Nonroutine transfers from the Austin TIF-East Fund were in compliance with Ohio Revised Code to make debt payments.

Note 15 – Contingent Liabilities

The Township is party to various legal proceedings seeking damages. Although management cannot presently determine the outcome of these proceedings, they believe the resolution of these matters will not materially adversely affect the Township's financial condition.