



**PIERCE TOWNSHIP  
CLERMONT COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2021 - 2020**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

749 Wheeling Ave., #300  
Cambridge, OH 43725  
740 435 3417

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OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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(800) 282-0370

Board of Trustees  
Pierce Township  
950 Locust Corner Road  
Cincinnati, Ohio 45245

We have reviewed the *Independent Auditor's Report* of Pierce Township, Clermont County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Pierce Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

December 09, 2022

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**PIERCE TOWNSHIP  
CLERMONT COUNTY**

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**PIERCE TOWNSHIP  
CLERMONT COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Pierce Township  
Clermont County  
950 Locust Corner Road  
Cincinnati, Ohio 45245

To the Board of Trustees:

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the cash-basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of **Pierce Township**, Clermont County, Ohio (the Township), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Pierce Township, Clermont County, Ohio as of December 31, 2021 and 2020, and the respective changes in cash-basis financial position and the budgetary comparison for the General, Road and Bridge, Police, Fire and Wal-Mart TIF Funds for the years then ended in accordance with the cash-basis of accounting described in Note 2.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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***Emphasis of Matter - Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.



***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

November 5, 2022

**Pierce Township**  
**Clermont County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2021*

	Governmental Activities
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$12,763,060
<b>Net Position:</b>	
Restricted for:	
Unclaimed Monies	\$6,030
Capital Projects	279,486
Public Works	976,088
Health	273,492
Public Safety	6,885,164
Conservation and Recreation	640,815
Other Purposes	1,419,442
Unrestricted	2,282,543
<i>Total Net Position</i>	\$12,763,060

See Accompanying Notes to the Basic Financial Statements

**Pierce Township**  
**Clermont County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2021*

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Change in Net Position
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants	Total Governmental Activities
<b>Governmental Activities:</b>					
General Government	\$1,649,401	\$172,634	\$22,260	\$0	(\$1,454,507)
Public Safety	5,635,553	442,994	688,586	0	(4,503,973)
Public Works	2,299,580	149,713	583,747	0	(1,566,120)
Health	113,848	132,716	0	0	18,868
Conservation and Recreation	101,163	0	618,074	0	516,911
Other	151,179	0	304	0	(150,875)
Capital Outlay	876,843	0	0	666,304	(210,539)
Debt Service:					
Principal Retirement	83,996	0	0	0	(83,996)
Interest and Fiscal Charges	8,212	0	0	0	(8,212)
<i>Total Governmental Activities</i>	<u>\$10,919,775</u>	<u>\$898,057</u>	<u>\$1,912,971</u>	<u>\$666,304</u>	<u>(7,442,443)</u>
<b>General Receipts:</b>					
Property Taxes Levied for:					
					290,008
					4,845,670
					1,358,728
					37,303
					135,102
					102,016
					480,337
					212
					419,139
<i>Total General Receipts</i>					<u>7,668,515</u>
<i>Change in Net Position</i>					226,072
<i>Net Position at Beginning of Year</i>					<u>12,536,988</u>
<i>Net Position at End of Year</i>					<u>\$12,763,060</u>

See Accompanying Notes to the Basic Financial Statements

**Pierce Township**  
**Clermont County**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2021*

	General Fund	Road and Bridge Fund	Police Fund
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,888,612	\$375,303	\$3,435,928
Restricted Equity in Pooled Cash and Cash Equivalents	6,030	0	0
<b>Total Assets</b>	<b>\$1,894,642</b>	<b>\$375,303</b>	<b>\$3,435,928</b>
<b>Fund Balances:</b>			
Nonspendable	\$6,030	\$0	\$0
Restricted	0	0	3,435,928
Committed	0	375,303	0
Assigned	166,515	0	0
Unassigned	1,722,097	0	0
<b>Total Fund Balances</b>	<b>\$1,894,642</b>	<b>\$375,303</b>	<b>\$3,435,928</b>

See Accompanying Notes to the Basic Financial Statements

Fire Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$2,596,704	\$4,460,483	\$12,757,030
0	0	6,030
<u>\$2,596,704</u>	<u>\$4,460,483</u>	<u>\$12,763,060</u>
\$0	\$0	\$6,030
2,596,704	4,441,855	10,474,487
0	0	375,303
0	18,628	185,143
0	0	1,722,097
<u>\$2,596,704</u>	<u>\$4,460,483</u>	<u>\$12,763,060</u>

**Pierce Township  
Clermont County**

*Statement of Receipts, Disbursements, and Changes in Fund Balances - Cash Basis*

*Governmental Funds*

*For the Year Ended December 31, 2021*

	General Fund	Road and Bridge Fund	Police Fund
<b>Receipts:</b>			
Property Taxes	\$290,008	\$605,445	\$2,080,272
Interest	37,303	0	0
Intergovernmental	135,102	83,207	259,216
Special Assessments	0	0	0
Charges for Services	0	0	0
Licenses, Permits, and Fees	177,762	0	0
Fines, Forfeitures, and Penalties	0	0	3,987
Payment in Lieu of Taxes	0	0	0
Gifts and Donations	212	0	0
Rent	96,888	0	0
Miscellaneous	323,679	28,795	23,822
<i>Total Receipts</i>	<u>1,060,954</u>	<u>717,447</u>	<u>2,367,297</u>
<b>Disbursements:</b>			
Current:			
General Government	878,382	32,824	95,217
Public Safety	0	0	2,528,398
Public Works	10,214	795,893	0
Health	28,954	0	0
Conservation and Recreation	71,467	0	0
Other	0	0	0
Capital Outlay	48,224	57,868	1,795
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Disbursements</i>	<u>1,037,241</u>	<u>886,585</u>	<u>2,625,410</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>23,713</u>	<u>(169,138)</u>	<u>(258,113)</u>
<b>Other Financing Sources (Uses):</b>			
Advances In	87,845	0	0
Advances Out	(87,845)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Changes in Fund Balances</i>	23,713	(169,138)	(258,113)
<i>Fund Balances at Beginning of Year</i>	1,870,929	544,441	3,694,041
<i>Fund Balances at End of Year</i>	<u>\$1,894,642</u>	<u>\$375,303</u>	<u>\$3,435,928</u>

See Accompanying Notes to the Basic Financial Statements

Fire Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$2,765,398	\$753,283	\$6,494,406
0	2,834	40,137
271,287	1,946,775	2,695,587
0	149,713	149,713
82,000	412,982	494,982
0	75,891	253,653
0	850	4,837
0	480,337	480,337
0	15,956	16,168
0	0	96,888
33,549	9,294	419,139
<u>3,152,234</u>	<u>3,847,915</u>	<u>11,145,847</u>
54,708	588,270	1,649,401
2,738,374	368,781	5,635,553
0	1,493,473	2,299,580
0	84,894	113,848
0	29,696	101,163
0	151,179	151,179
54,235	714,721	876,843
45,827	38,169	83,996
8,038	174	8,212
<u>2,901,182</u>	<u>3,469,357</u>	<u>10,919,775</u>
<u>251,052</u>	<u>378,558</u>	<u>226,072</u>
0	87,845	175,690
0	(87,845)	(175,690)
<u>0</u>	<u>0</u>	<u>0</u>
251,052	378,558	226,072
2,345,652	4,081,925	12,536,988
<u>\$2,596,704</u>	<u>\$4,460,483</u>	<u>\$12,763,060</u>

**Pierce Township  
Clermont County**

*Statement of Receipts, Disbursements, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund*

*For the Year Ended December 31, 2021*

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Receipts:</b>				
Property Taxes	\$295,568	\$295,568	\$290,008	(\$5,560)
Interest	25,764	25,913	37,303	11,390
Intergovernmental	93,310	93,850	135,102	41,252
Licenses, Permits, and Fees	122,774	123,483	177,762	54,279
Gifts and Donations	146	147	212	65
Rent	66,917	67,304	96,888	29,584
Miscellaneous	223,556	224,845	323,679	98,834
<i>Total Receipts</i>	828,035	831,110	1,060,954	229,844
<b>Disbursements:</b>				
Current:				
General Government	896,061	1,075,905	884,455	191,450
Public Works	18,500	20,000	12,500	7,500
Health	57,000	57,000	28,954	28,046
Conservation and Recreation	97,086	157,988	71,504	86,484
Capital Outlay	50,530	51,530	51,224	306
<i>Total Disbursements</i>	1,119,177	1,362,423	1,048,637	313,786
<i>Excess of Receipts Over (Under) Disbursements</i>	(291,142)	(531,313)	12,317	543,630
<b>Other Financing Sources (Uses):</b>				
Advances In	0	0	87,845	87,845
Advances Out	0	0	(87,845)	(87,845)
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
<i>Net Change in Fund Balance</i>	(291,142)	(531,313)	12,317	543,630
<i>Fund Balance at Beginning of Year</i>	1,771,399	1,771,399	1,771,399	0
<i>Prior Year Encumbrances Appropriated</i>	99,530	99,530	99,530	0
<i>Fund Balance at End of Year</i>	\$1,579,787	\$1,339,616	\$1,883,246	\$543,630

See Accompanying Notes to the Basic Financial Statements



**Pierce Township  
Clermont County**

*Statement of Receipts, Disbursements, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Road and Bridge Special Revenue Fund  
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property Taxes	\$566,099	\$566,099	\$605,445	\$39,346
Intergovernmental	128,846	112,437	83,207	(29,230)
Miscellaneous	44,589	38,911	28,795	(10,116)
<i>Total Receipts</i>	<u>739,534</u>	<u>717,447</u>	<u>717,447</u>	<u>0</u>
<b>Disbursements:</b>				
Current:				
General Government	31,647	35,584	32,933	2,651
Public Works	691,686	872,398	801,590	70,808
Capital Outlay	25,588	57,868	57,868	0
<i>Total Disbursements</i>	<u>748,921</u>	<u>965,850</u>	<u>892,391</u>	<u>73,459</u>
<i>Net Change in Fund Balance</i>	(9,387)	(248,403)	(174,944)	73,459
<i>Fund Balance at Beginning of Year</i>	479,878	479,878	479,878	0
<i>Prior Year Encumbrances Appropriated</i>	64,563	64,563	64,563	0
<i>Fund Balance at End of Year</i>	<u>\$535,054</u>	<u>\$296,038</u>	<u>\$369,497</u>	<u>\$73,459</u>

See Accompanying Notes to the Basic Financial Statements

**Pierce Township  
Clermont County**

*Statement of Receipts, Disbursements, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*

*Police Special Revenue Fund*

*For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property Taxes	\$1,845,797	\$1,845,797	\$2,080,272	\$234,475
Intergovernmental	252,581	470,973	259,216	(211,757)
Fines, Forfeitures, and Penalties	3,885	7,244	3,987	(3,257)
Miscellaneous	23,212	43,283	23,822	(19,461)
<i>Total Receipts</i>	<u>2,125,475</u>	<u>2,367,297</u>	<u>2,367,297</u>	<u>0</u>
<b>Disbursements:</b>				
Current:				
General Government	90,317	104,508	95,575	8,933
Public Safety	2,518,012	2,638,410	2,541,164	97,246
Capital Outlay	43,000	20,755	11,173	9,582
<i>Total Disbursements</i>	<u>2,651,329</u>	<u>2,763,673</u>	<u>2,647,912</u>	<u>115,761</u>
<i>Net Change in Fund Balance</i>	(525,854)	(396,376)	(280,615)	115,761
<i>Fund Balance at Beginning of Year</i>	3,666,513	3,666,513	3,666,513	0
<i>Prior Year Encumbrances Appropriated</i>	27,528	27,528	27,528	0
<i>Fund Balance at End of Year</i>	<u>\$3,168,187</u>	<u>\$3,297,665</u>	<u>\$3,413,426</u>	<u>\$115,761</u>

See Accompanying Notes to the Basic Financial Statements

**Pierce Township  
Clermont County**

*Statement of Receipts, Disbursements, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Fire Special Revenue Fund  
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Receipts:</b>				
Property Taxes	\$2,436,270	\$2,436,270	\$2,765,398	\$329,128
Intergovernmental	258,245	502,040	271,287	(230,753)
Charges for Services	78,058	151,748	82,000	(69,748)
Miscellaneous	31,936	62,085	33,549	(28,536)
<i>Total Receipts</i>	<u>2,804,509</u>	<u>3,152,143</u>	<u>3,152,234</u>	<u>91</u>
<b>Disbursements:</b>				
Current:				
General Government	48,400	56,051	54,776	1,275
Public Safety	2,823,584	2,956,138	2,763,703	192,435
Capital Outlay	255,375	173,013	112,789	60,224
<i>Total Disbursements</i>	<u>3,127,359</u>	<u>3,185,202</u>	<u>2,931,268</u>	<u>253,934</u>
<i>Net Change in Fund Balance</i>	(322,850)	(33,059)	220,966	254,025
<i>Fund Balance at Beginning of Year</i>	2,115,744	2,115,744	2,115,744	0
<i>Prior Year Encumbrances Appropriated</i>	229,908	229,908	229,908	0
<i>Fund Balance at End of Year</i>	<u>\$2,022,802</u>	<u>\$2,312,593</u>	<u>\$2,566,618</u>	<u>\$254,025</u>

See Accompanying Notes to the Basic Financial Statements

**Pierce Township  
Clermont County**

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021*

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**Note 1 - Reporting Entity**

Pierce Township, Clermont County, Ohio (the Township), is a body politic and corporate established in 1853 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Fiscal Officer.

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

**Primary Government**

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads, police protection, fire and emergency medical services protection, and cemetery maintenance. Also, the Township contracts with Village of New Richmond for additional fire and emergency medical services protection.

**Public Entity Risk Pools**

The Township participates in two public entity shared risk pools, the Ohio Township Association Risk Management Authority and the Center for Local Government Benefits Pool. Notes 6 and 11 to the financial statements provide additional information for these entities.

**Note 2 - Summary of Significant Accounting Policies**

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America. 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 cash basis of accounting.

**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. The statements distinguish usually between those activities of the Township that are governmental and those that are considered business-type. 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. The Township, however, has no activities which are reported as business-type.

**Pierce Township  
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*Notes to the Basic Financial Statements  
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The Statement of Net Position presents the cash and investment balance, of the governmental activities of the Township at year-end. The Statement of Activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that 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 fund financial statements is on major funds, rather than reporting by fund type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants), and other nonexchange transactions as governmental funds. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Township's major governmental funds:

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

**Road and Bridge Fund:** This fund accounts for and reports all disbursements committed to roads, including improvements, paving, snow removal, salt/sand, gravel, blacktop, maintenance, payroll, supplies, purchases, fuel, vehicle equipment, and maintenance. This fund is also used for construction of new and future facilities.

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**Police Fund:** This fund accounts for and reports proceeds from property taxes restricted for police department operations and protection services.

**Fire Fund:** This fund accounts for and reports proceeds from property taxes restricted for fire department and life squad protection and emergency services.

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

Basis of Accounting

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

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

Budgetary Process

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

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the 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 Trustees.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire year,

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including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township Trustees during the year, including all supplemental appropriations.

Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through the Township's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as 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 2021, the Township invested in STAR Ohio, a First American Money Market Mutual Fund, Commercial Paper, United States Treasury Notes, Negotiable Certificates of Deposit, and federal agency securities. The Township's Money Market Mutual Fund investment is recorded at the amount reported by US Bank on December 31, 2021. The Negotiable Certificates of Deposit, Federal Farm Credit Bank Bond, Federal Home Loan Mortgage Corporation Bond and Federal National Mortgage Association Bond investments are reported at cost.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Township measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2021 were \$37,303, which includes \$31,452 assigned from other Township funds.

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*Notes to the Basic Financial Statements  
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Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the Township are reported as Restricted Equity in Pooled Cash and Cash Equivalents.

Inventory and Prepaid Items

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

Capital Assets

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

Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for other post-employment benefits (OPEB).

Long-Term Obligations

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



**Pierce Township  
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*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021*

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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. Net position restricted for other purposes includes resources restricted for two Tax Increment Financing (TIFs) agreements. Both TIFs were drafted with specific purposes for the anticipated revenue.

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.

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 are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

**Restricted** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; 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 formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Road and Bridge fund only receives inside millage for property tax revenue; therefore, the fund balance is committed.

**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,

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*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021*

assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Township Trustees assigned a portion of the nonmajor governmental fund balance for park improvements by resolution. The fiscal officer assigned fund balance to cover a gap between estimated resources and appropriations in the 2022 appropriated budget.

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

The Township applies restricted resources first when 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.

**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 (Budget Basis) presented for the General, Road and Bridge, Police, and Fire 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 cash basis are outstanding year-end encumbrances, which are treated as cash disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance (cash basis).

Net Change in Fund Balance

	General Fund	Road and Bridge Fund	Police Fund	Fire Fund
Cash Basis	\$23,713	(\$169,138)	(\$258,113)	\$251,052
Encumbrances	(11,396)	(5,806)	(22,502)	(30,086)
Budget Basis	\$12,317	(\$174,944)	(\$280,615)	\$220,966

**Note 4 - Deposits and Investments**

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

**Pierce Township  
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*Notes to the Basic Financial Statements  
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Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions 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.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

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*Notes to the Basic Financial Statements  
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5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

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 clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

The fair value of these investments is not materially different than the measurement value. As of December 31, 2021, the Township had the following investments:

	Measurement	
	Value	Maturity
STAR Ohio	\$3,645,551	Less than one year
First American Money Market Mutual Fund	7,326	Less than one year
Commercial Paper	259,680	Less than one year
United States Treasury Notes	478,611	Less than five years
Negotiable Certificates of Deposit	1,177,454	Less than four years
Federal Farm Credit Bank Bond	354,898	Less than five years
Federal Home Loan Bond	84,819	Less than five years
Federal National Mortgage Association Bond	283,786	Less than three years
Total Investments	\$6,292,125	

**Pierce Township  
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*Notes to the Basic Financial Statements  
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Interest Rate Risk - Interest rate risk arises because the fair value of investments changes as interest rates change. The Township’s investment policy follows State statute, which requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk – STAR Ohio carries a rating of AAAM by Standard and Poor’s. The money market mutual fund carries a rating of AAAM by Standard and Poor’s. The Township’s investment policy limits investments to those authorized by State statute. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

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

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

Concentration of Credit Risk - The Township places no limit on the amount it may invest in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2021:

<u>Investment</u>	<u>Percentage of Investments</u>
Negotiable Certificates of Deposit	18.71 %
United States Treasury Notes	7.61
Federal Farm Credit Bank Bond	<u>5.64</u>
Total	<u><u>31.96 %</u></u>

**Note 5 - Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

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*Notes to the Basic Financial Statements  
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2021 real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2021, was \$23.80 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2021 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$334,336,040
Commercial/Industrial	22,268,480
Public Utility Personal	<u>30,715,150</u>
Total Assessed Value	<u><u>\$387,319,670</u></u>

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

**Note 6 - Risk Management**

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

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

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

- General liability and casualty
- Public official's liability
- Cyber

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*Notes to the Basic Financial Statements  
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- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

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

	2021
Cash and Investments	\$34,880,599
Actuarial Liabilities	10,601,444

Medical

The Township provides a limited medical, surgical, prescription drug, and life insurance program for its employees through a public entity shared risk pool. The Center for Local Government Benefits Pool (Benefits Pool) contracts with Jefferson Health Plan, formerly known as Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA), for claims servicing (Note 11). Premiums are paid by the Township to the Benefits Pool. Jefferson Health Plan contracts with United Healthcare to service the claims of Benefits Pool members. The Benefits Pool covers claims up to \$150,000 per individual. Plan participants also participate in a shared risk internal pool for individual claims between \$150,000 and \$1,500,000. The Township also has a stop loss insurance policy through Jefferson Health Plan, which covers individual claims in excess of \$1,500,000 per employee per year for medical claims.

**Note 7 - Defined Benefit Pension Plan**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Plan Description - 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-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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

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detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.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 in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
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
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.



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When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

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	State and Local	Law Enforcement
<b>2021 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	18.1 %
Employee *	10.0 %	**
 <b>2021 Actual Contribution Rates</b>		
Employer:		
Pension ***	14.0 %	18.1 %
Post-employment Health Care Benefits ***	0.0	0.0
Total Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %

- \* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- \*\* This rate is determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- \*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2021, the Township's contractually required contribution was \$402,004 for the traditional plan, \$0 for the combined plan, and \$4,464 for the member-directed plan.

Plan Description - Ohio Police and Fire Pension Fund (OP&F)

Plan Description – Township full-time firefighters participate in 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 adjustments, 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 information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) 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.

**Pierce Township  
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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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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

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	Firefighters
<b>2021 Statutory Maximum Contribution Rates</b>	
Employer	24.00 %
Employee	12.25 %
 <b>2021 Actual Contribution Rates</b>	
Employer:	
Pension	23.50 %
Post-employment Health Care Benefits	0.50
Total Employer	24.00 %
 Employee	 12.25 %

The Township’s police officers do not contribute to OP&F, they contribute to the OPERS Law Enforcement pension.

Employer contribution rates are expressed as a percentage of covered payroll. The Township’s contractually required contribution to OP&F was \$352,537 for 2021.

Social Security

Some of the Township’s employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2021.

**Note 8 – Defined Benefit OPEB Plans**

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - 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 (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor

**Pierce Township  
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*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021*

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selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive Financial Report 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.

**Pierce Township  
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*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021*

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing 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, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contributions to OPERS was \$179 in for 2021.

#### Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care 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. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

**Pierce Township  
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*Notes to the Basic Financial Statements  
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A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: 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. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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 percent of covered payroll for fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent 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.

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 contribution to OP&F was \$7,501 for 2021.

**Pierce Township  
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*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021*

**Note 9 - Debt**

The changes in the Township's long-term obligations during 2021 were as follows:

Types / Issues	Balance 12/31/20	Issued	Retired	Balance 12/31/21	Due Within One Year
<u>Governmental Activities:</u>					
<u>General Long-Term Obligations</u>					
<u>From Direct Placement:</u>					
Ambulance Acquisition Loan - 2.30%	\$38,169	\$0	\$38,169	\$0	\$0
<u>Other Long-Term Obligations</u>					
Rescue Pumper Lease - 2.73%	294,429	0	45,827	248,602	47,079
Total - All General Long-Term Obligations	<u>\$332,598</u>	<u>\$0</u>	<u>\$83,996</u>	<u>\$248,602</u>	<u>\$47,079</u>

During 2015, the Township entered in to a direct placement loan agreement with Park National Bank for a \$190,849 loan to purchase an ambulance. The loan was issued at a 2.30 percent interest rate, with final maturity on February 14, 2021. The loan was paid from the Ambulance and Emergency Medical Services Fund.

During 2019, the Township entered into a loan agreement with the Ohio Public Works Commission (OPWC) for \$305,490. However, as of December 31, 2021, no disbursements have been made from the loan and there is no amortization schedule available.

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed an amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2021, were an overall debt margin of \$40,668,565 and an unvoted debt margin of \$213,026.

**Note 10 - Leases**

In prior years, the Township entered into capital lease purchase agreements for various pieces of equipment and vehicles. Total lease payments for 2021 included \$45,827 for principal and \$8,038 for interest.

Year Ending December 31,	<u>Pumper Lease</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$47,079	\$6,787
2023	48,364	5,502
2024	49,684	4,181
2025	51,041	2,825
2026	52,434	1,431
	<u>\$248,602</u>	<u>\$20,726</u>



**Pierce Township  
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*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021*

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**Note 11 - Shared Risk Pools**

**Ohio Township Association Risk Management Authority**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool. For more information on OTARMA, see Note 6.

**Center for Local Government Benefits Pool**

The Township is a member of the Center for Local Government Benefits Pool (Benefits Pool), a public entity shared risk pool. The Benefits Pool's primary purpose and objective is establishing and carrying out a cost effective cooperative health program for its member organizations. Each member is entitled to appoint one Director on the Board of Directors. Jefferson Health Plan serves as the fiscal agent for the Benefits Pool.

The Benefits Pool contracts with the Jefferson Health Plan, formerly known as the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA), a risk sharing, claims servicing, and insurance purchasing pool comprised of 75 members including two insurance consortiums. Each participant appoints a member of the insurance plan's assembly. The Benefits Pool's business and affairs are conducted by a nine member Board of Directors elected from the assembly. The Benefits Pool offers medical, dental, and prescription drug coverage to the members with the opportunity to choose from several different benefit plans. The Benefits Pool is responsible for claims up to \$150,000 per individual. Benefits Pool participants also participate in a shared risk internal pool for individual claims between \$150,000 and \$1,500,000, and all claims within this range are paid from the shared internal risk pool. For all individual claims exceeding \$1,500,000, stop loss coverage is purchased. All Benefits Pool participants also pay a monthly administrative fee for fiscal services and third party administrative services.

In the event that the Township would withdraw from the Benefits Pool, the Township would be required to give a 180-day notice prior to the end of their three year contract and be responsible for any current payments due as well as the Township's share of any reserve deficit of the Benefits Pool. To obtain information for the Benefits Pool, write to the fiscal agent, Jefferson Health Plan, 2023 Sunset Boulevard, Steubenville, Ohio 43952.

**Note 12 - Contingent Liabilities**

**Federal and State Grants**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding of any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Pierce Township  
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*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021*

Litigation

The Township is party to ongoing legal proceedings. The Township's management estimates that any potential damages resulting from the legal proceedings would not materially affect these financial statements.

**Note 13 - Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

Fund Balances	General Fund	Road and Bridge Fund	Police Fund	Fire Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>						
Unclaimed Monies	\$6,030	\$0	\$0	\$0	\$0	\$6,030
<u>Restricted for:</u>						
Capital Improvements	0	0	0	0	279,486	279,486
Public Works	0	0	0	0	976,088	976,088
Health	0	0	0	0	273,492	273,492
Public Safety	0	0	3,435,928	2,596,704	852,532	6,885,164
Conservation and Recreation	0	0	0	0	640,815	640,815
Other Purposes	0	0	0	0	1,419,442	1,419,442
<u>Total Restricted</u>	<u>0</u>	<u>0</u>	<u>3,435,928</u>	<u>2,596,704</u>	<u>4,441,855</u>	<u>10,474,487</u>
<u>Committed to:</u>						
Public Works	0	375,303	0	0	0	375,303
<u>Assigned to:</u>						
Future Appropriations	155,119	0	0	0	0	155,119
Purchases on Order	11,396	0	0	0	0	11,396
Park Improvements	0	0	0	0	18,628	18,628
<u>Total Assigned</u>	<u>166,515</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,628</u>	<u>185,143</u>
<u>Unassigned:</u>	<u>1,722,097</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,722,097</u>
<u>Total Fund Balances</u>	<u>\$1,894,642</u>	<u>\$375,303</u>	<u>\$3,435,928</u>	<u>\$2,596,704</u>	<u>\$4,460,483</u>	<u>\$12,763,060</u>

**Pierce Township**  
**Clermont County**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 14 – Significant Commitments**

**Encumbrances**

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrances accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	\$11,396
Road and Bridge Fund	5,806
Police Fund	22,502
Fire Fund	30,086
Nonmajor Governmental Funds	173,465
Total	<u><u>\$243,255</u></u>

**Note 15 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or State, cannot be estimated.

**Pierce Township**  
**Clermont County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2020*

	Governmental Activities
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$12,536,988
<b>Net Position:</b>	
Restricted for:	
Unclaimed Monies	\$6,030
Capital Projects	262,134
Public Works	1,085,609
Health	401,919
Public Safety	6,825,745
Conservation and Recreation	12,254
Other Purposes	1,488,733
Unrestricted	2,454,564
<i>Total Net Position</i>	\$12,536,988

See Accompanying Notes to the Basic Financial Statements

**Pierce Township  
Clermont County**  
*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2020*

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Change in Net Position
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants	Total Governmental Activities
<b>Governmental Activities:</b>					
General Government	\$1,087,326	\$128,060	\$0	\$0	(\$959,266)
Public Safety	5,230,565	348,801	484,698	0	(4,397,066)
Public Works	1,888,933	141,165	522,606	0	(1,225,162)
Health	138,085	157,460	0	0	19,375
Conservation and Recreation	67,930	0	9,723	0	(58,207)
Other	315,714	0	507,922	0	192,208
Capital Outlay	719,473	0	0	454,885	(264,588)
Debt Service:					
Principal Retirement	82,780	0	0	0	(82,780)
Interest and Fiscal Charges	11,157	0	0	0	(11,157)
<i>Total Governmental Activities</i>	<u>\$9,541,963</u>	<u>\$775,486</u>	<u>\$1,524,949</u>	<u>\$454,885</u>	<u>(6,786,643)</u>
 <b>General Receipts:</b>					
Property Taxes Levied for:					
General Purposes					
					291,846
Public Safety					
					4,240,098
Public Works					
					1,211,718
Interest					
					100,295
Grants and Entitlements not Restricted					
					127,464
Cable Franchise Fees					
					103,389
Payment in Lieu of Taxes					
					336,573
Miscellaneous					
					466,331
<i>Total General Receipts</i>					
					<u>6,877,714</u>
 <i>Change in Net Position</i>					
					91,071
 <i>Net Position at Beginning of Year</i>					
					12,445,917
<i>Net Position at End of Year</i>					
					<u>\$12,536,988</u>

See Accompanying Notes to the Basic Financial Statements

**Pierce Township**  
**Clermont County**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*December 31, 2020*

	General Fund	Road and Bridge Fund	Police Fund
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,864,899	\$544,441	\$3,694,041
Restricted Equity in Pooled Cash and Cash Equivalents	6,030	0	0
<b>Total Assets</b>	<u>\$1,870,929</u>	<u>\$544,441</u>	<u>\$3,694,041</u>
<b>Fund Balances:</b>			
Nonspendable	\$6,030	\$0	\$0
Restricted	0	0	3,694,041
Committed	0	544,441	0
Assigned	403,457	0	0
Unassigned	1,461,442	0	0
<b>Total Fund Balances</b>	<u>\$1,870,929</u>	<u>\$544,441</u>	<u>\$3,694,041</u>

See Accompanying Notes to the Basic Financial Statements

Fire Fund	Wal-mart TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$2,345,652	\$1,392,229	\$2,689,696	\$12,530,958
0	0	0	6,030
<u>\$2,345,652</u>	<u>\$1,392,229</u>	<u>\$2,689,696</u>	<u>\$12,536,988</u>
\$0	\$0	\$0	\$6,030
2,345,652	1,392,229	2,644,472	10,076,394
0	0	0	544,441
0	0	45,224	448,681
0	0	0	1,461,442
<u>\$2,345,652</u>	<u>\$1,392,229</u>	<u>\$2,689,696</u>	<u>\$12,536,988</u>

**Pierce Township  
Clermont County**

*Statement of Receipts, Disbursements, and Changes in Fund Balances - Cash Basis  
Governmental Funds  
For the Year Ended December 31, 2020*

	General Fund	Road and Bridge Fund	Police Fund
<b>Receipts:</b>			
Property Taxes	\$291,846	\$561,727	\$1,827,823
Interest	100,108	0	0
Intergovernmental	116,886	78,030	229,294
Special Assessments	0	0	0
Charges for Services	0	0	0
Licenses, Permits, and Fees	137,383	0	0
Fines, Forfeitures, and Penalties	0	0	1,880
Payment in Lieu of Taxes	0	0	0
Gifts and Donations	0	0	0
Rent	94,066	0	0
Miscellaneous	90,402	99,777	66,479
<i>Total Receipts</i>	<u>830,691</u>	<u>739,534</u>	<u>2,125,476</u>
<b>Disbursements:</b>			
Current:			
General Government	619,691	31,778	89,266
Public Safety	0	0	2,297,349
Public Works	8,868	633,089	0
Health	56,947	0	0
Conservation and Recreation	66,012	0	0
Other	0	0	0
Capital Outlay	99,961	13,000	42,978
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Disbursements</i>	<u>851,479</u>	<u>677,867</u>	<u>2,429,593</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(20,788)</u>	<u>61,667</u>	<u>(304,117)</u>
<b>Other Financing Sources (Uses):</b>			
Advances In	269,500	0	0
Advances Out	(269,500)	0	0
Transfers In	252,891	0	0
Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>252,891</u>	<u>0</u>	<u>0</u>
<i>Net Changes in Fund Balances</i>	232,103	61,667	(304,117)
<i>Fund Balances at Beginning of Year</i>	1,638,826	482,774	3,998,158
<i>Fund Balances at End of Year</i>	<u>\$1,870,929</u>	<u>\$544,441</u>	<u>\$3,694,041</u>

See Accompanying Notes to the Basic Financial Statements



Fire Fund	Wal-mart TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$2,412,275	\$0	\$649,991	\$5,743,662
0	0	4,920	105,028
246,117	0	1,146,189	1,816,516
0	0	141,165	141,165
78,440	0	341,172	419,612
0	0	83,085	220,468
0	0	1,684	3,564
0	175,820	160,753	336,573
0	0	286,049	286,049
0	0	0	94,066
68,228	0	141,445	466,331
<u>2,805,060</u>	<u>175,820</u>	<u>2,956,453</u>	<u>9,633,034</u>
48,349	91,163	207,079	1,087,326
2,610,025	0	323,191	5,230,565
0	0	1,246,976	1,888,933
0	0	81,138	138,085
0	0	1,918	67,930
0	0	315,714	315,714
27,850	0	535,684	719,473
44,610	0	38,170	82,780
9,255	0	1,902	11,157
<u>2,740,089</u>	<u>91,163</u>	<u>2,751,772</u>	<u>9,541,963</u>
<u>64,971</u>	<u>84,657</u>	<u>204,681</u>	<u>91,071</u>
0	0	269,500	539,000
0	0	(269,500)	(539,000)
0	0	0	252,891
0	0	(252,891)	(252,891)
<u>0</u>	<u>0</u>	<u>(252,891)</u>	<u>0</u>
64,971	84,657	(48,210)	91,071
<u>2,280,681</u>	<u>1,307,572</u>	<u>2,737,906</u>	<u>12,445,917</u>
<u>\$2,345,652</u>	<u>\$1,392,229</u>	<u>\$2,689,696</u>	<u>\$12,536,988</u>

**Pierce Township  
Clermont County**

*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>		Actual	Variance With Final Budget Positive
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property Taxes	\$295,568	\$291,846	\$291,846	\$0
Interest	39,633	89,690	100,108	10,418
Intergovernmental	46,276	104,721	116,886	12,165
Licenses, Permits, and Fees	54,391	123,085	137,383	14,298
Rent	37,242	84,277	94,066	9,789
Miscellaneous	35,791	80,994	90,402	9,408
<i>Total Receipts</i>	<u>508,901</u>	<u>774,613</u>	<u>830,691</u>	<u>56,078</u>
<b>Disbursements:</b>				
Current:				
General Government	615,385	778,723	670,156	108,567
Public Works	12,500	10,000	8,868	1,132
Health	60,000	60,000	56,947	3,053
Conservation and Recreation	64,300	81,353	66,047	15,306
Capital Outlay	278,318	242,059	148,991	93,068
<i>Total Disbursements</i>	<u>1,030,503</u>	<u>1,172,135</u>	<u>951,009</u>	<u>221,126</u>
<i>Excess of Receipts Under Disbursements</i>	<u>(521,602)</u>	<u>(397,522)</u>	<u>(120,318)</u>	<u>277,204</u>
<b>Other Financing Sources (Uses):</b>				
Advances In	106,697	241,452	269,500	28,048
Advances Out	0	(96,789)	(269,500)	(172,711)
Transfers In	100,122	226,572	252,891	26,319
<i>Total Other Financing Sources (Uses)</i>	<u>206,819</u>	<u>371,235</u>	<u>252,891</u>	<u>(118,344)</u>
<i>Net Change in Fund Balance</i>	(314,783)	(26,287)	132,573	158,860
<i>Fund Balance at Beginning of Year</i>	1,608,338	1,608,338	1,608,338	0
<i>Prior Year Encumbrances Appropriated</i>	30,488	30,488	30,488	0
<i>Fund Balance at End of Year</i>	<u>\$1,324,043</u>	<u>\$1,612,539</u>	<u>\$1,771,399</u>	<u>\$158,860</u>

See Accompanying Notes to the Basic Financial Statements

**Pierce Township  
Clermont County**

*Statement of Receipts, Disbursements, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Road and Bridge Special Revenue 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>	
<b>Receipts:</b>				
Property Taxes	\$671,191	\$561,727	\$561,727	\$0
Intergovernmental	43,285	61,518	78,030	16,512
Miscellaneous	55,348	78,663	99,777	21,114
<i>Total Receipts</i>	<u>769,824</u>	<u>701,908</u>	<u>739,534</u>	<u>37,626</u>
<b>Disbursements:</b>				
Current:				
General Government	35,257	36,552	31,842	4,710
Public Works	656,847	926,988	697,588	229,400
Capital Outlay	13,000	63,000	13,000	50,000
<i>Total Disbursements</i>	<u>705,104</u>	<u>1,026,540</u>	<u>742,430</u>	<u>284,110</u>
<i>Net Change in Fund Balance</i>	64,720	(324,632)	(2,896)	321,736
<i>Fund Balance at Beginning of Year</i>	442,879	442,879	442,879	0
<i>Prior Year Encumbrances Appropriated</i>	39,895	39,895	39,895	0
<i>Fund Balance at End of Year</i>	<u>\$547,494</u>	<u>\$158,142</u>	<u>\$479,878</u>	<u>\$321,736</u>

See Accompanying Notes to the Basic Financial Statements

**Pierce Township  
Clermont County**

*Statement of Receipts, Disbursements, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*

*Police Special Revenue Fund*

*For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property Taxes	\$1,845,797	\$1,827,823	\$1,827,823	\$0
Intergovernmental	194,121	201,717	229,294	27,577
Fines, Forfeitures, and Penalties	1,592	1,654	1,880	226
Miscellaneous	56,282	58,484	66,479	7,995
<i>Total Receipts</i>	<u>2,097,792</u>	<u>2,089,678</u>	<u>2,125,476</u>	<u>35,798</u>
<b>Disbursements:</b>				
Current:				
General Government	91,920	106,860	89,474	17,386
Public Safety	2,798,951	2,564,862	2,324,669	240,193
Capital Outlay	102,978	42,978	42,978	0
<i>Total Disbursements</i>	<u>2,993,849</u>	<u>2,714,700</u>	<u>2,457,121</u>	<u>257,579</u>
<i>Net Change in Fund Balance</i>	(896,057)	(625,022)	(331,645)	293,377
<i>Fund Balance at Beginning of Year</i>	3,947,667	3,947,667	3,947,667	0
<i>Prior Year Encumbrances Appropriated</i>	50,491	50,491	50,491	0
<i>Fund Balance at End of Year</i>	<u>\$3,102,101</u>	<u>\$3,373,136</u>	<u>\$3,666,513</u>	<u>\$293,377</u>

See Accompanying Notes to the Basic Financial Statements

**Pierce Township  
Clermont County**

*Statement of Receipts, Disbursements, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Fire Special Revenue 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>	
<b>Receipts:</b>				
Property Taxes	\$2,436,270	\$2,412,275	\$2,412,275	\$0
Intergovernmental	211,886	223,686	246,117	22,431
Charges for Services	67,530	71,291	78,440	7,149
Miscellaneous	58,739	62,010	68,228	6,218
<i>Total Receipts</i>	<u>2,774,425</u>	<u>2,769,262</u>	<u>2,805,060</u>	<u>35,798</u>
<b>Disbursements:</b>				
Current:				
General Government	55,050	52,596	48,400	4,196
Public Safety	1,698,210	2,755,328	2,659,507	95,821
Capital Outlay	80,250	307,591	262,090	45,501
<i>Total Disbursements</i>	<u>1,833,510</u>	<u>3,115,515</u>	<u>2,969,997</u>	<u>145,518</u>
<i>Net Change in Fund Balance</i>	940,915	(346,253)	(164,937)	181,316
<i>Fund Balance at Beginning of Year</i>	2,258,795	2,258,795	2,258,795	0
<i>Prior Year Encumbrances Appropriated</i>	21,886	21,886	21,886	0
<i>Fund Balance at End of Year</i>	<u>\$3,221,596</u>	<u>\$1,934,428</u>	<u>\$2,115,744</u>	<u>\$181,316</u>

See Accompanying Notes to the Basic Financial Statements

**Pierce Township  
Clermont County**

*Statement of Receipts, Disbursements, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*

*Wal-mart TIF Special Revenue Fund*

*For the Year Ended December 31, 2020*

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final		
<b>Receipts:</b>				
Payment in Lieu of Taxes	\$175,820	\$175,820	\$175,820	\$0
<b>Disbursements:</b>				
Current:				
General Government	108,475	113,475	91,163	22,312
<i>Net Change in Fund Balance</i>	67,345	62,345	84,657	22,312
<i>Fund Balance at Beginning of Year</i>	1,304,097	1,304,097	1,304,097	0
<i>Prior Year Encumbrances Appropriated</i>	3,475	3,475	3,475	0
<i>Fund Balance at End of Year</i>	<u>\$1,374,917</u>	<u>\$1,369,917</u>	<u>\$1,392,229</u>	<u>\$22,312</u>

See Accompanying Notes to the Basic Financial Statements

**Pierce Township  
Clermont County**

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

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**Note 1 - Reporting Entity**

Pierce Township, Clermont County, Ohio (the Township), is a body politic and corporate established in 1853 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Fiscal Officer.

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

**Primary Government**

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads, police protection, fire and emergency medical services protection, and cemetery maintenance. Also, the Township contracts with Village of New Richmond for additional fire and emergency medical services protection.

**Public Entity Risk Pools**

The Township participates in two public entity shared risk pools, the Ohio Township Association Risk Management Authority and the Center for Local Government Benefits Pool. Notes 7 and 12 to the financial statements provide additional information for these entities.

**Note 2 - Summary of Significant Accounting Policies**

These financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America. 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 cash basis of accounting.

**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. The statements distinguish usually between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed

**Pierce Township  
Clermont County**

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

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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. The Township, however, has no activities which are reported as business-type.

The Statement of Net Position presents the cash and investment balance, of the governmental activities of the Township at year-end. The Statement of Activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that 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 fund financial statements is on major funds, rather than reporting by fund type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants), and other nonexchange transactions as governmental funds. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Township's major governmental funds:

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

**Road and Bridge Fund:** This fund accounts for and reports all disbursements committed to roads, including improvements, paving, snow removal, salt/sand,



**Pierce Township  
Clermont County**

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

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gravel, blacktop, maintenance, payroll, supplies, purchases, fuel, vehicle equipment, and maintenance. This fund is also used for construction of new and future facilities.

**Police Fund:** This fund accounts for and reports proceeds from property taxes restricted for police department operations and protection services.

**Fire Fund:** This fund accounts for and reports proceeds from property taxes restricted for fire department and life squad protection and emergency services.

**Wal-mart TIF Fund:** This fund accounts for and reports proceeds from payments in lieu of taxes and payments to the school district.

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

#### Basis of Accounting

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

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

#### Budgetary Process

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

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the 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

**Pierce Township  
Clermont County**

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

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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 Trustees.

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

Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through the Township's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as 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 STAR Ohio, a Money Market Mutual Fund, Negotiable Certificates of Deposit, a Federal Farm Credit Bank Bond, and a Federal National Mortgage Association Bond. The Township's Money Market Mutual Fund investment is recorded at the amount reported by US Bank on December 31, 2020. The Negotiable Certificates of Deposit, Federal Farm Credit Bank Bond, Federal Home Loan Mortgage Corporation Note and Federal National Mortgage Association Bond investments are reported at cost.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Township measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio

**Pierce Township  
Clermont County**

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

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reserves the right to limit the transaction to \$100 million per day, 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.

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 \$100,108, which includes \$84,443 assigned from other Township funds.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the Township are reported as restricted.

Inventory and Prepaid Items

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

Capital Assets

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

Interfund Receivables/Payables

The Township reports advances in and advances out for interfund notes. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other post-employment benefits (OPEB).

**Pierce Township  
Clermont County**

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

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Long-Term Obligations

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

Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for two Tax Increment Financing (TIFs) agreements. Both TIFs were drafted with specific purposes for the anticipated revenue.

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.

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 are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

**Restricted** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; 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 formal action (resolution) of Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates

**Pierce Township  
Clermont County**

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

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contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Road and Bridge fund only receives inside millage for property tax revenue; therefore, the fund balance is committed.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute. State Statute authorizes the Township Clerk to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Township Trustees assigned a portion of the nonmajor governmental fund balance for park improvements by resolution. The fiscal officer assigned fund balance to cover a gap between estimated resources and appropriations in the 2021 appropriated budget.

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

The Township applies restricted resources first when 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.

Internal Activity

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

**Note 3 - 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 (Budget Basis) presented for the General, Road and Bridge, Police, Fire, and Wal-mart TIF 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 cash basis are outstanding year-end encumbrances, which are treated as cash disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance (cash basis).

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Net Change in Fund Balance

	General Fund	Road and Bridge Fund	Police Fund	Fire Fund	Wal-mart TIF Fund
Cash Basis	\$232,103	\$61,667	(\$304,117)	\$64,971	\$84,657
Encumbrances	(99,530)	(64,563)	(27,528)	(229,908)	0
Budget Basis	\$132,573	(\$2,896)	(\$331,645)	(\$164,937)	\$84,657

**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 withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions 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.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal

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

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National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

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 clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

The fair value of these investments is not materially different than the measurement value. As of December 31, 2020, the Township had the following investments:

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	Measurement	
	Value	Maturity
STAR Ohio	\$3,642,572	Less than one year
First American Money Market Mutual Fund	208,208	Less than one year
Negotiable Certificates of Deposit	1,917,844	Less than five years
Federal Farm Credit Bank Bond	204,930	Less than two years
Federal National Mortgage Association Bond	283,786	Less than four years
Total Investments	\$6,257,340	

Interest Rate Risk - Interest rate risk arises because the fair value of investments changes as interest rates change. The Township’s investment policy follows State statute, which requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk – STAR Ohio carries a rating of AAAM by Standard and Poor’s. The money market mutual fund carries a rating of AAAM by Standard and Poor’s. The Township’s investment policy limits investments to those authorized by State statute. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

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

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

Concentration of Credit Risk - The Township places no limit on the amount it may invest in any one issuer. The following investments represent five percent or more of total investments as of December 31, 2020:

Investment	Percentage of Investments
Negotiable Certificates of Deposit	30.65 %



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

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**Note 5 - Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Township. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes are levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

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

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all Township operations for the year ended December 31, 2020, was \$23.80 per \$1,000 of assessed value. The assessed values of real and personal property upon which 2020 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$333,608,120
Commercial/Industrial	23,310,540
Public Utility Personal	<u>26,905,080</u>
Total Assessed Value	<u>\$383,823,740</u>

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

**Note 6 – Interfund Transfers**

**Transfers**

During 2020, a transfer was made from a nonmajor governmental fund to the General Fund in the amount of \$252,891 to close a defunct fund.

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

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**Note 7 - Risk Management**

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

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

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

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$ 10,894,146

**Medical**

The Township provides a limited medical, surgical, prescription drug, and life insurance program for its employees through a public entity shared risk pool. The Center for Local Government Benefits Pool (Benefits Pool) contracts with Jefferson Health Plan, formerly known as Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA), for claims servicing (Note 12). Premiums are paid by the Township to the Benefits Pool. Jefferson Health Plan contracts with United Healthcare to service the claims of Benefits Pool members. The Benefits Pool covers claims up to \$150,000 per individual. Plan participants also participate in a shared risk internal pool for individual claims between \$150,000 and \$1,500,000. The Township also has a stop loss insurance policy through Jefferson Health Plan, which covers individual claims in excess of \$1,500,000 per employee per year for medical claims.

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

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**Note 8 - Defined Benefit Pension Plan**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

**Plan Description - 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-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.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 in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
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
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus

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*Notes to the Basic Financial Statements  
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the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

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

- \* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- \*\* This rate is determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- \*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2020, the Township's contractually required contribution was \$374,737 for the traditional plan, \$0 for the combined plan and \$4,464 for the member-directed plan.

Plan Description - Ohio Police and Fire Pension Fund (OP&F)

Plan Description – Township full-time firefighters participate in 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 adjustments, 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 information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) 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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Comprehensive Annual Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

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 three percent or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30<sup>th</sup> 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 percent of their base pension or disability benefit.

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

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

The Township’s police officers do not contribute to OP&F, they contribute to the OPERS Law Enforcement pension.

Employer contribution rates are expressed as a percentage of covered payroll. The Township’s contractually required contribution to OP&F was \$333,974 for 2020.

**Social Security**

Some of the Township’s employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2020.

**Note 9 – Defined Benefit OPEB Plans**

**Plan Description - Ohio Public Employees Retirement System (OPERS)**

Plan Description - 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 postemployment 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

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member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, 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 with a minimum age of 60, or generally 30 years of qualifying service at any age. 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 Comprehensive Annual Financial Report 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.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing 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, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan

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 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township's contractually required contribution was \$0 for 2020.



**Pierce Township  
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Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care 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. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental 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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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 percent of covered payroll for fire employer units. The Ohio Revised Code states that the employer contribution may not exceed 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent 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.

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.

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The Township’s contractually required contribution to OP&F was \$7,106 for 2020.

**Note 10 - Debt**

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

Types / Issues	Balance 12/31/19	Issued	Retired	Balance 12/31/20	Due Within One Year
<u>Governmental Activities:</u>					
<u>General Long-Term Obligations</u>					
<u>From Direct Placement:</u>					
Ambulance Acquisition Loan - 2.30%	\$76,339	\$0	\$38,170	\$38,169	\$38,169
<u>Other Long-Term Obligations</u>					
Rescue Pumper Lease - 2.73%	339,039	0	44,610	294,429	45,827
Total - All General Long-Term Obligations	\$415,378	\$0	\$82,780	\$332,598	\$83,996

During 2015, the Township entered in to a direct placement loan agreement with Park National Bank for a \$190,849 loan to purchase an ambulance. The loan was issued at a 2.30 percent interest rate, with final maturity on February 14, 2021. The loan will be paid from the Ambulance and Emergency Medical Services Fund.

During 2019, the Township entered into a loan agreement with the Ohio Public Works Commission (OPWC) for \$305,490. However, as of December 31, 2020, no disbursements have been made from the loan and there is no amortization schedule available.

The following is a summary of the Township’s future annual debt service requirements:

Year Ending December 31,	Direct Placement Ambulance Loan	
	Principal	Interest
2021	\$38,169	\$880

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed an amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2020, were an overall debt margin of \$40,263,324 and an unvoted debt margin of \$211,103.

**Note 11 - Leases**

In prior years, the Township entered into capital lease purchase agreements for various pieces of equipment and vehicles. Total lease payments for 2020 included \$44,610 for principal and \$9,256 for interest.

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Year Ending December 31,	Pumper Lease	
	Principal	Interest
2021	\$45,827	\$8,038
2022	47,079	6,787
2023	48,364	5,502
2024	49,684	4,181
2025	51,041	2,825
2026	52,434	1,431
Total	\$294,429	\$28,764

**Note 12 - Shared Risk Pools**

Ohio Township Association Risk Management Authority

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool. For more information on OTARMA, see Note 7.

Center for Local Government Benefits Pool

The Township is a member of the Center for Local Government Benefits Pool (Benefits Pool), a public entity shared risk pool. The Benefits Pool's primary purpose and objective is establishing and carrying out a cost effective cooperative health program for its member organizations. Each member is entitled to appoint one Director on the Board of Directors. Jefferson Health Plan serves as the fiscal agent for the Benefits Pool.

The Benefits Pool contracts with the Jefferson Health Plan, formerly known as the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA), a risk sharing, claims servicing, and insurance purchasing pool comprised of 75 members including two insurance consortiums. Each participant appoints a member of the insurance plan's assembly. The Benefits Pool's business and affairs are conducted by a nine member Board of Directors elected from the assembly. The Benefits Pool offers medical, dental, and prescription drug coverage to the members with the opportunity to choose from several different benefit plans. The Benefits Pool is responsible for claims up to \$150,000 per individual. Benefits Pool participants also participate in a shared risk internal pool for individual claims between \$150,000 and \$1,500,000, and all claims within this range are paid from the shared internal risk pool. For all individual claims exceeding \$1,500,000, stop loss coverage is purchased. All Benefits Pool participants also pay a monthly administrative fee for fiscal services and third party administrative services.

In the event that the Township would withdraw from the Benefits Pool, the Township would be required to give a 180-day notice prior to the end of their three year contract and be responsible for any current payments due as well as the Township's share of any reserve deficit of the Benefits Pool. To obtain information for the Benefits Pool, write to the fiscal agent, Jefferson Health Plan, 2023 Sunset Boulevard, Steubenville, Ohio 43952.

**Pierce Township  
Clermont County**

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

**Note 13 - Contingent Liabilities**

Federal and State Grants

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding of any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Litigation

The Township is party to ongoing legal proceedings. The Township's management estimates that any potential damages resulting from the legal proceedings would not materially affect these financial statements.

**Note 14 - Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

<u>Fund Balances</u>	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>
<u>Nonspendable:</u>				
Unclaimed Monies	\$6,030	\$0	\$0	\$0
<u>Restricted for:</u>				
Public Safety	0	0	3,694,041	2,345,652
<u>Committed to:</u>				
Public Works	0	544,441	0	0
<u>Assigned to:</u>				
Future Appropriations	303,927	0	0	0
Purchases on Order	99,530	0	0	0
<i>Total Assigned</i>	<u>403,457</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Unassigned:</u>	<u>1,461,442</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Balances</b>	<b><u><u>\$1,870,929</u></u></b>	<b><u><u>\$544,441</u></u></b>	<b><u><u>\$3,694,041</u></u></b>	<b><u><u>\$2,345,652</u></u></b>

**Pierce Township  
Clermont County**

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

Fund Balances	Wal-mart TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>			
Unclaimed Monies	\$0	\$0	\$6,030
<u>Restricted for:</u>			
Capital Improvements	0	262,134	262,134
Public Works	0	1,085,609	1,085,609
Health	0	401,919	401,919
Public Safety	0	786,052	6,825,745
Conservation and Recreation	0	12,254	12,254
Other Purposes	1,392,229	96,504	1,488,733
<i>Total Restricted</i>	<u>1,392,229</u>	<u>2,644,472</u>	<u>10,076,394</u>
<u>Committed to:</u>			
Public Works	0	0	544,441
<u>Assigned to:</u>			
Future Appropriations	0	0	303,927
Purchases on Order	0	0	99,530
Park Improvements	0	45,224	45,224
<i>Total Assigned</i>	<u>0</u>	<u>45,224</u>	<u>448,681</u>
<u>Unassigned:</u>	<u>0</u>	<u>0</u>	<u>1,461,442</u>
Total Fund Balances	<u>\$1,392,229</u>	<u>\$2,689,696</u>	<u>\$12,536,988</u>

**Note 15 – Significant Commitments**

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrances accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	\$99,530
Road and Bridge Fund	64,563
Police Fund	27,528
Fire Fund	229,908
Nonmajor Governmental Funds	188,955
Total	<u>\$610,484</u>

**Pierce Township  
Clermont County**

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

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**Note 16 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The \$315,714 in other expenses in the Coronavirus Relief nonmajor special revenue fund were used to purchase services, supplies, and equipment for various Township departments.

The Township received approximately \$1,000 in donated personal protective equipment (PPE) in response to the COVID-19 pandemic.

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

Pierce Township  
Clermont County  
950 Locust Corner Road  
Cincinnati, Ohio 45245

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements of Pierce Township, Clermont County, (the Township) and have issued our report thereon dated November 5, 2022, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

November 5, 2022



**PIERCE TOWNSHIP  
CLERMONT COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2021 AND 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Ohio Revised Code Section 5705.39	Corrected	N/A
2019-002	Ohio Revised Code Section 5705.41(D)	Partially Corrected	Moved to Management Letter

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# OHIO AUDITOR OF STATE KEITH FABER



**PIERCE TOWNSHIP**

**CLERMONT 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 12/22/2022**

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](http://www.ohioauditor.gov)