



OHIO AUDITOR OF STATE
KEITH FABER



**GREEN TOWNSHIP
HAMILTON COUNTY
DECEMBER 31, 2020 AND 2019**

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INDEPENDENT AUDITOR'S REPORT

Green Township
Hamilton County
6303 Harrison Avenue
Cincinnati, Ohio 45247

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Green Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 2C describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Green Township, as of December 31, 2020 and 2019, and the respective changes in modified cash financial position and the respective budgetary comparison for the General, Tax Increment Financing (TIF), Fire Levy, Police Levy, Road and Bridge, Safety Services - Police and Fire, Safety Services - Fire, and Safety Services – Police funds thereof for the years then ended in accordance with the accounting basis described in Note 2C.

Accounting Basis

We draw attention to Note 2C of the financial statements, which describes the accounting basis. The financial statements are prepared on the modified cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 11 and Note 12 to the financial statements for 2020 and 2019, respectively, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2021 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
June 1, 2021

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

This discussion and analysis of the Green Township financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2020, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2020 are as follows:

Net position of the governmental activities increased \$9,395,495, or 22%. The Township experienced an increase in receipts in 2020 of \$9,512,020 and a decrease in disbursements of \$341,379.

General receipts accounted for 86% of all receipts. Program specific receipts in the form of charges for services, operating and capital-related grants and contributions accounted for 14% of total receipts of \$57,428,530.

The Township had \$48,033,035 in disbursements, only \$8,257,746 of these disbursements was offset by program specific charges for services and grants.

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 and the Statement of Activities 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.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

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 the 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 expenses (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 and the Statement of Activities reflect how the Township performed financially during 2020, within the limitations of the modified cash basis accounting. The Statement of Net Position presents the cash balances and investments of the governmental activities of the Township at year-end. The Statement of Activities compares cash disbursements with program receipts for each governmental program activity. 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 receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function activity 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 condition. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial condition 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 and income taxes.

In the Statement of Net Position and the Statement of Activities, all activity is accounted for as governmental activities:

Governmental Activities. All of the Township's basic services are reported here, including police, fire/EMS, streets and parks. Property Taxes and State and Federal Grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

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 or committed as to how it may be used is being spent for the intended purpose. The funds of the Township are all categorized as governmental funds.

Governmental Funds - 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 include the General Fund, Tax Incremental Financing (TIF) Fund, Fire Levy Fund, Police Levy Fund, Road and Bridge Levy Fund, and the Safety Services Levy funds (Police, Fire, and Police and Fire). The programs reported in governmental funds are identical to those reported in the governmental activities section of the entity-wide statements.

General Fund. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general fund laws of Ohio.

Tax Increment Financing (TIF) Fund. This special revenue fund accounts for payments received in lieu of taxes on property located within Green Township designated as a TIF parcel.

Fire Levy Fund. This special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department.

Police Levy Fund. This special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

Road and Bridge Levy Fund. This special revenue fund accounts for tax revenues levied for operations of the Township Public Works Department.

Safety Services Police and Fire Levy Fund. This special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department and Police Department.

Safety Services Fire Levy Fund. This special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department.

Safety Services Police Levy Fund. This special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net position for 2020 and 2019 on the modified cash basis:

(Table 1)
Net Position
Governmental Activities

	2020	2019	Change
Assets			
Equity in Pooled Cash and Investments	\$ 51,694,171	\$ 42,298,676	<u>\$ 9,395,495</u>
<i>Total Assets</i>	<u>\$ 51,694,171</u>	<u>\$ 42,298,676</u>	<u>\$ 9,395,495</u>
Net Position			
Restricted for:			
Public Safety	\$ 9,230,986	\$ 2,226,030	\$ 7,004,956
Streets	1,273,703	1,096,324	177,379
Other purposes	65,080	54,091	10,989
Capital projects	21,588,835	21,630,212	(41,377)
Unrestricted	19,535,567	17,292,019	2,243,548
<i>Total Net Position</i>	<u>\$ 51,694,171</u>	<u>\$ 42,298,676</u>	<u>\$ 9,395,495</u>

Net position of the governmental activities increased \$9,395,495, or 22%. The reasons for this increase are discussed in the following section for governmental activities.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

Table 2 demonstrates the changes in net position for fiscal years 2020 and 2019.

(Table 2)
Change in Net Position
Governmental Activities

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Receipts:			
Program Receipts:			
Charges for Services	\$ 2,620,306	\$ 2,628,808	\$ (8,502)
Operating Grants	4,015,089	166,408	3,848,681
Capital Grants	1,622,351	963,734	658,617
<i>Total Program Receipts</i>	<u>8,257,746</u>	<u>3,758,950</u>	<u>4,498,796</u>
General Receipts			
Property and Other Local Taxes	11,685,416	11,428,041	257,375
Payments in Lieu of Taxes	26,640,809	24,271,125	2,369,684
Grants and Entitlements not Restricted	6,530,831	6,368,112	162,719
Interest	586,225	789,991	(203,766)
Miscellaneous	3,727,503	1,300,291	2,427,212
<i>Total General Receipts</i>	<u>49,170,784</u>	<u>44,157,560</u>	<u>5,013,224</u>
<i>Total Receipts</i>	<u>57,428,530</u>	<u>47,916,510</u>	<u>9,512,020</u>
Disbursements:			
General Government	1,853,032	2,052,863	(199,831)
Public Safety	15,903,751	15,266,431	637,320
Public Works	2,689,486	2,135,415	554,071
Public Health	72,637	70,872	1,765
Economic Development	296,145	298,349	(2,204)
Conservation-Recreation	769,420	866,004	(96,584)
Payment to Schools	17,699,886	16,237,392	1,462,494
Capital Outlay	7,682,628	10,382,457	(2,699,829)
Debt Service:			
Principal Retirement	1,030,000	995,000	35,000
Interest and Fiscal Charges	36,050	69,631	(33,581)
<i>Total Disbursements</i>	<u>48,033,035</u>	<u>48,374,414</u>	<u>(341,379)</u>
<i>Change in Net Position</i>	<u>9,395,495</u>	<u>(457,904)</u>	<u>9,853,399</u>
<i>Net Position, January 1</i>	<u>42,298,676</u>	<u>42,756,580</u>	<u>(457,904)</u>
<i>Net Position, December 31</i>	<u>\$ 51,694,171</u>	<u>\$ 42,298,676</u>	<u>\$ 9,395,495</u>

Total receipts increased \$9,512,020, or 20% during 2020. Sources for increases included receiving Federal assistance from the CARES Act for COVID-19 related costs, workers' compensation rebates provided by the Ohio Bureau of Workers' Compensation to ease the economic impact of COVID-19 on local governments, and increased payments in lieu of taxes, which increased due to new construction.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

Disbursements for general government represent the overhead costs of running the Township and the support services provided for other Township activities. Also included are the costs of the administrator, department heads, elected officials, as well as internal services, such as payroll, accounts payable and receivable, and purchasing.

Public safety includes the costs of police and fire protection; public health is the health services provided by Hamilton County; conservation-recreation activities are the costs of maintaining the parks and playing fields, the Senior Center, and the Nathanael Greene Lodge (a meeting facility); public works is the cost of maintaining the roads; and capital outlay is the cost for purchases of capital assets and capital improvements.

Total disbursements decreased by \$341,379, or less than 1% during 2020. The increase in payments to schools is a by-product of the pass-through nature related to the increase in payment in lieu of taxes revenue.

The decrease in capital outlay disbursements was due to completion of several projects in 2019, including a salt dome, parking lot, and new sidewalks and curbs that did not occur in 2020.

Governmental Activities

If you refer to the Statement of Activities, 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, capital outlay, and payments to schools at year-end December 31, 2020, which account for 33%, 16%, and 37% of all governmental disbursements, respectively. The next three columns of the Statement entitled Program 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 (Receipt) Disbursement column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being 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.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

The Township's Funds

The Township's governmental funds had total receipts of \$57,428,530 and total disbursements of \$48,033,035. Total governmental funds balance increased by \$9,395,495, with the biggest increases occurring in the General and major public safety-related funds.

Major Governmental Funds					
	2020 Fund Balance	2019 Fund Balance	Change in Fund Balance	% Change	
General Fund	\$ 18,386,948	\$ 16,440,588	\$ 1,946,360	11.8%	
TIF Fund	21,465,585	21,517,279	(51,694)	-0.2%	
Fire Levy Fund	3,555,740	1,371,366	2,184,374	159.3%	
Police Levy Fund	604,244	6,236	598,008	9589.6%	
Road & Bridge Fund	1,148,619	851,431	297,188	34.9%	
Safety Services- Police & Fire Fund	3,718,052	396,383	3,321,669	838.0%	
Safety Services- Fire Fund	374,685	67,962	306,723	451.3%	
Safety Services- Police Fund	606,153	13,961	592,192	4241.8%	

The increase in these funds was due to a significant amount of the public safety costs being funded by the Federal CARES Act funding, accounted for in a new nonmajor CARES Relief Fund, and the TIF Fund, as permissible by State Senate Bill No. 4. The CARES Relief Act has priority before use of the TIF funds. We also received about \$1.2 million in workers' compensation rebates in 2020. These monies were returned to the General, Fire Levy, Police and Fire Levy, and Road & Bridge funds.

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.

During 2020, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts to reflect receipt of workers' compensation rebates. Actual receipts were within 1.6% of final budgeted receipts.

The original budgeted disbursements were reduced during the year, as more public safety costs could be allocated to the CARES Relief and TIF funds. Final disbursements were budgeted at \$3,594,904, while actual budgetary disbursements were \$3,488,593 for the General Fund in 2020. The Township had \$136,613 in outstanding purchase orders at year-end 2020, but were \$106,311 within budgeted amounts. The result is an increase in the ending fund balance to \$18,201,167 for 2020.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

Capital Assets

The Township does keep track of its capital assets for insurance purposes but not for financial reporting.

Debt Administration

During 2020, the Township made its final payment on the general obligation bonds. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Current Issues

The challenge for all townships is to provide quality services to the public while staying within the restrictions imposed by limited resources. In 2020, the COVID-19 pandemic has affected all of our lives and has created many challenges never encountered by Green Township. The Township has continued to work towards the primary goals of safety, enhanced infrastructure, economic development, and quality of life while maintaining one of the lowest tax rates in the area. Green Township Trustees, along with assistance from our State Representatives, generated legislation for use of the TIF funds for Safety Services personnel costs for the next two years. State Senate Bill No. 4 went into effect on October 8, 2020. This bill allows townships in Ohio to use a portion of the TIF fund to be used to pay for personnel costs for first responders through mid-2022. This has eliminated the need for a levy in 2020 when many families were suffering financially due to the pandemic.

New police vehicles were purchased to replace those which had to be retired. The Green Township Police Department has placed a high value on maintaining strong community relations. It is imperative in these times that citizens have trust and confidence in the men and women who serve and protect their community. A number of programs have begun, with the police officers volunteering their time to participate in outreach efforts. The programs include bowling with local school children, a Toys, Tots and COPS Christmas program to help Township families in need during the holiday season, and a Birthday with a Badge program in cooperation with the local schools. An action plan was put in place through social media announcements, increased participation in events, and increased community partnerships.

During 2020, the Township expanded both the police and fire department staff to fill positions to address retirements of personnel and shortage of part-time fire personnel.

In 2020, new fire equipment was purchased replacing those emergency service vehicles which could no longer be used or did not meet the standards required by Federal and State Regulations. Two new battery-powered ambulance cot systems were purchased with CARES Relief Fund monies to assist in maintaining social distances and safety for citizens and fire employees due to the COVID-19 pandemic. Personal protective equipment was acquired to keep residents and staff safe. It was necessary to suspend CPR training, station tours, ride-alongs, and car seat inspections. These activities will resume as the restrictions of the pandemic subside. For the fourth year in a row, the Green Township Fire and EMS Department was awarded a Mission Lifeline EMS Gold Plus Award from the American Heart Association in 2020.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
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This award acknowledges that our EMT's demonstrated excellence in the management and transport of critical heart attack victims.

Green Township continues to seek further development to increase the availability of services, such as medical facilities, doctor's offices, restaurants, and businesses. A new Biggby Coffee opened in 2020, as well as Valle Escondido Mexican restaurant. The dedicated Senior Medical Center opened for business on Colerain Avenue. Tri-Health's new 141,000 square-foot medical office facility at the Western Ridge Campus began seeing patients in 2020. Traditions of North Bend senior living community is now open with 65 employees. This facility contains 117 units for independent, assisted and memory care residents. This growth provides new jobs and a new and stable tax base for Green Township.

New sidewalks have been added to increase the walkability in the Township. The public works department has improved many roads and sidewalks and continues to survey all Township roads for further repairs in the future. Road improvements are continuing on Harrison Avenue leading to a safer and more efficient roadway.

The playground at West Fork Park has provided a recreation area enjoyed by children of all ages. West Fork Park and Veterans Park were ranked among the region's top three playgrounds and parks by Cincy Magazine. At Kuliga Park the Township is in Phase Two of the Master Plan which includes a new pavilion, stage, and shelter. Tennis courts were resurfaced and 4 new pickleball courts were constructed. The parks, with the assistance of many vendors, sponsors many activities for families of the community, including the 4th of July Fireworks/Concert, Kids Fun Day, Touch a Truck, and Winterfest. In 2020, although these activities were canceled due to the pandemic, the hope is they will be returning in 2021.

The Nathaniel Green Lodge offers small and large event areas for meetings and weddings. Updates to furniture and fixtures were completed for the Lodge. Reservations were down for various functions during 2020. The Lodge was closed for a period of time and reopened with events at 50% capacity and sanitization protocol making it a safe place for social gatherings.

The Senior Center expanded its activities to allow for many functions that Green Township's Seniors would enjoy. In 2020, with over 1,000 members, COVID-19 forced the closing of the facility. This was the day before the St. Patrick's Day Party. We had many disappointed members. Green Township invested in a new notification system to ensure all members are healthy and safe during the closure. It enables us to quickly inform members of any changes in our closure status. An option for home delivered meals was created with the Cincinnati Area Senior Services.

The Township Elected Officials and Administrative Team will continue to seek additional revenue sources. This will allow Green Township the ability to continue to provide the level of service expected by the Green Township Residents.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

Contacting the Township's Financial Management

This financial report is designed to provide our 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 Tom Straus, Fiscal Officer, Green Township, 6303 Harrison Avenue, Cincinnati, Ohio 45247.

Green Township
Hamilton County, Ohio
Statement of Net Position - Modified Cash Basis
December 31, 2020

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Investments	<u>\$ 51,694,171</u>
<i>Total Assets</i>	<u>51,694,171</u>
 Net Position	
Restricted for:	
Public safety	9,230,986
Streets	1,273,703
Other purposes	65,080
Capital projects	21,588,835
Unrestricted	<u>19,535,567</u>
 <i>Total Net Position</i>	<u>\$ 51,694,171</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2020

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 1,853,032	\$ 924,362	\$ -	\$ -	\$ (928,670)
Public Safety	15,903,751	1,506,998	3,896,152	-	(10,500,601)
Public Works	2,689,486	-	118,937	1,622,351	(948,198)
Public Health	72,637	-	-	-	(72,637)
Economic Development	296,145	8,955	-	-	(287,190)
Payment to Schools	17,699,886	-	-	-	(17,699,886)
Conservation-Recreation	769,420	179,991	-	-	(589,429)
Capital Outlay	7,682,628	-	-	-	(7,682,628)
Interest and Fiscal Charges	36,050	-	-	-	(36,050)
Principal Retirement	1,030,000	-	-	-	(1,030,000)
<i>Total Governmental Activities</i>	<i>\$ 48,033,035</i>	<i>\$ 2,620,306</i>	<i>\$ 4,015,089</i>	<i>\$ 1,622,351</i>	<i>(39,775,289)</i>
 General Receipts					
Property Taxes Levied for:					
General Purposes					323,845
Public Safety					10,157,969
Public Works					1,203,602
Payment in Lieu of Taxes					26,640,809
Grants and Entitlements not Restricted to Specific Programs					6,530,831
Interest					586,225
Miscellaneous					3,727,503
<i>Total General Receipts</i>					<i>49,170,784</i>
Change in Net Position					9,395,495
<i>Net Position Beginning of Year</i>					<i>42,298,676</i>
<i>Net Position End of Year</i>					<i>\$ 51,694,171</i>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
December 31, 2020

	General	Tax Increment Financing	Fire Levy	Police Levy	Road and Bridge	Safety Services Police & Fire	Safety Services Fire	Safety Services Police	Other Governmental Funds	Total Governmental Funds
Assets										
Equity in Pooled Cash and Investments	\$ 18,386,948	\$ 21,465,585	\$ 3,555,740	\$ 604,244	\$ 1,148,619	\$ 3,718,052	\$ 374,685	\$ 606,153	\$ 1,834,145	\$ 51,694,171
Total Assets	18,386,948	21,465,585	3,555,740	604,244	1,148,619	3,718,052	374,685	606,153	1,834,145	51,694,171
Fund Balances										
Restricted for:										
Public safety	-	-	3,555,740	604,244	-	3,718,052	374,685	606,153	372,112	9,230,986
Streets	-	-	-	-	-	-	-	-	1,273,703	1,273,703
Capital projects	-	21,465,585	-	-	-	-	-	-	123,250	21,588,835
Other purposes	-	-	-	-	-	-	-	-	65,080	65,080
Committed to:										
Roads and bridges	-	-	-	-	1,148,619	-	-	-	-	1,148,619
Assigned to:										
Budget resources	841,153	-	-	-	-	-	-	-	-	841,153
Encumbered obligations	136,613	-	-	-	-	-	-	-	-	136,613
Public safety	12,774	-	-	-	-	-	-	-	-	12,774
Unassigned	17,396,408	-	-	-	-	-	-	-	-	17,396,408
Total Fund Balances	\$ 18,386,948	\$ 21,465,585	\$ 3,555,740	\$ 604,244	\$ 1,148,619	\$ 3,718,052	\$ 374,685	\$ 606,153	\$ 1,834,145	\$ 51,694,171

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2020

	General	Tax Increment Financing	Fire Levy	Police Levy	Road and Bridge	Safety Services Police & Fire	Safety Services Fire	Safety Services Police	Other Governmental Funds	Total Governmental Funds
Receipts										
Property and Other Local Taxes	\$ 323,845	\$ -	\$ 2,051,908	\$ 531,384	\$ 833,224	\$ 6,278,351	\$ 720,913	\$ 575,413	\$ 370,378	\$ 11,685,416
Charges for Services	347,853	-	1,347,234	-	-	-	-	-	-	1,695,087
Licenses, Permits and Fees	890,770	-	10,165	-	-	-	-	-	-	900,935
Fines and Forfeitures	16,029	-	-	-	-	-	-	-	8,255	24,284
Intergovernmental	2,605,887	2,586,775	292,440	76,355	128,936	595,031	108,835	82,037	5,566,073	12,042,369
Special Assessments	-	-	-	-	-	-	-	-	118,937	118,937
Interest	582,378	-	-	-	-	-	-	-	3,847	586,225
Other	537,893	1,086,467	1,036,947	-	271,780	721,717	-	-	79,664	3,734,468
Payment in Lieu of Taxes	-	26,640,809	-	-	-	-	-	-	-	26,640,809
Total Receipts	5,304,655	30,314,051	4,738,694	607,739	1,233,940	7,595,099	829,748	657,450	6,147,154	57,428,530
Disbursements										
Current:										
General Government	1,524,987	328,045	-	-	-	-	-	-	-	1,853,032
Public Safety	786,840	3,795,695	2,554,320	9,731	-	4,273,430	523,025	65,258	3,895,452	15,903,751
Public Works	5,632	-	-	-	935,029	-	-	-	1,748,825	2,689,486
Public Health	72,637	-	-	-	-	-	-	-	-	72,637
Economic Development	187,525	-	-	-	-	-	-	-	108,620	296,145
Payment to Schools	-	17,699,886	-	-	-	-	-	-	-	17,699,886
Conservation-Recreation	769,420	-	-	-	-	-	-	-	-	769,420
Capital Outlay	11,254	7,476,069	-	-	1,723	-	-	-	193,582	7,682,628
Debt Service										
Principal Retirement	-	1,030,000	-	-	-	-	-	-	-	1,030,000
Interest and Fiscal Charges	-	36,050	-	-	-	-	-	-	-	36,050
Total Disbursements	3,358,295	30,365,745	2,554,320	9,731	936,752	4,273,430	523,025	65,258	5,946,479	48,033,035
Net Change in Fund Balances	1,946,360	(51,694)	2,184,374	598,008	297,188	3,321,669	306,723	592,192	200,675	9,395,495
Fund Balances Beginning of Year	16,440,588	21,517,279	1,371,366	6,236	851,431	396,383	67,962	13,961	1,633,470	42,298,676
Fund Balances End of Year	\$ 18,386,948	\$ 21,465,585	\$ 3,555,740	\$ 604,244	\$ 1,148,619	\$ 3,718,052	\$ 374,685	\$ 606,153	\$ 1,834,145	\$ 51,694,171

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 313,000	\$ 323,845	323,845	\$ -
Charges for Services	313,000	346,297	347,853	1,556
Licenses, Permits and Fees	900,500	881,815	881,815	-
Fines and Forfeitures	25,100	16,029	16,029	-
Intergovernmental	2,505,400	2,509,802	2,605,887	96,085
Interest	600,000	592,000	582,378	(9,622)
Other	216,000	537,159	537,152	(7)
<i>Total Receipts</i>	<u>4,873,000</u>	<u>5,206,947</u>	<u>5,294,959</u>	<u>88,012</u>
Disbursements				
Current:				
General Government	1,970,101	1,579,645	1,555,518	24,127
Public Safety	3,032,241	886,207	868,517	17,690
Public Health	72,000	72,637	72,637	-
Economic Development	233,589	202,996	197,946	5,050
Conservation-Recreation	1,120,714	853,419	793,975	59,444
<i>Total Disbursements</i>	<u>6,428,645</u>	<u>3,594,904</u>	<u>3,488,593</u>	<u>106,311</u>
<i>Net Change in Fund Balance</i>	(1,555,645)	1,612,043	1,806,366	194,323
<i>Fund Balance Beginning of Year</i>	16,216,298	16,216,298	16,216,298	-
<i>Prior Year Encumbrances Appropriated</i>	178,503	178,503	178,503	-
<i>Fund Balance End of Year</i>	<u>\$ 14,839,156</u>	<u>\$ 18,006,844</u>	<u>\$ 18,201,167</u>	<u>\$ 194,323</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
TIF Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 2,550,000	\$ 2,586,775	\$ 2,586,775	\$ -
Payment in Lieu of Taxes	25,800,000	26,640,809	26,640,809	-
Other	100,000	1,089,000	1,086,467	(2,533)
<i>Total Receipts</i>	<u>28,450,000</u>	<u>30,316,584</u>	<u>30,314,051</u>	<u>(2,533)</u>
Disbursements				
Current:				
General Government	130,000	352,206	328,045	24,161
Public Safety	-	3,804,402	3,795,695	8,707
Payment to Schools	17,730,000	18,027,932	17,699,886	328,046
Capital Outlay	16,961,070	11,306,042	11,410,660	(104,618)
Debt Service:				
Principal and interest	1,065,000	1,066,050	1,066,050	-
<i>Total Disbursements</i>	<u>35,886,070</u>	<u>34,556,632</u>	<u>34,300,336</u>	<u>256,296</u>
<i>Net Change in Fund Balance</i>	<u>(7,436,070)</u>	<u>(4,240,048)</u>	<u>(3,986,285)</u>	<u>253,763</u>
<i>Fund Balance Beginning of Year</i>	<u>18,050,209</u>	<u>18,050,209</u>	<u>18,050,209</u>	<u>-</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>3,467,070</u>	<u>3,467,070</u>	<u>3,467,070</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 14,081,209</u>	<u>\$ 17,277,231</u>	<u>\$ 17,530,994</u>	<u>\$ 253,763</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Fire Levy Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
Receipts					
Property and Other Local Taxes	\$ 2,000,000	\$ 2,051,908	\$ 2,051,908	\$ -	
Charges for Services	1,300,000	1,340,000	1,347,234	7,234	
Licenses, Permits and Fees	15,000	10,000	10,165	165	
Intergovernmental	296,000	292,440	292,440	-	
Other	293,000	1,032,128	1,036,947	4,819	
<i>Total Receipts</i>	<u>3,904,000</u>	<u>4,726,476</u>	<u>4,738,694</u>	<u>12,218</u>	
Disbursements					
Current:					
Public Safety	5,102,567	3,050,106	2,905,425	144,681	
<i>Total Disbursements</i>	<u>5,102,567</u>	<u>3,050,106</u>	<u>2,905,425</u>	<u>144,681</u>	
<i>Net Change in Fund Balance</i>	(1,198,567)	1,676,370	1,833,269	156,899	
<i>Fund Balance Beginning of Year</i>	1,297,145	1,297,145	1,297,145	-	
<i>Prior Year Encumbrances Appropriated</i>	74,221	74,221	74,221	-	
<i>Fund Balance End of Year</i>	<u>\$ 172,799</u>	<u>\$ 3,047,736</u>	<u>\$ 3,204,635</u>	<u>\$ 156,899</u>	

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Police Levy Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
				\$	
Receipts					
Property and Other Local Taxes	\$ 540,000	\$ 531,384	\$ 531,384	\$	-
Intergovernmental	88,000	76,355	76,355		-
<i>Total Receipts</i>	<u>628,000</u>	<u>607,739</u>	<u>607,739</u>		-
Disbursements					
Current:					
Public Safety	633,000	9,731	9,731		-
<i>Total Disbursements</i>	<u>633,000</u>	<u>9,731</u>	<u>9,731</u>		-
<i>Net Change in Fund Balance</i>	(5,000)	598,008	598,008		-
<i>Fund Balance Beginning of Year</i>	6,236	6,236	6,236		-
<i>Fund Balance End of Year</i>	<u>\$ 1,236</u>	<u>\$ 604,244</u>	<u>\$ 604,244</u>	<u>\$</u>	<u>-</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 815,000	\$ 833,224	\$ 833,224	\$ -
Intergovernmental	124,000	128,936	128,936	-
Other	82,000	270,800	271,780	980
<i>Total Receipts</i>	<u>1,021,000</u>	<u>1,232,960</u>	<u>1,233,940</u>	<u>980</u>
Disbursements				
Current:				
Public Works	<u>1,287,638</u>	<u>1,055,794</u>	<u>982,244</u>	<u>73,550</u>
<i>Total Disbursements</i>	<u>1,287,638</u>	<u>1,055,794</u>	<u>982,244</u>	<u>73,550</u>
<i>Net Change in Fund Balance</i>	(266,638)	177,166	251,696	74,530
<i>Fund Balance Beginning of Year</i>	785,868	785,868	785,868	-
<i>Prior Year Encumbrances Appropriated</i>	65,563	65,563	65,563	-
<i>Fund Balance End of Year</i>	<u>\$ 584,793</u>	<u>\$ 1,028,597</u>	<u>\$ 1,103,127</u>	<u>\$ 74,530</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis*
Safety Services - Police and Fire Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
				<u>Positive (Negative)</u>
Receipts				
Property and Other Local Taxes	\$ 6,160,000	\$ 6,278,351	\$ 6,278,351	\$ -
Intergovernmental	575,000	595,031	595,031	-
Other	178,500	726,550	721,717	(4,833)
<i>Total Receipts</i>	<u>6,913,500</u>	<u>7,599,932</u>	<u>7,595,099</u>	<u>(4,833)</u>
Disbursements				
Current:				
Public Safety	7,091,929	4,293,654	4,285,537	8,117
<i>Total Disbursements</i>	<u>7,091,929</u>	<u>4,293,654</u>	<u>4,285,537</u>	<u>8,117</u>
<i>Net Change in Fund Balance</i>	(178,429)	3,306,278	3,309,562	3,284
<i>Fund Balance Beginning of Year</i>	381,277	381,277	381,277	-
<i>Prior Year Encumbrances Appropriated</i>	15,106	15,106	15,106	-
<i>Fund Balance End of Year</i>	<u>\$ 217,954</u>	<u>\$ 3,702,661</u>	<u>\$ 3,705,945</u>	<u>\$ 3,284</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Safety Services - Fire Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 725,000	\$ 720,913	\$ 720,913	\$ -
Intergovernmental	110,000	108,835	108,835	-
<i>Total Receipts</i>	<u>835,000</u>	<u>829,748</u>	<u>829,748</u>	<u>-</u>
Disbursements				
Current:				
Public Safety	882,245	534,815	523,025	11,790
<i>Total Disbursements</i>	<u>882,245</u>	<u>534,815</u>	<u>523,025</u>	<u>11,790</u>
<i>Net Change in Fund Balance</i>	(47,245)	294,933	306,723	11,790
<i>Fund Balance Beginning of Year</i>	67,962	67,962	67,962	-
<i>Fund Balance End of Year</i>	<u>\$ 20,717</u>	<u>\$ 362,895</u>	<u>\$ 374,685</u>	<u>\$ 11,790</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Safety Services - Police Fund
For the Year Ended December 31, 2020

					Variance with Final Budget
				Actual	Positive (Negative)
		<u>Budgeted Amounts</u>			
		<u>Original</u>	<u>Final</u>		
Receipts					
Property and Other Local Taxes	\$ 550,000	\$ 575,413	\$ 575,413	\$	-
Intergovernmental	81,000	82,037	82,037		-
<i>Total Receipts</i>	<u>631,000</u>	<u>657,450</u>	<u>657,450</u>		-
Disbursements					
Current:					
Public Safety	641,000	65,258	65,258		-
<i>Total Disbursements</i>	<u>641,000</u>	<u>65,258</u>	<u>65,258</u>		-
<i>Net Change in Fund Balance</i>	(10,000)	592,192	592,192		-
<i>Fund Balance Beginning of Year</i>	13,961	13,961	13,961		-
<i>Fund Balance End of Year</i>	<u>\$ 3,961</u>	<u>\$ 606,153</u>	<u>\$ 606,153</u>	<u>\$</u>	-

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

Green Township, Hamilton County, Ohio (the Township), is a body politic and corporate established in 1809 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 three-member Board of Trustees, each of whom is elected for overlapping terms of four years. The Township has an elected Township Fiscal Officer and a Township Administrator who is appointed by the Board of Trustees. All Department Heads report to the Township Administrator.

The reporting entity is comprised solely of the primary government.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. For the Township this includes providing police protection, fire and emergency medical services, road maintenance and repairs, parks and recreation, planning, zoning, and economic development. The Board of Trustees and Township Administrator have direct responsibility for these activities.

B. 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. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

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 Note 2.C, these financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally Accepted Accounting Principles, (GAAP), include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Green Township has no business type activities.

The statement of net position presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for 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 is 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 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 financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. 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. The funds of the Township are all considered governmental.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major funds are the General Fund, Tax Increment Financing (TIF) Fund, Fire Levy Fund, Police Levy Fund, Road and Bridge Levy Fund, Safety Services Police and Fire Fund, Safety Services Fire Fund and Safety Services Police Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

The Township has no proprietary or fiduciary types of funds.

C. 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 disbursed rather than when a liability is incurred.

As a result of the use of the 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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency 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 Ordinance, 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 ordinance, certified by the County Auditor, 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 when applicable, object level.

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.

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The appropriations ordinance 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. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. 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 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 2020, the Township invested in nonnegotiable certificates of deposit, U.S. Agency Securities, a money market fund, commercial paper, State Treasury Assets Reserve of Ohio (STAR Ohio), and STAR Plus. The negotiable certificates of deposit, commercial paper, and the U.S. Agency Securities are reported at cost. The Township's money market fund investment is recorded at the amount reported by Fifth Third Bank and Huntington Bank on December 31, 2020.

STAR Ohio is an investment pool, managed by the Ohio 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 GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share provided by STAR Ohio on an amortized cost basis at December 31, 2020, which approximates fair value.

For 2020, there were no limitations 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

STAR Plus is a federally-insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully selected FDIC-insured banks via single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty-free withdrawals. All deposits with STAR Plus have full FDIC insurance with no term commitment on deposits.

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 2020 were \$582,378 and \$3,847 assigned to other Township funds.

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F. 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.

G. Capital Assets

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

H. Inter-fund Receivables/Payables

The Township reports advances-in and advances-out for inter-fund loans. The Township had no inter-fund loans in 2020. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

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.

J. Pensions/Other Postemployment Benefits

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

K. 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.

L. Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

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M. 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:

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or 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.

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 or is imposed by law through constitutional provisions.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. 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 the Board of Trustees.

Unassigned: Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Township applies restricted resources first when disbursements 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 disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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N. Inter-fund Transactions

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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – 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 Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a portion of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$136,613 for the General Fund, \$3,934,591 for the TIF fund, \$351,105 for the Fire Levy Fund, \$45,492 for the Road and Bridge Fund, and \$12,107 for the Safety Services Police & Fire Fund in 2020. In addition, the General Fund includes certain funds in the fund financial statements that are budgeted separately.

Note 4 – 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 withdraw 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.

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;

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2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in investments (1) or (2) and repurchase agreements secured by such obligations, provided that investment in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool and cash management program (STAR Ohio and STAR Plus).
8. Commercial paper and bankers' acceptances, with appropriate limitations based upon completion of ORC training requirements.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool, established by the financial institution to secure the repayment of all public monies deposited with the institution.

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 Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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Investments

As of December 31, 2020, the Township had the following investments:

Investment Type	Carrying Value	Maturity (in Years)		
		Less than 1	1-2	3-5
US Agency Securities	\$ 20,881,791	\$ -	\$ 7,623,126	\$ 13,258,665
Commercial Paper	2,111,825	2,111,825	-	-
Negotiable Certificates of Deposit	11,922,986	3,506,828	6,884,049	1,532,109
Money Market	386,584	386,584	-	-
STAR Ohio	5,149,771	5,149,771	-	-
	<u>\$ 40,452,957</u>	<u>11,155,008</u>	<u>14,507,175</u>	<u>14,790,774</u>

At December 31, 2020, 52% of the Township's investments are in government sponsored enterprise notes (i.e., federal agencies) that are subject to concentration of credit risk. These include Federal National Mortgage Association, Federal Home Loan Bank, and Federal Farm Credit Bank securities, which have all been rated Aaa by Moody's and AA+ by Standards and Poor's. The Township's commercial paper holdings have been rated P-1 by Moody's. Investments in STAR Ohio were rated AAAm by Standard and Poor's.

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 December 31, 2020, \$10,658,403 of the Township's bank balance of \$11,474,258 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be 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 105 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 to be 102 percent of the deposit being secured or a rate set by the Treasurer of State.

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.

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The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Township's U.S. agency securities, commercial paper and negotiable certificates of deposit were valued using pricing sources as provided by the investment manager (Level 2 inputs). Investments in the money market and STAR Ohio are excluded from fair value measurement requirements under generally accepted accounting principles and instead, are reported at amortized cost which approximates fair value.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property and public utility property located within the Township. Property taxes receipts received during 2020 for real and public utility property taxes represent collections of 2019 taxes.

2019 real property taxes are levied after October 1, 2019 on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of the appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2020 was \$14.66 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2020 property tax receipts were based are as follows:

Real Property - Residential, Agricultural, Commercial, Industrial, and Other	\$ 1,052,723,070
Public Utility Property	<u>52,901,580</u>
Total Valuation	<u>\$ 1,105,624,650</u>

Real property taxes are payable annually or semi-annually. If paid annually, the 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 later payment dates to be established.

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.

Note 6 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The Township insures against injuries to employees through the Ohio Bureau of Workers' Compensation. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

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During 2020 the Township contracted with Selective Insurance Company for property and casualty, liability, and law enforcement coverage. Property coverage is \$20,181,712. The coverage limits for general liability, public officials and law enforcement is \$6,000,000 per occurrence and \$8,000,000 in the aggregate. The coverage limit for automobile liability is \$6,000,000, with \$1,000,000 uninsured/underinsured motorist coverage. The cyber policy coverage limit is \$1,000,000.

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

Self Insurance

The Township is self-insured for employee health insurance. The bank operating accounts pays to cover claims to service providers and expenses these costs for the charges to the departments associated funds. The amount charged to the associated funds is calculated by the percent of previous year's actual claims, plus any increase in the total expected claims from one year to the next.

A comparison of cash and investments to the actuarially-measured liability as of December 31, 2020 and 2019 is as follows:

	2020	2019
Cash and investments	\$51,694,171	\$42,298,676
Actuarial liability	3,121,915	2,806,019

Note 7 – Defined Benefit Pension Plans

Net Pension Liability

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, became effective in 2015. The net pension liability is not reported in the accompanying financial statements. The net pension liability has been disclosed below.

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

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

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Ohio Public Employees Retirement System (OPERS)

Plan Description—Township employees, other than full-time firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-share, 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 plan with defined contribution features. While members (e.g., Township employees) may elect the member-directed plan and the combined plan, the majority of employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS's fiduciary net position that may be obtained by visiting <https://www.opers.org/about/finance/index.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

	State and Local	Public Safety	Law Enforcement
2020 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2020 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

- * This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- ** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

The Township's contractually required contributions to OPERS for December 31, 2020, 2019, and 2018 were \$1,060,255, \$1,012,966, and \$957,673, respectively.

Ohio Police and Fire Pension Fund (OP&F)

Plan Description—Township full-time firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustment, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about OP&F's fiduciary net position. That report may be obtained by visiting <https://www.op-f.org/Information/Reports.aspx> or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3% of their base pension or disability benefit.

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

		<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates		
Employer		24.00 %
Employee		12.25 %
2020 Actual Contribution Rates		
Employer:		
Pension		23.50 %
Post-employment Health Care Benefits		0.50
<hr/>		
Total Employer		<u>24.00 %</u>
<hr/>		
Employee		<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contributions to OP&F for December 31, 2020, 2019, and 2018 were \$1,143,332, \$1,049,580, and \$933,191, respectively.

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Net Pension Liability

The net pension liability for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The Township's proportion of the net pension liability was based on the Township's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	\$ 10,036,616	\$ 13,850,941	\$ 23,887,557
Proportion of the Net Pension Liability	0.0508%	0.2056%	
Change in Proportion	0.0010%	0.0151%	

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.25%
Future salary increases, Including inflation	3.25% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple; Post 1/7/2013 retirees: 3% simple through 2020, then 2.15% simple
Investment rate of return	7.20%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

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

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2% for 2019.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2019 and the long term expected arithmetic real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	25.00%	1.83%
Domestic Equities	19.00%	5.75%
Real Estate	10.00%	5.20%
Private Equity	12.00%	10.70%
International Equities	21.00%	7.66%
Other Investments	13.00%	4.98%
Total	<u>100.00%</u>	<u>5.61%</u>

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Discount Rate: The discount rate used to measure the total pension liability was 7.20% for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following chart represents the Township's proportionate share of the net pension liability at the 7.20% discount rate, as well as the sensitivity to a 1% increase and 1% decrease in the current discount rate:

	1% Decrease (6.20%)	Current Discount Rate of 7.20%	1% Increase (8.20%)
Township's proportionate share of the net pension liability	\$ 16,553,628	\$ 10,036,616	\$ 4,178,014

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2019, are presented below:

Valuation date	January 1, 2019 with actuarial liabilities rolled forward to December 31, 2019
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% to 10.50%
Payroll growth	2.75% plus productivity increase rate of 0.5%
Inflation assumptions	2.75%
Cost of living adjustments	3.0% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3.0%.

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	0.0%	1.00%
Domestic equity	16.0%	5.40%
Non-U.S. equity	16.0%	5.80%
Private markets	8.0%	8.00%
Core fixed income*	23.0%	2.70%
High yield fixed income	7.0%	4.70%
Private credit	5.0%	5.50%
U.S. inflation linked bonds*	17.0%	2.50%
Master limited partnerships	8.0%	6.60%
Real assets	8.0%	7.40%
Private real estate	12.0%	6.40%
	<hr/>	<hr/>
	120.0%	

*Note: Assumptions are geometric. * Levered 2x*

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OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate: The total pension liability was calculated using the discount rate of 8.0%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.0%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using a discount rate of 8.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.0%), or one percentage point higher (9.0%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate of 8.00%	1% Increase (9.00%)
Township's proportionate share of the net pension liability	\$ 19,196,922	\$ 13,850,941	\$ 9,379,557

Note 8 – Defined Benefit Other Postemployment Benefits (OPEB)

Net OPEB Liability

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The net OPEB liability is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the modified cash basis framework.

Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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Funding Policy— The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of Traditional Pension and Combined plans' employer contributions allocated to health care was zero in 2020. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0%.

For the years ended December 31, 2020, 2019 and 2018, OPERS did not allocate any employer contributions to postemployment health care.

Ohio Police and Fire Pension Fund (OP&F)

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2020, the portion of the employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

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

The Township's contractually required contributions to OP&F for OPEB for December 31, 2020, 2019 and 2018 were \$24,010, \$22,041 and \$19,597, respectively.

Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The Township's proportion of the net OPEB liability was based on the Township's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability	\$ 6,645,103	\$ 2,030,953	\$ 8,676,056
Proportion of the Net OPEB Liability	0.0481%	0.2056%	
Change in Proportion	0.0009%	0.0151%	

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Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OBEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	3.25%
Projected salary increases	3.25% to 10.75%, including wage inflation
Singe discount rate:	
Current measurement period	3.16%
Prior measurement period	3.96%
Investment rate of return	6.00%
Municipal bond rate:	
Current measurement period	2.75%
Prior measurement period	3.71%
Health care cost trend rate:	
Current measurement period	10.5% initial, 3.50% ultimate in 2030
Prior measurement period	10.0% initial, 3.25% ultimate in 2028
Actuarial cost method	Individual entry age

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

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7% for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the OPERS Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the OPERS Board-approved asset allocation policy for 2019 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00%	1.53%
Domestic Equities	21.00%	5.75%
REITs	6.00%	5.69%
International Equities	23.00%	7.66%
Other Investments	<u>14.00%</u>	4.90%
Total	<u>100.00%</u>	4.55%

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Discount Rate: A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following table presents the Township's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16%, as well as what the Township's proportionate share of the net OPEB liability if it were calculated using a discount rate that is 1.0% point lower (2.16%) or 1.0% point higher (4.16%) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate of 3.16%	1% Increase (4.16%)
Township's proportionate share of the net OPEB liability	\$ 8,696,183	\$ 6,645,103	\$ 5,002,855

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Township's proportionate share of the net OPEB liability	\$ 6,449,011	\$ 6,645,103	\$ 6,838,694

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Changes Subsequent to the Measurement Date. On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current measurement period, but are expected to decrease the associated OPEB liability.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019 and rolled forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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Key Methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Actuarial valuation date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.75% to 10.50%
Payroll growth	3.25%
Single discount rate:	
Current measurement date	3.56%
Prior measurement date	4.66%
Municipal bond rate:	
Current measurement date	2.75%
Prior measurement date	4.13%
Cost of living adjustments	3.0% simple; 2.2% simple for increase based on the lesser of the increases in CPI and 3.0%

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

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

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

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

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

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The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalent	0.0%	1.00%
Domestic equity	16.0%	5.40%
Non-U.S. equity	16.0%	5.80%
Private markets	8.0%	8.00%
Core fixed income*	23.0%	2.70%
High yield fixed income	7.0%	4.70%
Private credit	5.0%	5.50%
U.S. inflation linked bonds*	17.0%	2.50%
Master limited partnerships	8.0%	6.40%
Real assets	8.0%	7.40%
Private real estate	<u>12.0%</u>	6.40%
Total	120.00%	

*Note: Assumptions are geometric. * Levered 2x*

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate. Total OPEB liability was calculated using the discount rate of 3.56%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.0%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 2.75% at December 31, 2019 and 4.13% at December 31, 2018 was blended with the long-term rate of 8.0%, which resulted in a blended discount rate of 3.56% at December 31, 2019 and 4.66% at December 31, 2018.

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 3.56%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.56%) and 1% point higher (4.56%) than the current discount rate.

	1% Decrease (2.56%)	Current Discount Rate of 3.56%	1% Increase (4.56%)
Township's proportionate share of the net OPEB liability	\$ 2,518,251	\$ 2,030,953	\$ 1,626,043

Note 9 – Long-Term Obligations

The changes in the Township's long-term obligations during 2020 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General Obligation Bonds:					
Series 2010 Various Purpose Bonds	\$ 1,030,000	\$ _____ -	\$ 1,030,000	\$ _____ -	\$ _____ -

On February 16, 2010, the Township issued unvoted Various Purpose General Obligation Bonds in the amount of \$9,895,000 for the purpose of retiring outstanding notes and for the various improvements within the Township including road and park improvements. These bonds matured on December 1, 2020.

Debt service payments made by the Township will be from service payments in lieu of taxes made by property owners pursuant to Section 5709.73 of the Ohio Revised Code.

Note 10 – Joint Economic Development Districts

Green Township participates in six Joint Economic Development Districts (JEDD) with the City of Cheviot. The JEDDs are located entirely within Green Township, Hamilton County. The purpose of a JEDD is to facilitate the development of jobs and employment opportunities along with improving the welfare of people in the State of Ohio and the area of the contracting parties. The JEDD creates a Board of Directors which consists of a Municipal Member, a Township member, a member who represents the owners of the businesses within the JEDD, a member who represents the persons working within the JEDD, and one member who is selected by the above members who serves as chairperson.

The proceeds of the JEDDs are used to pay a portion of the costs associated with the construction and improvement of roads, the provision of public services such as police and fire protection, and to provide for improvements in connector roads that benefit the JEDD. The City of Cheviot administers and collects income tax for the JEDD and reports monthly and quarterly to the contracting parties.

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The District agreements in place during 2020 were as follows:

A. JEDD District I

In 2010, the Township and the City entered into an agreement to create the JEDD I within the Western Ridge area. The agreement authorized the levy of a 1% earnings tax for persons employed within the JEDD I boundaries, with an initial cap on earned income of \$100,000 per earner per year. This cap shall be adjusted annually based upon the Consumer Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD I, net of operating expenses, is 80% to the Township and 20% to the City.

B. JEDD District II

In 2012, the Township and the City entered into an agreement to create the JEDD II within the Christ Hospital Medical Center and Children's Hospital Medical Center area. The agreement authorized the levy of a 1% earnings tax for persons employed within the JEDD II boundaries, with an initial cap on earned income of \$100,000 per earner per year. This cap shall be adjusted annually based upon the Consumer Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD II, net of operating expenses, is 80% to the Township and 20% to the City.

C. JEDD District III

In 2013, the Township and the City entered into an agreement to create the JEDD III within the Mercy Hospitals West area. The agreement authorized the initial levy of a 2% earnings tax for persons employed within the JEDD III boundaries, with an initial cap on earned income of \$100,000 per earner per year, for the first ten years of the agreement. Beginning with the eleventh year, the earnings tax rate is reduced to 1% and the earned income cap is adjusted annually based upon the Consumer Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD III, net of operating expenses, for the first twenty years is 90% to the Township and 10% to the City. Beginning with the twenty-first year, the distribution allocations will be adjusted to 85% to the Township and 15% to the City.

D. JEDD District IV

In 2014, the Township and the City entered into an agreement to create the JEDD IV within the Harrison Greene area. The agreement authorized the levy of a 1% tax on the net profits of all businesses operating within the JEDD IV and a 1% earnings tax for persons employed within the JEDD IV boundaries, with an initial cap on earned income of \$100,000 per earner per year and. This cap shall be adjusted annually based upon the Consumer Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD IV, net of operating expenses, is 90% to the Township and 10% to the City.

Green Township
Hamilton County, Ohio
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E. JEDD District V

In 2016, the Township and the City entered into an agreement to create the JEDD V located at United Dairy Farmers on North Bend Road and Westwood Northern Boulevard. The agreement authorized the levy of a 1% tax on the net profits of all businesses operating within the JEDD V and a 1% earnings tax for persons employed within the JEDD V boundaries, with an initial cap on earned income of \$100,000. This cap shall be adjusted annually based upon the Consumer Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD V, net of operating expenses, is 90% to the Township and 10% to the City.

F. JEDD District VI

In 2018, the Township and the City entered into an agreement to create the JEDD VI located along Harrison Avenue. The agreement authorized the levy of a 1% tax on the net profits of all businesses operating within the JEDD VI and a 1% earnings tax for persons employed within the JEDD VI boundaries, with an initial cap on earned income of \$100,000. This cap shall be adjusted annually based upon the Consumer Price Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD VI, net of operating expenses, is 90% to the Township and 10% to the City.

G. JEDD District VII

On December 14, 2020, the Township Trustees approved an agreement with the City to create the JEDD VII for Hampton Inn. The agreement authorized a 2% wage tax for persons employed within the JEDD VII boundaries. The distribution of the revenue generated from the JEDD VII, net of operating expenses, is 80% to the Township and 20% to the City.

Note 11 – Contingent Liabilities

The Township is periodically the subject of litigation by a variety of plaintiffs. However, the Township was not party to any legal proceedings.

The financial impact of the COVID-19 pandemic and ensuing emergency measures effected the Township during 2020 and will likely impact subsequent periods. The impact on the Township's future operating costs, revenues and any recovery from emergency funding, either federal or state, cannot be estimated at this time.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

This discussion and analysis of the Green Township financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2019, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2019 are as follows:

Net position of the governmental activities decreased \$457,904, or 1%. The Township experienced an increase in receipts in 2019 of \$7,205 and an increase in disbursements of \$3,332,753.

General receipts accounted for 92% of all receipts. Program specific receipts in the form of charges for services, operating and capital-related grants and contributions accounted for 8% of total receipts of \$47,916,510.

The Township had \$48,374,414 in disbursements, only \$3,758,950 of these disbursements was offset by program specific charges for services and grants.

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 and the Statement of Activities 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.

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Management's Discussion and Analysis
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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 the 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 expenses (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 and the Statement of Activities reflect how the Township performed financially during 2019, within the limitations of the modified cash basis accounting. The Statement of Net Position presents the cash balances and investments of the governmental activities of the Township at year-end. The Statement of Activities compares cash disbursements with program receipts for each governmental program activity. 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 receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function activity 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 condition. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial condition 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 and income taxes.

In the Statement of Net Position and the Statement of Activities, all activity is accounted for as governmental activities:

Governmental Activities. All of the Township's basic services are reported here, including police, fire/EMS, streets and parks. Property Taxes and State and Federal Grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2019
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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 or committed as to how it may be used is being spent for the intended purpose. The funds of the Township are all categorized as governmental funds.

Governmental Funds - 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 include the General Fund, Tax Incremental Financing (TIF) Fund, Fire Levy Fund, Police Levy Fund, Road and Bridge Levy Fund, and the Safety Services Levy funds (Police, Fire, and Police and Fire). The programs reported in governmental funds are identical to those reported in the governmental activities section of the entity-wide statements.

General Fund. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general fund laws of Ohio.

Tax Increment Financing (TIF) Fund. This special revenue fund accounts for payments received in lieu of taxes on property located within Green Township designated as a TIF parcel.

Fire Levy Fund. This special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department.

Police Levy Fund. This special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

Road and Bridge Levy Fund. This special revenue fund accounts for tax revenues levied for operations of the Township Public Works Department.

Safety Services Police and Fire Levy Fund. This special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department and Police Department.

Safety Services Fire Levy Fund. This special revenue fund accounts for tax revenues levied for the operations of the Township Fire Department.

Safety Services Police Levy Fund. This special revenue fund accounts for tax revenues levied for the operation of the Township Police Department.

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Management's Discussion and Analysis
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The Township as a Whole

Table 1 provides a summary of the Township's net position for 2019 and 2018 on the modified cash basis:

(Table 1)
Net Position
Governmental Activities

	2019	2018	Change
Assets			
Equity in Pooled Cash and Investments	\$ 42,298,676	\$ 42,756,580	\$ (457,904)
<i>Total Assets</i>	<u>\$ 42,298,676</u>	<u>\$ 42,756,580</u>	<u>\$ (457,904)</u>
Net Position			
Restricted for:			
Public Safety	\$ 2,226,030	\$ 2,402,079	\$ (176,049)
Streets	1,096,324	823,683	272,641
Other purposes	54,091	49,065	5,026
Capital projects	21,630,212	22,500,169	(869,957)
Unrestricted	17,292,019	16,981,584	310,435
<i>Total Net Position</i>	<u>\$ 42,298,676</u>	<u>\$ 42,756,580</u>	<u>\$ (457,904)</u>

Net position of the governmental activities decreased \$457,904, or 1%. The reasons for this decrease are discussed in the following section for governmental activities.

Green Township
Hamilton County, Ohio
Management's Discussion and Analysis
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Table 2 demonstrates the changes in net position for fiscal years 2019 and 2018.

(Table 2)
Change in Net Position
Governmental Activities

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Receipts:			
Program Receipts:			
Charges for Services	\$ 2,628,808	\$ 2,653,302	\$ (24,494)
Operating Grants	166,408	153,141	13,267
Capital Grants	963,734	830,311	133,423
<i>Total Program Receipts</i>	<u>3,758,950</u>	<u>3,636,754</u>	<u>122,196</u>
General Receipts			
Property and Other Local Taxes	11,428,041	11,451,521	(23,480)
Payments in Lieu of Taxes	24,271,125	24,034,551	236,574
Grants and Entitlements not Restricted	6,368,112	6,379,969	(11,857)
Interest	789,991	503,583	286,408
Miscellaneous	1,300,291	1,902,927	(602,636)
<i>Total General Receipts</i>	<u>44,157,560</u>	<u>44,272,551</u>	<u>(114,991)</u>
<i>Total Receipts</i>	<u>47,916,510</u>	<u>47,909,305</u>	<u>7,205</u>
Disbursements:			
General Government	2,052,863	1,813,065	239,798
Public Safety	15,266,431	13,827,568	1,438,863
Public Works	2,135,415	2,204,329	(68,914)
Public Health	70,872	69,188	1,684
Economic Development	298,349	294,924	3,425
Conservation-Recreation	866,004	827,852	38,152
Payment to Schools	16,237,392	16,074,315	163,077
Capital Outlay	10,382,457	8,867,189	1,515,268
Debt Service:			
Principal Retirement	995,000	960,000	35,000
Interest and Fiscal Charges	69,631	103,231	(33,600)
<i>Total Disbursements</i>	<u>48,374,414</u>	<u>45,041,661</u>	<u>3,332,753</u>
<i>Change in Net Position</i>	<u>(457,904)</u>	<u>2,867,644</u>	<u>(3,325,548)</u>
<i>Net Position, January 1</i>	<u>42,756,580</u>	<u>39,888,936</u>	<u>2,867,644</u>
<i>Net Position, December 31</i>	<u>\$ 42,298,676</u>	<u>\$ 42,756,580</u>	<u>\$ (457,904)</u>

Total receipts increased \$7,205, or less than 1% during 2019. Sources for increases included increased interest revenue, due to better investment returns, increased capital grants and contributions, due to increases in gasoline excise taxes for the second half of 2019, and increased payments in lieu of taxes, which increased due to new construction.

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Nearly offsetting the increases in receipts was a decrease in miscellaneous receipts attributable to several one-time receipts received in 2018, including \$341,612 in surplus funds from the Hamilton County Auditor, \$304,392 in employee share for medical insurance, a \$145,332 rebate from the Ohio Bureau of Workers' Compensation, approximately \$107,000 for a refund of runout claims for medical claims from 2017, and a \$43,000 tax refund on property later deemed exempt.

Disbursements for general government represent the overhead costs of running the Township and the support services provided for other Township activities. Also included are the costs of the administrator, department heads, elected officials, as well as internal services, such as payroll, accounts payable and receivable, and purchasing.

Public safety includes the costs of police and fire protection; public health is the health services provided by Hamilton County; conservation-recreation activities are the costs of maintaining the parks and playing fields, the Senior Center, and the Nathanael Greene Lodge (a meeting facility); public works is the cost of maintaining the roads; and capital outlay is the cost for purchases of capital assets and capital improvements.

Total disbursements increased \$3,332,753, or 7%. The increase in public safety disbursements was due to increase in staffing in both fire and police, salary increases associated with the bargaining associations of 3.5% for firefighters and 2.5% for police, and medical insurance increase.

The increase in capital outlay disbursements was due to continued improvements that included constructing a walking path and a shared-use drive connection to a roadway in Kuliga Park, installation of all-weather artificial turf and climbing structures in Bosken Park, and purchase of additional property to assist in improving the Harrison Avenue roadway.

Governmental Activities

If you refer to the Statement of Activities, 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, capital outlay, and payments to schools at year-end December 31, 2019, which account for 32%, 21%, and 34% of all governmental disbursements, respectively. The next three columns of the Statement entitled Program 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 (Receipt) Disbursement column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being 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.

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Hamilton County, Ohio
Management's Discussion and Analysis
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The Township's Funds

The Township's governmental funds had total receipts of \$47,916,510 and total disbursements of \$48,374,414. Total governmental funds balance decreased by \$457,904, with the biggest decreases occurring in the TIF and Fire Levy Funds.

Major Governmental Funds				
	2019 Fund Balance	2018 Fund Balance	Change in Fund Balance	% Change
General Fund	\$ 16,440,588	\$ 16,211,174	\$ 229,414	1.4%
TIF Fund	21,517,279	22,402,753	(885,474)	-4.0%
Fire Levy Fund	1,371,366	1,582,061	(210,695)	-13.3%
Police Levy Fund	6,236	2,338	3,898	166.7%
Road & Bridge Fund	851,431	770,410	81,021	10.5%
Safety Services- Police & Fire Fund	396,383	418,766	(22,383)	-5.3%
Safety Services- Fire Fund	67,962	42,767	25,195	58.9%
Safety Services- Police Fund	13,961	154	13,807	8965.6%

The General Fund's ending fund balance increased by \$229,414, which was lower than prior year's increase of \$673,397. This was due to increases in hospitalization disbursements and public safety disbursements, as previously discussed.

The TIF Fund experienced a net change in fund balance decrease of \$885,474. The primary factors contributing to the decrease were increases in capital outlay, as discussed previously.

The Road & Bridge Levy Fund increased by \$81,021 due to a reduction of one position and accounting for prior year disbursements in other funds, based on cash flows available among funds.

The Fire Levy, Police Levy, Safety Services Police & Fire, Safety Services Fire and Safety Service Police levy-related funds operate in conjunction with one another, allocating costs to each fund as levy receipts allow, to preserve available General Fund resources.

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 2019, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts to reflect better investment earnings. Actual receipts were within less than 1% of final budgeted receipts.

The original budgeted disbursements were reduced during the year, as more public safety costs could be allocated to the public safety levy funds. Final disbursements were budgeted at \$5,219,488, while actual budgetary disbursements were \$5,182,677 for the General Fund in 2019. The Township had \$178,503 in outstanding purchase orders at year-end 2019, but were \$36,811 within budgeted amounts. The result is an increase in the ending fund balance to \$16,216,298 for 2019.

Capital Assets

The Township does keep track of its capital assets for insurance purposes but not for financial reporting.

Debt Administration

As of December 31, 2019, the Township's outstanding debt included \$1,030,000 in general obligation bonds issued for various purposes. For further information regarding the Township's debt, refer to Note 9 to the basic financial statements.

Current Issues

The challenge for all townships is to provide quality services to the public while staying within the restrictions imposed by limited resources.

The second police facility is operating and provides training area for the safety services staff. New police vehicles were purchased to replace those which had to be retired. The Green Township Police Department has placed a high value on maintaining strong community relations. A number of programs have begun, with the police officers volunteering their time to participate in outreach efforts. The programs include bowling with local school children, a Toys,Tots and COPS program to help Township families in need during the holiday season, and a Birthday with a Badge program in cooperation with the local schools. A WeTHRIVE public safety campaign was initiated with the Hamilton County Public Health Department to create a culture of health, safety, and vitality. Concerns identified were increase recycling, decrease litter, decrease car accidents associated with teen drivers, and increase awareness and education of public driving laws in response to first responder vehicles. An action plan was put in place through social media announcements, increased participation in events, and increased community partnerships.

During 2019, the Township expanded both the police and fire department staff to fill positions to address the loss of service through the Hamilton County Sheriff Department and shortage of part-time fire personnel.

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Unaudited

In 2019, new fire equipment was purchased replacing those emergency service vehicles which could no longer be used or did not meet the standards required by Federal and State Regulations. A new battery-powered ambulance cot system was purchased with a safety grant from the Ohio Bureau of Workers' Compensation to save costs associated with back injuries for both the employee and employer. The Green Township Fire and EMS Department was awarded a Lifeline EMS Gold Plus Award from the American Heart Association in 2019; awarded for demonstrated excellence in the management and transport of critical heart attack victims.

Green Township continues to seek further development to increase the availability of services, such as medical facilities, doctor's offices, and eateries, which included a new IHOP and Velvet Smoke BBQ. Tri-Health is constructing a 90,000 square-foot medical office facility at the Western Ridge Campus. The new Kroger's Marketplace opened for business in late 2018 and has provided the citizens of the Township a wider variety of food choices. New senior living facilities are being constructed and plan to open in 2020. This growth provides new jobs and a new and more stable tax base for Green Township.

New sidewalks have been added to Bridgetown Road to increase the walkability in the Township. The public works department has improved many roads and sidewalks and continues to survey all Township roads for further repairs in the future. Road improvements were completed on Harrison Avenue leading to a safer and more efficient roadway. The street rehabilitation program included 3.28 lane miles at a cost of approximately \$1.8 million.

The playground at West Fork Park has provided a recreation area enjoyed by children of all ages. At Kuliga Park the Township is in the process of creating a Master Plan. The Master Plan will include a new shelter facilities, trails, improved ballfields, and pickleball are also planned. The Hutchinson Road trailhead parking lot was improved for additional parking. The parks, with the assistance of many vendors, sponsored many activities for families of the community, including the 4th of July Fireworks/Concert, Kids Fun Day, Touch a Truck, and Winterfest.

The Lodge offers small and large event areas for meetings and weddings. Updates to furniture and fixtures were completed for the Lodge. Most weekends were booked for various functions. The Annual Winterfest utilizes the Lodge facility totally for this activity. There are all types of games and fun things for the children including Santa, Mrs. Claus, and the Grinch and Santa's live reindeer. Refreshments such as cookies and hot chocolate are also provided. This is paid through donations from various business and community members.

The Senior Center expanded its activities to allow for many functions that Green Township's Seniors would enjoy. In 2019, a new art class began to meet weekly. In June, some of our members performed American Classics and Broadway tunes alongside members of the Cincinnati Opera. Health and wellness included a six-week program concerning diabetes and how it affects your health. Outings offered included Great American Ball Park, Aronoff Performances, Cincinnati Museum Center, and a mystery trip to an alpaca farm. Improvements were completed for a community garden area allowing for picnics.

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An audit was completed for the Township by the Ohio Auditor of State for the years ended December 31, 2017 and 2018. The results were an unmodified, or "clean", opinion on the financial statements and no material weaknesses reported in the financial reporting for Green Township.

The Township Elected Officials and Administrative Team will continue to seek additional revenue sources. This will allow Green Township the ability to continue to provide the level of service expected by the Green Township Residents.

Contacting the Township's Financial Management

This financial report is designed to provide our 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 Tom Straus, Fiscal Officer, Green Township, 6303 Harrison Avenue, Cincinnati, Ohio 45247.

Green Township
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Statement of Net Position - Modified Cash Basis
December 31, 2019

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Investments	<u>\$ 42,298,676</u>
<i>Total Assets</i>	<u>42,298,676</u>
 Net Position	
Restricted for:	
Public safety	2,226,030
Streets	1,096,324
Other purposes	54,091
Capital projects	21,630,212
Unrestricted	<u>17,292,019</u>
 <i>Total Net Position</i>	<u>\$ 42,298,676</u>

See accompanying notes to the basic financial statements.

Green Township
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Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2019

	Program Cash Receipts					Net (Disbursements) Receipts and Changes in Net Position			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions					
					Governmental Activities				
Governmental Activities									
General Government	\$ 2,052,863	\$ 959,977	\$ 33,552	\$ -	\$ (1,059,334)				
Public Safety	15,266,431	1,470,652	14,292	-	(13,781,487)				
Public Works	2,135,415	-	118,564	963,734	(1,053,117)				
Public Health	70,872	-	-	-	(70,872)				
Economic Development	298,349	8,816	-	-	(289,533)				
Payment to Schools	16,237,392	-	-	-	(16,237,392)				
Conservation-Recreation	866,004	189,363	-	-	(676,641)				
Capital Outlay	10,382,457	-	-	-	(10,382,457)				
Interest and Fiscal Charges	69,631	-	-	-	(69,631)				
Principal Retirement	995,000	-	-	-	(995,000)				
<i>Total Governmental Activities</i>	<u>\$ 48,374,414</u>	<u>\$ 2,628,808</u>	<u>\$ 166,408</u>	<u>\$ 963,734</u>	<u>(44,615,464)</u>				
 General Receipts									
Property Taxes Levied for:									
General Purposes					313,210				
Public Safety					9,937,907				
Public Works					1,176,924				
Payment in Lieu of Taxes					24,271,125				
Grants and Entitlements not Restricted to Specific Programs					6,368,112				
Interest					789,991				
Miscellaneous					1,300,291				
<i>Total General Receipts</i>					<u>44,157,560</u>				
 Change in Net Position						(457,904)			
 <i>Net Position Beginning of Year</i>						<u>42,756,580</u>			
 <i>Net Position End of Year</i>						<u>\$ 42,298,676</u>			

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
December 31, 2019

	General	Tax Increment Financing	Fire Levy	Police Levy	Road and Bridge	Safety Services Police & Fire	Safety Services Fire	Safety Services Police	Other Governmental Funds	Total Governmental Funds
Assets										
Equity in Pooled Cash and Investments	\$ 16,440,588	\$ 21,517,279	\$ 1,371,366	\$ 6,236	\$ 851,431	\$ 396,383	\$ 67,962	\$ 13,961	\$ 1,633,470	\$ 42,298,676
Total Assets	16,440,588	21,517,279	1,371,366	6,236	851,431	396,383	67,962	13,961	1,633,470	42,298,676
Fund Balances										
Restricted for:										
Public safety	-	-	1,371,366	6,236	-	396,383	67,962	13,961	370,122	2,226,030
Streets	-	-	-	-	-	-	-	-	1,096,324	1,096,324
Capital projects	-	21,517,279	-	-	-	-	-	-	112,933	21,630,212
Other purposes	-	-	-	-	-	-	-	-	54,091	54,091
Committed to:										
Roads and bridges	-	-	-	-	851,431	-	-	-	-	851,431
Assigned to:										
Budget resources	1,703,742	-	-	-	-	-	-	-	-	1,703,742
Encumbered obligations	178,503	-	-	-	-	-	-	-	-	178,503
Public safety	12,717	-	-	-	-	-	-	-	-	12,717
Unassigned	14,545,626	-	-	-	-	-	-	-	-	14,545,626
Total Fund Balances	\$ 16,440,588	\$ 21,517,279	\$ 1,371,366	\$ 6,236	\$ 851,431	\$ 396,383	\$ 67,962	\$ 13,961	\$ 1,633,470	\$ 42,298,676

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2019

	General	Tax Increment Financing	Fire Levy	Police Levy	Road and Bridge	Safety Services Police & Fire	Safety Services Fire	Safety Services Police	Other Governmental Funds	Total Governmental Funds
Receipts										
Property and Other Local Taxes	\$ 313,210	\$ -	\$ 2,003,580	\$ 519,056	\$ 814,955	\$ 6,148,379	\$ 722,382	\$ 544,510	\$ 361,969	\$ 11,428,041
Charges for Services	345,903	-	1,313,799	-	-	-	-	-	-	1,659,702
Licenses, Permits and Fees	907,847	-	13,470	-	-	-	-	-	-	921,317
Fines and Forfeitures	24,918	-	-	-	-	-	-	-	22,871	47,789
Intergovernmental	2,495,472	2,537,894	291,400	76,084	128,307	594,420	101,788	88,406	1,018,302	7,332,073
Special Assessments	-	-	-	-	-	-	-	-	118,564	118,564
Interest	783,767	-	-	-	-	-	-	-	6,224	789,991
Other	369,971	286,549	328,203	-	89,919	196,559	-	-	76,707	1,347,908
Payment in Lieu of Taxes	-	24,271,125	-	-	-	-	-	-	-	24,271,125
Total Receipts	5,241,088	27,095,568	3,950,452	595,140	1,033,181	6,939,358	824,170	632,916	1,604,637	47,916,510
Disbursements										
Current:										
General Government	1,738,733	314,130	-	-	-	-	-	-	-	2,052,863
Public Safety	2,125,248	-	4,161,147	591,242	-	6,961,741	798,975	619,109	8,969	15,266,431
Public Works	6,473	-	-	-	943,634	-	-	-	1,185,308	2,135,415
Public Health	70,872	-	-	-	-	-	-	-	-	70,872
Economic Development	195,302	-	-	-	-	-	-	-	103,047	298,349
Payment to Schools	-	16,237,392	-	-	-	-	-	-	-	16,237,392
Conservation-Recreation	866,004	-	-	-	-	-	-	-	-	866,004
Capital Outlay	9,042	10,364,889	-	-	8,526	-	-	-	-	10,382,457
Debt Service										
Principal Retirement	-	995,000	-	-	-	-	-	-	-	995,000
Interest and Fiscal Charges	-	69,631	-	-	-	-	-	-	-	69,631
Total Disbursements	5,011,674	27,981,042	4,161,147	591,242	952,160	6,961,741	798,975	619,109	1,297,324	48,374,414
Net Change in Fund Balances	229,414	(885,474)	(210,695)	3,898	81,021	(22,383)	25,195	13,807	307,313	(457,904)
Fund Balances Beginning of Year	16,211,174	22,402,753	1,582,061	2,338	770,410	418,766	42,767	154	1,326,157	42,756,580
Fund Balances End of Year	\$ 16,440,588	\$ 21,517,279	\$ 1,371,366	\$ 6,236	\$ 851,431	\$ 396,383	\$ 67,962	\$ 13,961	\$ 1,633,470	\$ 42,298,676

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
Receipts					
Property and Other Local Taxes	\$ 315,000	\$ 313,210	\$ 313,210	\$ -	
Charges for Services	310,000	340,240	345,903	5,663	
Licenses, Permits and Fees	850,000	899,031	899,031	-	
Fines and Forfeitures	25,000	25,100	24,918	(182)	
Intergovernmental	2,341,000	2,493,042	2,495,472	2,430	
Interest	300,000	783,400	783,767	367	
Other	217,000	360,754	368,322	7,568	
<i>Total Receipts</i>	<i>4,358,000</i>	<i>5,214,777</i>	<i>5,230,623</i>	<i>15,846</i>	
Disbursements					
Current:					
General Government	1,854,699	1,808,383	1,797,064	11,319	
Public Safety	3,073,774	2,207,853	2,194,620	13,233	
Public Works	3,147	3,147	-	3,147	
Public Health	72,000	70,872	70,872	-	
Economic Development	231,197	199,238	197,641	1,597	
Conservation-Recreation	1,000,762	929,995	913,438	16,557	
<i>Total Disbursements</i>	<i>6,235,579</i>	<i>5,219,488</i>	<i>5,182,677</i>	<i>36,811</i>	
<i>Net Change in Fund Balance</i>	<i>(1,877,579)</i>	<i>(4,711)</i>	<i>47,946</i>	<i>52,657</i>	
<i>Fund Balance Beginning of Year</i>	<i>16,031,114</i>	<i>16,031,114</i>	<i>16,031,114</i>	<i>-</i>	
<i>Prior Year Encumbrances Appropriated</i>	<i>137,238</i>	<i>137,238</i>	<i>137,238</i>	<i>-</i>	
<i>Fund Balance End of Year</i>	<i>\$ 14,290,773</i>	<i>\$ 16,163,641</i>	<i>\$ 16,216,298</i>	<i>\$ 52,657</i>	

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
TIF Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 2,450,000	\$ 2,537,894	\$ 2,537,894	\$ -
Payment in Lieu of Taxes	23,900,000	24,271,125	24,271,125	-
Other	100,000	278,000	286,549	8,549
<i>Total Receipts</i>	<u>26,450,000</u>	<u>27,087,019</u>	<u>27,095,568</u>	<u>8,549</u>
Disbursements				
Current:				
General Government	150,000	314,130	314,130	-
Payment to Schools	17,980,000	16,237,392	16,237,392	-
Capital Outlay	15,336,727	13,846,587	13,831,959	14,628
Debt Service:				
Principal and interest	1,063,000	1,064,631	1,064,631	-
<i>Total Disbursements</i>	<u>34,529,727</u>	<u>31,462,740</u>	<u>31,448,112</u>	<u>14,628</u>
<i>Net Change in Fund Balance</i>	(8,079,727)	(4,375,721)	(4,352,544)	23,177
<i>Fund Balance Beginning of Year</i>	18,622,026	18,622,026	18,622,026	-
<i>Prior Year Encumbrances Appropriated</i>	3,780,727	3,780,727	3,780,727	-
<i>Fund Balance End of Year</i>	<u>\$ 14,323,026</u>	<u>\$ 18,027,032</u>	<u>\$ 18,050,209</u>	<u>\$ 23,177</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Fire Levy Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
Receipts					
Property and Other Local Taxes	\$ 1,975,000	\$ 2,003,580	\$ 2,003,580	\$ -	
Charges for Services	1,200,000	1,330,000	1,313,799	(16,201)	
Licenses, Permits and Fees	10,000	13,500	13,470	(30)	
Intergovernmental	290,000	291,400	291,400	-	
Other	229,000	329,600	328,203	(1,397)	
<i>Total Receipts</i>	<u>3,704,000</u>	<u>3,968,080</u>	<u>3,950,452</u>	<u>(17,628)</u>	
Disbursements					
Current:					
Public Safety	4,289,426	4,250,605	4,235,368	15,237	
<i>Total Disbursements</i>	<u>4,289,426</u>	<u>4,250,605</u>	<u>4,235,368</u>	<u>15,237</u>	
<i>Net Change in Fund Balance</i>	(585,426)	(282,525)	(284,916)	(2,391)	
<i>Fund Balance Beginning of Year</i>	1,532,423	1,532,423	1,532,423	-	
<i>Prior Year Encumbrances Appropriated</i>	49,638	49,638	49,638	-	
<i>Fund Balance End of Year</i>	<u>\$ 996,635</u>	<u>\$ 1,299,536</u>	<u>\$ 1,297,145</u>	<u>\$ (2,391)</u>	

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Police Levy Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
				\$	
Receipts					
Property and Other Local Taxes	\$ 519,000	\$ 519,056	\$ 519,056	\$	-
Intergovernmental	89,000	76,084	76,084		-
<i>Total Receipts</i>	<u>608,000</u>	<u>595,140</u>	<u>595,140</u>		-
Disbursements					
Current:					
Public Safety	602,000	591,242	591,242		-
<i>Total Disbursements</i>	<u>602,000</u>	<u>591,242</u>	<u>591,242</u>		-
<i>Net Change in Fund Balance</i>	6,000	3,898	3,898		-
<i>Fund Balance Beginning of Year</i>	2,338	2,338	2,338		-
<i>Fund Balance End of Year</i>	<u>\$ 8,338</u>	<u>\$ 6,236</u>	<u>\$ 6,236</u>	<u>\$</u>	<u>-</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 790,000	\$ 814,955	\$ 814,955	\$ -
Intergovernmental	130,000	128,307	128,307	-
Other	66,300	89,915	89,919	4
<i>Total Receipts</i>	<u>986,300</u>	<u>1,033,177</u>	<u>1,033,181</u>	<u>4</u>
Disbursements				
Current:				
Public Works	1,119,209	1,016,853	1,009,197	7,656
Capital Outlay	13,500	9,072	8,526	546
<i>Total Disbursements</i>	<u>1,132,709</u>	<u>1,025,925</u>	<u>1,017,723</u>	<u>8,202</u>
<i>Net Change in Fund Balance</i>	(146,409)	7,252	15,458	8,206
<i>Fund Balance Beginning of Year</i>	711,868	711,868	711,868	-
<i>Prior Year Encumbrances Appropriated</i>	58,542	58,542	58,542	-
<i>Fund Balance End of Year</i>	<u>\$ 624,001</u>	<u>\$ 777,662</u>	<u>\$ 785,868</u>	<u>\$ 8,206</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis*
Safety Services - Police and Fire Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
				\$	
Receipts					
Property and Other Local Taxes	\$ 6,100,000	\$ 6,148,379	\$ 6,148,379	\$	-
Intergovernmental	590,000	594,420	594,420		-
Other	123,500	196,300	196,559		259
<i>Total Receipts</i>	<u>6,813,500</u>	<u>6,939,099</u>	<u>6,939,358</u>		<u>259</u>
Disbursements					
Current:					
Public Safety	6,905,000	6,983,621	6,976,847		6,774
<i>Total Disbursements</i>	<u>6,905,000</u>	<u>6,983,621</u>	<u>6,976,847</u>		<u>6,774</u>
<i>Net Change in Fund Balance</i>	(91,500)	(44,522)	(37,489)		7,033
<i>Fund Balance Beginning of Year</i>	402,106	402,106	402,106		-
<i>Prior Year Encumbrances Appropriated</i>	16,660	16,660	16,660		-
<i>Fund Balance End of Year</i>	<u>\$ 327,266</u>	<u>\$ 374,244</u>	<u>\$ 381,277</u>		<u>\$ 7,033</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Safety Services - Fire Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			
Receipts					
Property and Other Local Taxes	\$ 715,000	\$ 722,382	\$ 722,382	\$	-
Intergovernmental	110,000	101,788	101,788		-
<i>Total Receipts</i>	<u>825,000</u>	<u>824,170</u>	<u>824,170</u>		-
Disbursements					
Current:					
Public Safety	815,245	799,074	798,975		99
<i>Total Disbursements</i>	<u>815,245</u>	<u>799,074</u>	<u>798,975</u>		99
<i>Net Change in Fund Balance</i>	9,755	25,096	25,195		99
<i>Fund Balance Beginning of Year</i>	42,767	42,767	42,767		-
<i>Fund Balance End of Year</i>	<u>\$ 52,522</u>	<u>\$ 67,863</u>	<u>\$ 67,962</u>	<u>\$</u>	<u>99</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
Safety Services - Police Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance with Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			
Receipts					
Property and Other Local Taxes	\$ 540,000	\$ 544,510	\$ 544,510	\$	-
Intergovernmental	81,000	88,406	88,406		-
<i>Total Receipts</i>	<u>621,000</u>	<u>632,916</u>	<u>632,916</u>		-
Disbursements					
Current:					
Public Safety	621,000	619,109	619,109		-
<i>Total Disbursements</i>	<u>621,000</u>	<u>619,109</u>	<u>619,109</u>		-
<i>Net Change in Fund Balance</i>	-	13,807	13,807		-
<i>Fund Balance Beginning of Year</i>	154	154	154		-
<i>Fund Balance End of Year</i>	<u>\$ 154</u>	<u>\$ 13,961</u>	<u>\$ 13,961</u>	<u>\$</u>	<u>-</u>

See accompanying notes to the basic financial statements.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

Green Township, Hamilton County, Ohio (the Township), is a body politic and corporate established in 1809 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 three-member Board of Trustees, each of whom is elected for overlapping terms of four years. The Township has an elected Township Fiscal Officer and a Township Administrator who is appointed by the Board of Trustees. All Department Heads report to the Township Administrator.

The reporting entity is comprised solely of the primary government.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. For the Township this includes providing police protection, fire and emergency medical services, road maintenance and repairs, parks and recreation, planning, zoning, and economic development. The Board of Trustees and Township Administrator have direct responsibility for these activities.

B. 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. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township has no component units.

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 Note 2.C, these financial statements are presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally Accepted Accounting Principles, (GAAP), include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Green Township has no business type activities.

The statement of net position presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for 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 is 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 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 financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. 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. The funds of the Township are all considered governmental.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Township's major funds are the General Fund, Tax Increment Financing (TIF) Fund, Fire Levy Fund, Police Levy Fund, Road and Bridge Levy Fund, Safety Services Police and Fire Fund, Safety Services Fire Fund and Safety Services Police Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

The Township has no proprietary or fiduciary types of funds.

C. 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 disbursed rather than when a liability is incurred.

As a result of the use of the 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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency 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 Ordinance, 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 ordinance, certified by the County Auditor, 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 when applicable, object level.

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.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The appropriations ordinance 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. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. 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 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 2019, the Township invested in nonnegotiable certificates of deposit, U.S. Treasury and Agency Securities, a money market fund, commercial paper, State Treasury Assets Reserve of Ohio (STAR Ohio), and STAR Plus. The negotiable certificates of deposit, commercial paper, and the U.S. Treasury and Agency Securities are reported at cost. The Township's money market fund investment is recorded at the amount reported by Fifth Third Bank and Huntington Bank on December 31, 2019.

STAR Ohio is an investment pool, managed by the Ohio 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 GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share provided by STAR Ohio on an amortized cost basis at December 31, 2019, which approximates fair value.

For 2019, there were no limitations 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

STAR Plus is a federally-insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully selected FDIC-insured banks via single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty-free withdrawals. All deposits with STAR Plus have full FDIC insurance with no term commitment on deposits.

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 2019 were \$783,767 and \$6,224 assigned to other Township funds.

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F. 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.

G. Capital Assets

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

H. Inter-fund Receivables/Payables

The Township reports advances-in and advances-out for inter-fund loans. The Township had no inter-fund loans in 2019. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

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.

J. Pensions/Other Postemployment Benefits

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

K. 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.

L. Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

Green Township
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M. 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:

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or 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.

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 or is imposed by law through constitutional provisions.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. 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 the Board of Trustees.

Unassigned: Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Township applies restricted resources first when disbursements 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 disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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N. Inter-fund Transactions

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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – 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 Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and major special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a portion of fund balance (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$178,503 for the General Fund, \$3,467,070 for the TIF fund, \$74,221 for the Fire Levy Fund, \$65,563 for the Road and Bridge Fund, and \$15,106 for the Safety Services Police & Fire Fund in 2019. In addition, the General Fund includes certain funds in the fund financial statements that are budgeted separately.

Note 4 – 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 withdraw 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.

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;

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2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in investments (1) or (2) and repurchase agreements secured by such obligations, provided that investment in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool and cash management program (STAR Ohio and STAR Plus).
8. Commercial paper and bankers' acceptances, with appropriate limitations based upon completion of ORC training requirements.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Township by the financial institution, or by a collateral pool, established by the financial institution to secure the repayment of all public monies deposited with the institution.

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 Township or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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Notes to the Basic Financial Statements
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Investments

As of December 31, 2019, the Township had the following investments:

Investment Type	Carrying Value	Maturity (in Years)		
		Less than 1	1-2	3-5
US Agency Securities	\$ 16,834,991	3,415,237	4,137,663	9,282,091
Commercial Paper	2,080,061	2,080,061	-	-
Negotiable Certificates of Deposit	9,198,552	3,681,582	4,764,431	752,539
Money Market	6,658,746	6,658,746	-	-
STAR Ohio	5,105,983	5,105,983	-	-
	<hr/> <u>\$ 39,878,333</u>	<hr/> <u>20,941,609</u>	<hr/> <u>8,902,094</u>	<hr/> <u>10,034,630</u>

At December 31, 2019, of the Township's investments are in government sponsored enterprise notes (i.e., federal agencies) that are subject to concentration of credit risk. These include Federal National Mortgage Association, Federal Home Loan Bank, and Federal Farm Credit Bank securities, which have all been rated Aaa by Moody's and AA+ by Standards and Poor's. The Township's commercial paper holdings have been rated P-1 by Moody's. Investments in STAR Ohio were rated AAAm by Standard and Poor's.

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 December 31, 2019, \$1,768,874 of the Township's bank balance of \$2,581,448 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be 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 105 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 to be 102 percent of the deposit being secured or a rate set by the Treasurer of State.

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 the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

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The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Township's U.S. agency securities, commercial paper and negotiable certificates of deposit were valued using pricing sources as provided by the investment manager (Level 2 inputs). Investments in the money market and STAR Ohio are excluded from fair value measurement requirements under generally accepted accounting principles and instead, are reported at amortized cost which approximates fair value.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property and public utility property located within the Township. Property taxes receipts received during 2019 for real and public utility property taxes represent collections of 2018 taxes.

2018 real property taxes are levied after October 1, 2018 on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of the appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2019 was \$14.66 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2019 property tax receipts were based are as follows:

Real Property - Residential, Agricultural, Commercial, Industrial, and Other	\$ 1,045,083,160
Public Utility Property	<u>50,318,730</u>
Total Valuation	<u>\$ 1,095,401,890</u>

Real property taxes are payable annually or semi-annually. If paid annually, the 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 later payment dates to be established.

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.

Note 6 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The Township insures against injuries to employees through the Ohio Bureau of Workers' Compensation. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

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During 2019 the Township contracted with Selective Insurance Company for property and casualty, liability, and law enforcement coverage.

General Liability	\$ 1,000,000	Per Occurrence*
Public Officials	1,000,000	Per Occurrence**
Automobile Liability	1,000,000	Per Occurrence**
Law Enforcement Professional	1,000,000	Per Occurrence**
Property	18,162,837	Total Coverage

* \$2,000,000 aggregate
** umbrella \$10,000,000 per occurrence and \$10,000,000 aggregate

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

Self Insurance

The Township is self-insured for employee health insurance. The bank operating accounts pays to cover claims to service providers and expenses these costs for the charges to the departments associated funds. The amount charged to the associated funds is calculated by the percent of previous year's actual claims, plus any increase in the total expected claims from one year to the next.

A comparison of cash and investments to the actuarially-measured liability as of December 31, 2019 and 2018 is as follows:

	2019	2018
Cash and investments	\$42,298,676	\$42,756,579
Actuarial liability	2,806,019	1,907,400

Note 7 – Defined Benefit Pension Plans

Net Pension Liability

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, became effective in 2015. The net pension liability is not reported in the accompanying financial statements. The net pension liability has been disclosed below.

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

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

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Ohio Public Employees Retirement System (OPERS)

Plan Description—Township employees, other than full-time firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-share, 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 plan with defined contribution features. While members (e.g., Township employees) may elect the member-directed plan and the combined plan, the majority of employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS's fiduciary net position that may be obtained by visiting <https://www.opers.org/about/finance/index.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

	State and Local	Public Safety	Law Enforcement
2019 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2019 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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

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

The Township's contractually required contributions to OPERS for December 31, 2019, 2018, and 2017 were \$1,012,966, \$957,673, and \$896,472, respectively.

Ohio Police and Fire Pension Fund (OP&F)

Plan Description—Township full-time firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustment, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about OP&F's fiduciary net position. That report may be obtained by visiting <https://www.op-f.org/Information/Reports.aspx> or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3% of their base pension or disability benefit.

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

		<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer		24.00 %
Employee		12.25 %
2019 Actual Contribution Rates		
Employer:		
Pension		23.50 %
Post-employment Health Care Benefits		0.50
<hr/>		
Total Employer		<hr/> 24.00 %
<hr/>		
Employee		<hr/> 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Township's contractually required contributions to OP&F for December 31, 2019, 2018, and 2017 were \$1,049,580, \$933,191, and \$931,239, respectively.

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Net Pension Liability

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The Township's proportion of the net pension liability was based on the Township's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	\$ 13,625,790	\$ 15,547,630	\$ 29,173,420
Proportion of the Net Pension Liability	0.0498%	0.1905%	
Change in Proportion	0.0018%	-0.0062%	

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.25%
Future salary increases, Including inflation	3.25% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple; Post 1/7/2013 retirees: 3% simple through 2018, then 2.15% simple
Investment rate of return:	
Current measurement period	7.20%
Prior measurement period	7.50%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2018 and the long term expected arithmetic real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	23.00%	2.79%
Domestic Equities	19.00%	6.21%
Real Estate	10.00%	4.90%
Private Equity	10.00%	10.81%
International Equities	20.00%	7.83%
Other Investments	18.00%	5.50%
Total	<u>100.00%</u>	<u>5.95%</u>

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Discount Rate: The discount rate used to measure the total pension liability was 7.20% for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following chart represents the Township's proportionate share of the net pension liability at the 7.20% discount rate, as well as the sensitivity to a 1% increase and 1% decrease in the current discount rate:

	1% Decrease (6.20%)	Current Discount Rate of 7.20%	1% Increase (8.20%)
Township's proportionate share of the net pension liability	\$ 20,129,255	\$ 13,625,790	\$ 8,221,353

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below:

Valuation date	January 1, 2018 with actuarial liabilities rolled forward to December 31, 2018
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% to 10.50%
Payroll growth	2.75% plus productivity increase rate of 0.5%
Inflation assumptions	2.75%
Cost of living adjustments	3.0% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3.0%.

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	0.0%	0.8%
Domestic equity	16.0%	5.50%
Non-U.S. equity	16.0%	5.90%
Private markets	8.0%	8.40%
Core fixed income*	23.0%	2.60%
High yield fixed income	7.0%	4.80%
Private credit	5.0%	7.50%
U.S. inflation linked bonds*	17.0%	2.30%
Master limited partnerships	8.0%	6.40%
Real assets	8.0%	7.00%
Private real estate	<u>12.0%</u>	<u>6.10%</u>
	<u>120.0%</u>	

*Note: Assumptions are geometric. * Levered 2x*

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OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate: The total pension liability was calculated using the discount rate of 8.0%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.0%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using a discount rate of 8.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.0%), or one percentage point higher (9.0%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate of 8.00%	1% Increase (9.00%)
Township's proportionate share of the net pension liability	\$ 20,436,288	\$ 15,547,630	\$ 11,462,450

Note 8 – Defined Benefit Other Postemployment Benefits (OPEB)

Net OPEB Liability

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The net OPEB liability is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the modified cash basis framework.

Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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Funding Policy— The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of Traditional Pension and Combined plans' employer contributions allocated to health care was zero in 2018 and is expected to remain at that level. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0%.

The Township's contractually required contributions to OPERS for OPEB for December 31, 2017 were \$64,008. For the years ended December 31, 2019 and 2018, OPERS did not allocate any employer contributions to postemployment health care.

Ohio Police and Fire Pension Fund (OP&F)

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The Township's contractually required contributions to OP&F for OPEB for December 31, 2019, 2018 and 2017 were \$22,041, \$19,597 and \$19,556, respectively.

Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The Township's proportion of the net OPEB liability was based on the Township's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability	\$ 6,148,681	\$ 1,734,549	\$ 7,883,230
Proportion of the Net OPEB Liability	0.0472%	0.1905%	
Change in Proportion	0.0019%	-0.0062%	

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Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OBEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	3.25%
Projected salary increases	3.25% to 10.75%, including wage inflation
Singe discount rate:	
Current measurement period	3.96%
Prior measurement period	3.85%
Investment rate of return:	
Current measurement period	6.00%
Prior measurement period	6.50%
Municipal bond rate:	
Current measurement period	3.71%
Prior measurement period	3.31%
Health care cost trend rate:	
Current measurement period	10.0% initial, 3.25% ultimate in 2029
Prior measurement period	7.5% initial, 3.25% ultimate in 2028
Actuarial cost method	Individual entry age

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60% for 2018.

The allocation of investment assets within the Health Care portfolio is approved by the OPERS Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the OPERS Board-approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	2.42%
Domestic Equities	21.00%	6.21%
REITs	6.00%	5.98%
International Equities	22.00%	7.83%
Other Investments	<u>17.00%</u>	<u>5.57%</u>
Total	<u>100.00%</u>	<u>5.16%</u>

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Discount Rate: A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following table presents the Township's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the Township's proportionate share of the net OPEB liability if it were calculated using a discount rate that is 1.0% point lower (2.96%) or 1.0% point higher (4.96%) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate of 3.96%	1% Increase (4.96%)
Township's proportionate share of the net OPEB liability	\$ 7,866,455	\$ 6,148,681	\$ 4,782,597

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Township's proportionate share of the net OPEB liability	\$ 5,910,217	\$ 6,148,681	\$ 6,423,328

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Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018 and rolled forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key Methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Actuarial valuation date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.75% to 10.50%
Payroll growth	Inflation rate of 2.75%, plus productivity increase rate of 0.5%
Single discount rate:	
Current measurement date	4.66%
Prior measurement date	3.24%
Municipal bond rate:	
Current measurement date	4.13%
Prior measurement date	3.16%
Cost of living adjustments	3.0% simple; 2.2% simple for increase based on the lesser of the increases in CPI and 3.0%

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

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Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalent	0.0%	0.80%
Domestic equity	16.0%	5.50%
Non-U.S. equity	16.0%	5.90%
Private markets	8.0%	8.40%
Core fixed income*	23.0%	2.60%
High yield fixed income	7.0%	4.80%
Private credit	5.0%	7.50%
U.S. inflation linked bonds*	17.0%	2.30%
Master limited partnerships	8.0%	6.40%
Real assets	8.0%	7.00%
Private real estate	<u>12.0%</u>	6.10%
Total	120.00%	

*Note: Assumptions are geometric. * Levered 2x*

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate: Total OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.0%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017 was blended with the long-term rate of 8.0%, which resulted in a blended discount rate of 4.66% at December 31, 2018 and 3.24% at December 31, 2017.

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.66%) and 1% point higher (5.66%) than the current discount rate.

	1% Decrease (3.66%)	Current Discount Rate of 4.66%	1% Increase (5.66%)
Township's proportionate share of the net OPEB liability	\$ 2,113,154	\$ 1,734,549	\$ 1,416,742

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For the Year Ended December 31, 2019

As discussed below, OP&F has changed its health care model to a stipend-based health care model, beginning January 1, 2019, with health care cost trend assumptions no longer impacting the net OPEB liability.

Changes Subsequent to the Measurement Date: Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

Note 9 – Long-Term Obligations

The changes in the Township's long-term obligations during 2019 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General Obligation Bonds:					
Series 2010 Various Purpose Bonds	<u>\$ 2,025,000</u>	<u>\$ _____ -</u>	<u>\$ 995,000</u>	<u>\$ 1,030,000</u>	<u>\$ 1,030,000</u>

On February 16, 2010, the Township issued unvoted Various Purpose General Obligation Bonds in the amount of \$9,895,000 for the purpose of retiring outstanding notes and for the various improvements within the Township including road and park improvements. These bonds were issued for a ten-year period with a final maturity date of December 1, 2020. Interest rates vary from 2% to 3.5%.

Debt service payments made by the Township will be from service payments in lieu of taxes made by property owners pursuant to Section 5709.73 of the Ohio Revised Code.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019, are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 1,030,000	\$ 36,050	\$ 1,066,050

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 10 – Joint Economic Development Districts

Green Township participates in six Joint Economic Development Districts (JEDD) with the City of Cheviot. The JEDDs are located entirely within Green Township, Hamilton County. The purpose of a JEDD is to facilitate the development of jobs and employment opportunities along with improving the welfare of people in the State of Ohio and the area of the contracting parties. The JEDD creates a Board of Directors which consists of a Municipal Member, a Township member, a member who represents the owners of the businesses within the JEDD, a member who represents the persons working within the JEDD, and one member who is selected by the above members who serves as chairperson.

The proceeds of the JEDDs are used to pay a portion of the costs associated with the construction and improvement of roads, the provision of public services such as police and fire protection, and to provide for improvements in connector roads that benefit the JEDD. The City of Cheviot administers and collects income tax for the JEDD and reports monthly and quarterly to the contracting parties.

The District agreements in place during 2019 were as follows:

A. JEDD District I

In 2010, the Township and the City entered into an agreement to create the JEDD I within the Western Ridge area. The agreement authorized the levy of a 1% earnings tax for persons employed within the JEDD I boundaries, with an initial cap on earned income of \$100,000 per earner per year. This cap shall be adjusted annually based upon the Consumer Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD I, net of operating expenses, is 80% to the Township and 20% to the City.

B. JEDD District II

In 2012, the Township and the City entered into an agreement to create the JEDD II within the Christ Hospital Medical Center and Children's Hospital Medical Center area. The agreement authorized the levy of a 1% earnings tax for persons employed within the JEDD II boundaries, with an initial cap on earned income of \$100,000 per earner per year. This cap shall be adjusted annually based upon the Consumer Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD II, net of operating expenses, is 80% to the Township and 20% to the City.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

C. JEDD District III

In 2013, the Township and the City entered into an agreement to create the JEDD III within the Mercy Hospitals West area. The agreement authorized the initial levy of a 2% earnings tax for persons employed within the JEDD III boundaries, with an initial cap on earned income of \$100,000 per earner per year, for the first ten years of the agreement. Beginning with the eleventh year, the earnings tax rate is reduced to 1% and the earned income cap is adjusted annually based upon the Consumer Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD III, net of operating expenses, for the first twenty years is 90% to the Township and 10% to the City. Beginning with the twenty-first year, the distribution allocations will be adjusted to 85% to the Township and 15% to the City.

D. JEDD District IV

In 2014, the Township and the City entered into an agreement to create the JEDD IV within the Harrison Greene area. The agreement authorized the levy of a 1% tax on the net profits of all businesses operating within the JEDD IV and a 1% earnings tax for persons employed within the JEDD IV boundaries, with an initial cap on earned income of \$100,000 per earner per year and. This cap shall be adjusted annually based upon the Consumer Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD IV, net of operating expenses, is 90% to the Township and 10% to the City.

E. JEDD District V

In 2016, the Township and the City entered into an agreement to create the JEDD V located at United Dairy Farmers on North Bend Road and Westwood Northern Boulevard. The agreement authorized the levy of a 1% tax on the net profits of all businesses operating within the JEDD V and a 1% earnings tax for persons employed within the JEDD V boundaries, with an initial cap on earned income of \$100,000. This cap shall be adjusted annually based upon the Consumer Prices Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD V, net of operating expenses, is 90% to the Township and 10% to the City.

F. JEDD District VI

In 2018, the Township and the City entered into an agreement to create the JEDD VI located along Harrison Avenue. The agreement authorized the levy of a 1% tax on the net profits of all businesses operating within the JEDD VI and a 1% earnings tax for persons employed within the JEDD VI boundaries, with an initial cap on earned income of \$100,000. This cap shall be adjusted annually based upon the Consumer Price Index (CPI-U) as published by the U.S. Bureau of Labor Statistics on September 30th of the preceding year. The distribution of the revenue generated from the JEDD VI, net of operating expenses, is 90% to the Township and 10% to the City.

Note 11 – Contingent Liabilities

The Township is periodically the subject of litigation by a variety of plaintiffs. However, the Township was not party to any legal proceedings.

Green Township
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 12 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and ensuing emergency measures will impact subsequent periods of the Township. The investments of the pension and other employee benefit plans in which the Township participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of those losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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**GREEN TOWNSHIP
HAMILTON COUNTY, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
Passed Through Hamilton County, Ohio COVID-19 Coronavirus Relief Fund	21.019	HB481-CRF-Local	<u>\$3,884,997</u>
Total U.S. Department of Treasury			<u>\$3,884,997</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Assistance to Firefighters	97.044	N/A	<u>43,639</u>
Total U.S. Department of Homeland Security			<u>43,639</u>
Total Expenditures of Federal Awards			<u>\$3,928,636</u>

The accompanying notes are an integral part of this schedule.

**GREEN TOWNSHIP
HAMILTON COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Green Township (the Township) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Township.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Township has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



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Blue Ash, Ohio 45242-1817
(513) 361-8550 or (800) 368-7419
SouthwestRegion@ohioauditor.gov

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

Green Township
Hamilton County
6303 Harrison Avenue
Cincinnati, Ohio 45247

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Green Township, Hamilton County, (the Township) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 1, 2021 wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Green Township
Hamilton County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio
June 1, 2021



Corporate Centre of Blue Ash
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Blue Ash, Ohio 45242-1817
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Green Township
Hamilton County
6303 Harrison Avenue
Cincinnati, Ohio 45247

To the Board of Trustees:

Report on Compliance for the Major Federal Program

We have audited Green Township's (the Township) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Green Township's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Township's major federal program.

Management's Responsibility

The Township's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Township's compliance for the Township's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Township's major program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on the Major Federal Program

In our opinion, the Green Township complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Green Township

Hamilton County

Independent Auditor's Report on Compliance With Requirements

Applicable to the Major Federal Program and on Internal Control

Over Compliance Required by the Uniform Guidance

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Report on Internal Control Over Compliance

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Township's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Township's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the modified cash-basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Green Township (the Township) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements. We issued our unmodified report thereon dated June 1, 2021 wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township. We conducted our audit to opine on the Township's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Green Township
Hamilton County

Independent Auditor's Report on Compliance With Requirements
Applicable to the Major Federal Program and on Internal Control
Over Compliance Required by the Uniform Guidance

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Keith Faber
Auditor of State
Columbus, Ohio
June 1, 2021

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GREEN TOWNSHIP
HAMILTON COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	COVID-19 Coronavirus Relief Fund: 21.019
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



GREEN TOWNSHIP

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/17/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov