

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

All Special Revenue Funds

For the Year Ended December 31, 2018

	MOTOR VEHICLE LIC. TAX	GASOLINE TAX	ROAD AND BRIDGE	CEMETERY
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$0	\$0	\$54,937	\$14,613
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	3,200
Fines and Forfeitures	0	0	0	0
Intergovernmental	6,644	89,728	8,463	2,131
Special Assessments	0	0	0	0
Earnings on Investments	28	592	0	0
Miscellaneous	0	0	5,017	1,100
<i>Total Cash Receipts</i>	<u>6,672</u>	<u>90,320</u>	<u>68,417</u>	<u>21,044</u>
<b>Cash Disbursements</b>				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	0
Public Works	8,000	62,816	89,708	0
Health	0	0	0	20,341
Human Services	0	0	0	0
Conservation-Recreation	0	0	0	0
Other	0	0	0	0
Capital Outlay	0	42,744	15,548	0
Debt Service:				
Principal Retirement	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Cash Disbursements</i>	<u>8,000</u>	<u>105,560</u>	<u>105,256</u>	<u>20,341</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,328)</u>	<u>(15,240)</u>	<u>(36,839)</u>	<u>703</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Bonds	0	0	0	0
Sale of Refunding Bonds	0	0	0	0
Sale of Notes	0	0	0	0
Loans Issued	0	0	0	0
Other Debt Proceeds	0	0	0	0
Premium and Accrued Interest on Debt	0	0	0	0
Discount on Debt	0	0	0	0
Payment to Refunded Bond Escrow Agent	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.

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

All Special Revenue Funds

For the Year Ended December 31, 2018

	MOTOR VEHICLE LIC. TAX	GASOLINE TAX	ROAD AND BRIDGE	CEMETERY
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Advances In	0	0	0	0
Advances Out	0	0	0	0
Other Financing Sources	0	0	0	0
Other Financing Uses	0	0	0	0
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Special Item	0	0	0	0
Extraordinary Item	0	0	0	0
<i>Net Change in Fund Cash Balances</i>	(1,328)	(15,240)	(36,839)	703
<i>Fund Cash Balances, January 1</i>	<u>5,445</u>	<u>143,463</u>	<u>102,980</u>	<u>12,886</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	0	0	0	0
Restricted	4,117	128,223	0	13,589
Committed	0	0	66,141	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
<i>Fund Cash Balances, December 31</i>	<u>\$4,117</u>	<u>\$128,223</u>	<u>\$66,141</u>	<u>\$13,589</u>

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

All Special Revenue Funds

For the Year Ended December 31, 2018

	MOTOR VEHICLE LIC. TAX	GASOLINE TAX	ROAD AND BRIDGE	CEMETERY
<b>GASB 54 Worksheet/Note Disclosure</b>				
<i>Net Change in Fund Cash Balances</i>	(\$1,328)	(\$15,240)	(\$36,839)	\$703
<i>Fund Cash Balances, January 1</i>	5,445	143,463	102,980	12,886
<i>Fund Cash Balances, December 31</i>	<u>\$4,117</u>	<u>\$128,223</u>	<u>\$66,141</u>	<u>\$13,589</u>
<b>Fund Balances</b>				
Amounts identified as:				
Nonspendable				
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Restricted for:				
Cemetery	\$0	\$0	\$0	\$13,589
Debt Service	0	0	0	0
Emergency Medical Services	0	0	0	0
Fire Operations	0	0	0	0
Road and Bridge Maintenance and Improvements	4,117	128,223	0	0
ZONING	0	0	0	0
<i>Total Restricted</i>	<u>4,117</u>	<u>128,223</u>	<u>0</u>	<u>13,589</u>
Committed to:				
Road and Bridge Maintenance and Improvements	0	0	66,141	0
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>66,141</u>	<u>0</u>
Assigned to:				
<i>Total Assigned</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	0	0	0	0
<i>Total Fund Cash Balances, December 31</i>	<u>\$4,117</u>	<u>\$128,223</u>	<u>\$66,141</u>	<u>\$13,589</u>

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

All Special Revenue Funds

For the Year Ended December 31, 2018

	FIRE DISTRICT	ZONING	FIRE & RSC AMBULANCE EMS SERV	SPECIAL REVENUE TOTAL
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$246,159	\$0	\$0	\$315,709
Charges for Services	0	0	66,788	66,788
Licenses, Permits and Fees	0	6,033	0	9,233
Fines and Forfeitures	0	0	0	0
Intergovernmental	31,698	0	1,723	140,387
Special Assessments	0	0	0	0
Earnings on Investments	0	0	0	620
Miscellaneous	7,201	0	0	13,318
<i>Total Cash Receipts</i>	<u>285,058</u>	<u>6,033</u>	<u>68,511</u>	<u>546,055</u>
<b>Cash Disbursements</b>				
Current:				
General Government	32,417	5,378	0	37,795
Public Safety	302,283	0	17,597	319,880
Public Works	685	0	0	161,209
Health	0	0	0	20,341
Human Services	0	0	0	0
Conservation-Recreation	0	0	2,358	2,358
Other	0	0	0	0
Capital Outlay	54,568	0	0	112,860
Debt Service:				
Principal Retirement	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Cash Disbursements</i>	<u>389,953</u>	<u>5,378</u>	<u>19,955</u>	<u>654,443</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(104,895)</u>	<u>655</u>	<u>48,556</u>	<u>(108,388)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Bonds	0	0	0	0
Sale of Refunding Bonds	0	0	0	0
Sale of Notes	0	0	0	0
Loans Issued	0	0	0	0
Other Debt Proceeds	0	0	0	0
Premium and Accrued Interest on Debt	0	0	0	0
Discount on Debt	0	0	0	0
Payment to Refunded Bond Escrow Agent	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.

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

All Special Revenue Funds

For the Year Ended December 31, 2018

	FIRE DISTRICT	ZONING	FIRE & RSC AMBULANCE EMS SERV	SPECIAL REVENUE TOTAL
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Advances In	0	0	0	0
Advances Out	0	0	0	0
Other Financing Sources	0	0	0	0
Other Financing Uses	0	0	0	0
<i>Total Other Financing Receipts (Disbursements)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Special Item	0	0	0	0
Extraordinary Item	0	0	0	0
<i>Net Change in Fund Cash Balances</i>	<u>(104,895)</u>	<u>655</u>	<u>48,556</u>	<u>(108,388)</u>
<i>Fund Cash Balances, January 1</i>	<u>354,712</u>	<u>14,876</u>	<u>68,332</u>	<u>702,694</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	0	0	0	0
Restricted	249,817	15,531	116,888	528,165
Committed	0	0	0	66,141
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
<i>Fund Cash Balances, December 31</i>	<u>\$249,817</u>	<u>\$15,531</u>	<u>\$116,888</u>	<u>\$594,306</u>

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

All Special Revenue Funds

For the Year Ended December 31, 2018

	FIRE DISTRICT	ZONING	FIRE & RSC AMBULANCE EMS SERV	SPECIAL REVENUE TOTAL
<b>GASB 54 Worksheet/Note Disclosure</b>				
<i>Net Change in Fund Cash Balances</i>	(\$104,895)	\$655	\$48,556	(\$108,388)
<i>Fund Cash Balances, January 1</i>	354,712	14,876	68,332	702,694
<i>Fund Cash Balances, December 31</i>	<u>\$249,817</u>	<u>\$15,531</u>	<u>\$116,888</u>	<u>\$594,306</u>
<b>Fund Balances</b>				
Amounts identified as:				
Nonspendable				
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Restricted for:				
Cemetery	\$0	\$0	\$0	\$13,589
Debt Service	0	0	0	0
Emergency Medical Services	0	0	116,888	116,888
Fire Operations	249,817	0	0	249,817
Road and Bridge Maintenance and Improvements	0	0	0	132,340
ZONING	0	15,531	0	15,531
<i>Total Restricted</i>	<u>249,817</u>	<u>15,531</u>	<u>116,888</u>	<u>528,165</u>
Committed to:				
Road and Bridge Maintenance and Improvements	0	0	0	66,141
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>66,141</u>
Assigned to:				
<i>Total Assigned</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	0	0	0	0
<i>Total Fund Cash Balances, December 31</i>	<u>\$249,817</u>	<u>\$15,531</u>	<u>\$116,888</u>	<u>\$594,306</u>

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

All Debt Service Funds

For the Year Ended December 31, 2018

	GENERAL BOND(NOTE) RETIREMENT	GENERAL BOND(NOTE) RETIREMENT	DEBT SERVICE TOTAL
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$50,000	\$2,413	\$52,413
Charges for Services	0	0	0
Licenses, Permits and Fees	0	0	0
Fines and Forfeitures	0	0	0
Intergovernmental	0	0	0
Special Assessments	0	0	0
Earnings on Investments	0	0	0
Miscellaneous	0	0	0
<i>Total Cash Receipts</i>	50,000	2,413	52,413
<b>Cash Disbursements</b>			
Current:			
General Government	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Health	0	0	0
Human Services	0	0	0
Conservation-Recreation	0	0	0
Other	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	46,881	2,413	49,294
Payment to Refunded Bond Escrow Agent	0	0	0
Interest and Fiscal Charges	3,119	0	3,119
<i>Total Cash Disbursements</i>	50,000	2,413	52,413
<i>Excess of Receipts Over (Under) Disbursements</i>	0	0	0
<b>Other Financing Receipts (Disbursements)</b>			
Sale of Bonds	0	0	0
Sale of Refunding Bonds	0	0	0
Sale of Notes	0	0	0
Loans Issued	0	0	0
Other Debt Proceeds	0	0	0
Premium and Accrued Interest on Debt	0	0	0
Discount on Debt	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0

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

All Debt Service Funds

For the Year Ended December 31, 2018

	GENERAL BOND(NOTE) RETIREMENT	GENERAL BOND(NOTE) RETIREMENT	DEBT SERVICE TOTAL
Sale of Capital Assets	0	0	0
Transfers In	0	0	0
Transfers Out	0	0	0
Advances In	0	0	0
Advances Out	0	0	0
Other Financing Sources	0	0	0
Other Financing Uses	0	0	0
<i>Total Other Financing Receipts (Disbursements)</i>	0	0	0
Special Item	0	0	0
Extraordinary Item	0	0	0
<i>Net Change in Fund Cash Balances</i>	0	0	0
<i>Fund Cash Balances, January 1</i>	0	0	0
<b>Fund Cash Balances, December 31</b>			
Nonspendable	0	0	0
Restricted	0	0	0
Committed	0	0	0
Assigned	0	0	0
Unassigned (Deficit)	0	0	0
<i>Fund Cash Balances, December 31</i>	\$0	\$0	\$0



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

All Debt Service Funds

For the Year Ended December 31, 2018

	GENERAL BOND(NOTE) RETIREMENT	GENERAL BOND(NOTE) RETIREMENT	DEBT SERVICE TOTAL
<b>GASB 54 Worksheet/Note Disclosure</b>			
<i>Net Change in Fund Cash Balances</i>	\$0	\$0	\$0
<i>Fund Cash Balances, January 1</i>	0	0	0
<i>Fund Cash Balances, December 31</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Fund Balances</b>			
Amounts identified as:			
Nonspendable			
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>0</u>
Restricted for:			
Cemetery	\$0	\$0	\$0
Debt Service	0	0	0
Emergency Medical Services	0	0	0
Fire Operations	0	0	0
Road and Bridge Maintenance and Improvements	0	0	0
ZONING	0	0	0
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>0</u>
Committed to:			
Road and Bridge Maintenance and Improvements	0	0	0
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>
Assigned to:			
<i>Total Assigned</i>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	0	0	0
<i>Total Fund Cash Balances, December 31</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

All Capital Projects Funds

For the Year Ended December 31, 2018

	<b>PUBLIC WORKS LARSON WES</b>	<b>CAPITAL PROJECTS TOTAL</b>
<b>Cash Receipts</b>		
Property and Other Local Taxes	\$0	\$0
Charges for Services	0	0
Licenses, Permits and Fees	0	0
Fines and Forfeitures	0	0
Intergovernmental	0	0
Special Assessments	0	0
Earnings on Investments	0	0
Miscellaneous	0	0
<i>Total Cash Receipts</i>	0	0
<b>Cash Disbursements</b>		
Current:		
General Government	0	0
Public Safety	0	0
Public Works	0	0
Health	0	0
Human Services	0	0
Conservation-Recreation	0	0
Other	0	0
Capital Outlay	0	0
Debt Service:		
Principal Retirement	0	0
Payment to Refunded Bond Escrow Agent	0	0
Interest and Fiscal Charges	0	0
<i>Total Cash Disbursements</i>	0	0
<i>Excess of Receipts Over (Under) Disbursements</i>	0	0
<b>Other Financing Receipts (Disbursements)</b>		
Sale of Bonds	0	0
Sale of Refunding Bonds	0	0
Sale of Notes	0	0
Loans Issued	0	0
Other Debt Proceeds	0	0
Premium and Accrued Interest on Debt	0	0
Discount on Debt	0	0
Payment to Refunded Bond Escrow Agent	0	0

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

All Capital Projects Funds

For the Year Ended December 31, 2018

	PUBLIC WORKS LARSON WES	CAPITAL PROJECTS TOTAL
Sale of Capital Assets	0	0
Transfers In	0	0
Transfers Out	0	0
Advances In	0	0
Advances Out	0	0
Other Financing Sources	0	0
Other Financing Uses	0	0
<i>Total Other Financing Receipts (Disbursements)</i>	0	0
Special Item	0	0
Extraordinary Item	0	0
<i>Net Change in Fund Cash Balances</i>	0	0
<i>Fund Cash Balances, January 1</i>	0	0
<b>Fund Cash Balances, December 31</b>		
Nonspendable	0	0
Restricted	0	0
Committed	0	0
Assigned	0	0
Unassigned (Deficit)	0	0
<i>Fund Cash Balances, December 31</i>	\$0	\$0

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

All Capital Projects Funds

For the Year Ended December 31, 2018

	PUBLIC WORKS LARSON WES	CAPITAL PROJECTS TOTAL
<b>GASB 54 Worksheet/Note Disclosure</b>		
<i>Net Change in Fund Cash Balances</i>	\$0	\$0
<i>Fund Cash Balances, January 1</i>	0	0
<i>Fund Cash Balances, December 31</i>	<u>\$0</u>	<u>\$0</u>
<b>Fund Balances</b>		
Amounts identified as:		
Nonspendable		
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>
Restricted for:		
Cemetery	\$0	\$0
Debt Service	0	0
Emergency Medical Services	0	0
Fire Operations	0	0
Road and Bridge Maintenance and Improvements	0	0
ZONING	0	0
<i>Total Restricted</i>	<u>0</u>	<u>0</u>
Committed to:		
Road and Bridge Maintenance and Improvements	0	0
<i>Total Committed</i>	<u>0</u>	<u>0</u>
Assigned to:		
<i>Total Assigned</i>	<u>0</u>	<u>0</u>
Unassigned	0	0
<i>Total Fund Cash Balances, December 31</i>	<u>\$0</u>	<u>\$0</u>

**FARMINGTON TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**1. REPORTING ENTITY**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Farmington Township, Trumbull County, (the Township) as a body corporate and politic. A publically-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance, fire protection services and emergency medical services. The Township contracts with Life Force to provide ambulance services.

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) public entity risk pool. Note 6 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. 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.

**B. 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:

**Gasoline Tax Fund** – This fund receives gasoline tax monies to pay for constructing, maintaining, and repairing Township roads.

**Road & Bridge Fund** – This fund receives property tax monies to pay for constructing, maintaining, and repairing Township roads.

**Fire District Fund** – This fund receives property tax monies to operate the Township's volunteer fire department.

**FARMINGTON TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Debt Service Funds**

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

**Debt Service Fund** – This fund receives property tax money for the repayment of debt.

**C. 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 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 117-2-03(D) permit.

**D. Budgetary Process**

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

**Appropriations**

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

**Estimated Resources**

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

**Encumbrances**

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

A summary of 2018 appears in Note 3.

**E. Deposits and Investments**

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

**FARMINGTON TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. 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.

**G. 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.

**H. 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.

**Unassigned**

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

**FARMINGTON TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2018 follows:

Fund Type	2018 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 84,283	\$ 89,705	\$ 5,422
Special Revenue	525,810	546,053	20,243
Debt Service	52,413	52,413	-
Total	<u>\$ 662,506</u>	<u>\$ 688,171</u>	<u>\$ 25,665</u>

  

Fund Type	2018 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 210,000	\$ 111,500	\$ 98,500
Special Revenue	1,172,576	654,444	518,132
Debt Service	52,413	52,413	-
Total	<u>\$ 1,434,989</u>	<u>\$ 818,357</u>	<u>\$ 616,632</u>

**4. EQUITY IN POOLED CASH**

The Township maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2018
Demand deposits	<u>\$ 705,176</u>
Total Deposits	<u>\$ 705,176</u>

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



**FARMINGTON TOWNSHIP  
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**5. PROPERTY TAX**

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

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

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

**6. RISK MANAGEMENT**

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.) 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 Entity 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, 2017, 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.  
Commercial Insurance

**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, 2017 (the latest information available):

	2017
Assets	<u>\$40,010,732</u>
Liabilities	<u>(8,675,465)</u>
Retained Earnings	<u>\$31,335,267</u>

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township's share of these unpaid claims collectible in future years is approximately \$7,973.

**FARMINGTON TOWNSHIP  
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**6. RISK MANAGEMENT(Continued)**

Based on discussion 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.

Contributions to OTARMA	
2018	\$18,121
2017	14,779
2016	14,994

After completing 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.

**7. DEFINED BENEFIT PENSION PLANS**

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members contributed 10.0% of their gross wages and the Township contributed an amount equal to 14.0% of participant's gross salaries. The Township has paid all contributions required through December 31, 2018.

*Social Security*

Several Township employees contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

**8. POSTEMPLOYMENT BENEFITS**

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

**FARMINGTON TOWNSHIP  
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**9. DEBT**

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest rate
Ohio Public Works Commission CT14R	\$ 31,363	0.00%
Cortland Bank Ambulance Loan	80,113	2.70%
Total	\$ 111,476	

The Township entered into a loan agreement during 2015 for Larson West Road Widening and Resurfacing Project. This loan will re-paid in semiannual installments over 17 years.

The Township entered into an agreement with Cortland Bank in April 2017 to purchase an ambulance. The amount of the loan was \$150,000 payable over 3 years with semiannual installments of \$25,000.

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

Year Ended December 31	OPWC CT14R	Ambulance
2019	\$ 2,413	\$ 50,000
2020	2,413	32,513
2021	2,413	-
2022	2,413	-
2023	2,413	-
2024-2028	12,065	-
2029-2033	7,233	-
Total	\$ 33,776	\$ 82,513

**10. PUBLIC ENTITY RISK POOL**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio local governments. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims exceeding the member's deductible.