

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

All Governmental Fund Types

For the Year Ended December 31, 2024

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts						
Property and Other Local Taxes	\$713,568	\$1,658,916	\$0	\$0	\$0	\$2,372,484
Charges for Services	0	95,535	0	0	0	95,535
Licenses, Permits and Fees	69,189	33,418	0	0	0	102,607
Fines, Forfeitures and Settlements	0	0	0	0	0	0
Intergovernmental	130,820	184,967	0	242,801	0	558,588
Special Assessments	0	3,789	0	0	0	3,789
Earnings on Investments	183,845	27,763	0	0	0	211,608
Miscellaneous	14,801	16,814	0	0	0	31,615
<i>Total Cash Receipts</i>	<u>1,112,223</u>	<u>2,021,202</u>	<u>0</u>	<u>242,801</u>	<u>0</u>	<u>3,376,226</u>
Cash Disbursements						
Current:						
General Government	645,992	223,612	0	0	0	869,604
Public Safety	0	1,661,029	0	0	0	1,661,029
Public Works	150,016	297,772	0	0	0	447,788
Health	16,798	53,605	0	0	0	70,403
Human Services	0	0	0	0	0	0
Conservation-Recreation	19,181	0	0	0	0	19,181
Other	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Capital Outlay	186,246	15,295	0	242,801	0	444,342
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Cash Disbursements</i>	<u>1,018,233</u>	<u>2,251,313</u>	<u>0</u>	<u>242,801</u>	<u>0</u>	<u>3,512,347</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>93,990</u>	<u>(230,111)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(136,121)</u>
Other Financing Receipts (Disbursements)						
Sale of Bonds	0	0	0	0	0	0
Sale of Refunding Bonds	0	0	0	0	0	0
Sale of Notes	0	0	0	0	0	0
Loans Issued	0	0	0	0	0	0
Other Debt Proceeds	0	0	0	0	0	0
Premium and Accrued Interest on Debt	0	0	0	0	0	0
Discount on Debt	0	0	0	0	0	0

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

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

For the Year Ended December 31, 2024

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0
Sale of Capital Assets	0	0	0	0	0	0
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Advances In	0	0	0	0	0	0
Advances Out	0	0	0	0	0	0
Other Financing Sources	0	0	0	0	0	0
Other Financing Uses	0	0	0	0	0	0
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Special Item	0	0	0	0	0	0
Extraordinary Item	0	0	0	0	0	0
<i>Net Change in Fund Cash Balances</i>	<u>93,990</u>	<u>(230,111)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(136,121)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,272,688</u>	<u>2,745,076</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,017,764</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,366,678</u></u>	<u><u>\$2,514,965</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3,881,643</u></u>

Township of Harlem
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Harlem Township, Delaware County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township receives Law enforcement services from the Delaware County Sheriff's Office.

The Township participates in public entity pools. Note 7 to the financial statements provides additional information for this entity.

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

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

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

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

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

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Fire District Fund This fund receives tax money from two special fire levies for covering the cost of fire protection.

Debt Service Funds These funds account for and report financial resources that are restricted to expenditure for principal and interest. The Township did not receive any significant Debt Service Funds.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township did not receive any funding for Capital Project Funds.

Basis of Accounting

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

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The Delaware County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year-end.

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over and need not be re-appropriated in the subsequent year. A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Township invests in a money market savings account and bank certificates of deposit.

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

Capital Assets

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

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2024, distributions of \$103.91 are reflected revenue in the OneOhio Special Revenue Fund (update as appropriate) in the accompanying financial statements.

Accumulated Leave

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

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classification. 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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,048,062	\$1,112,222	\$64,160
Special Revenue	1,921,736	2,021,204	99,468
Debt Service			0
Capital Projects	242,801	242,801	0
Internal Service			0
Permanent			0
Fiduciary			0
Total	\$3,212,599	\$3,376,227	\$163,628
General	\$2,306,900	\$1,018,233	\$1,288,667
Special Revenue	3,693,804	2,277,144	1,416,660
Debt Service			0
Capital Projects	242,801	242,801	0
Internal Service			0
Permanent			0
Fiduciary			0
Total	\$6,243,505	\$3,538,178	\$2,705,327

Note 4 – Deposits and Investments

The Township maintains a deposit and investments pool of all funds used. The Township also maintains fund specific certificates of deposit for the Fire Fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

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For the Year Ended December 31, 2024

	2024
Demand deposits	\$1,281,872
Certificates of deposit	0
Other time deposits (savings and NOW accounts)	1,129,482
Total deposits	2,411,354
U.S. Treasury Notes	
STAR Ohio	1,472,224
Repurchase agreement	
Common stock (at cost, fair value was \$XXXX at December 31, 20CY)	
Total investments	1,472,224
Total deposits and investments	\$3,883,579

On December 31, 2024, the Township held no money in equity securities. Equity securities are not eligible investments for the Township under Ohio law.

Deposits

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

At December 31, 2024, all deposits were insured or collateralized, in accordance to Ohio law.

Investments

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

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due February 10. The second half payment is due the following July 10.

Public utilities are also taxed on personal and real property located within the Township.

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

Note 6 - Interfund Balances

The Township had no Interfund Balances.

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Note 7 - Risk Management

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated, and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy.

The financial statements reported the following assets, liabilities and equity at December 31, 2023.

Assets	\$ 23,113.696
Liabilities	(16,078.587)
Members' Equity	<u>\$ 7,035.109</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Township belongs to a group rating program, Sedgwick who handles premiums and claims. The Township pays the State Workers' Compensation System a premium based on a discounted rate. This rate is calculated based on accident history and administrative costs, if material.

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

During 2024, the Township paid no money for losses that exceeded insurance coverage.

Township of Harlem
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Notes to the Financial Statements
For the Year Ended December 31, 2024

Risk Pool Membership

Harlem Township is not a risk pool member for the purposes of Health Care coverage.

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% percent of their gross salaries, and the Township contributed an amount equaling 14% percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2024.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012-2024</i>	<i>10.00%</i>	<i>14.00%</i>

Ohio Police and Fire Retirement System

Township certified Fire Fighters and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% percent of their wages. The Township contributed to OP&F an amount equal to 24% percent of full-time fire fighters’ wages, respectively. The Township has paid all contributions required through December 31, 2024.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OP&F- full time firefighters</i>	<i>July 1, 2015- December 31, 2024</i>	<i>12.25%</i>	<i>24.00%</i>

Social Security

The Township’s part-time Fire Fighter’s contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2024.

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Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 10 – Public Entity Risk Pool

The Ohio Township Association (OTA) Workers’ Compensation Group Rating Program is not technically a “Risk Pool”.

The OTA hires Sedgwick Claims Management Services, Inc. to administer their workers compensation program to manage workers’ compensation claims and to determine program eligibility on an annual basis so that townships can receive a lower premium rate from the Bureau of Workers’ Compensation (BWC). The BWC is the insurance provider and sets the annual premium rates for the program participants. Participants pay an annual administrative fee for these services.

Note 11 – COVID-19 American Rescue Plan

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program guideline.

During 2021, the Township received \$251,978.68. This amount was recorded in a Special Revenue Fund 2272. ARP Funds have been placed in an interest-bearing account. This amount was transferred and is recorded in Star Ohio separate Investment Fund. Funds are transferred from Star Ohio account on a as needed basis for expenditures.

During 2022, the Township received \$252, 984.63. This amount was recorded in a Special Revenue Fund 2273. ARP Funds have been placed in an interest-bearing account. This amount was transferred and is recorded in Star Ohio separate Investment Fund. Funds are transferred from Star Ohio account on a as needed basis for expenditures.